

ATTACHMENT A

Resolutions and supporting statements

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 Free, Prior and Informed Consent

Shareholders request that:

1. the Board commission a comprehensive review of whether Free, Prior and Informed Consent (FPIC) of Aboriginal Traditional Owners and communities who may be affected by our company's intended operations has been established in relation to any petroleum exploration permits our company has obtained in the Northern Territory (FPIC Review); and
2. the Board prepare (at reasonable cost and omitting confidential information) a report describing the completed FPIC Review, to be made available to shareholders on the company website prior to any further exploration activity taking place.

Resolution 3 - Ordinary resolution on interim emissions targets

Shareholders request that:

1. our company set and publish interim targets that are aligned with the goal of the Paris Climate Agreement to limit global warming to well below 2°C;
2. these targets be based on objectives over the next decade which are quantitative and reviewed regularly, and include:
 - a. the greenhouse gas (GHG) emissions of our company's operations (Scope 1 and 2); and
 - b. the GHG emissions from the use of products sold by our company (Scope 3); and
3. our company's annual reporting include information about plans and progress to achieve these targets.

Resolution 4 - Ordinary resolution on public policy advocacy on climate change and energy by Relevant Industry Associations

Shareholders request that:

1. the Board commission a comprehensive review of our company's positions, oversight and processes related to direct and indirect public policy advocacy (Lobbying Review), including through industry associations of which our company is a member or at which our company is formally represented (Relevant Industry Associations), on energy and climate change, covering the period 2012 to the present day.

We request that the Lobbying Review:

- a) for each Relevant Industry Association, disclose the proportion of that Association's revenue contributed by our company;
- b) evaluate whether advocacy positions* taken by Relevant Industry Associations, in respect of Australian climate and energy policy serve our company's policy and financial interests;
- c) evaluate whether advocacy positions* taken by Relevant Industry Associations are consistent with our company's pledge of support for the Paris Agreement as a global framework for reducing emissions; and
- d) detail proposed actions to be taken as a result of the Review.

*Given that 'advocacy positions' by Relevant Industry Associations are not always taken in written form, we request that the Lobbying Review include, as evidence of such advocacy positions, credible media reporting.

2. the Board prepare (at reasonable cost and omitting confidential information) a report describing the completed Lobbying Review, to be made available to shareholders on the company website within six months of the AGM at which this proposal is discussed.
3. the Board determine, and disclose to shareholders, the criteria by reference to which the company would discontinue membership of a Relevant Industry Association, in circumstances where the company's interests in respect of energy and climate policy are not promoted by that Association.

Supporting statement to resolution 1 (548 words including footnotes)

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions other than Australia.

The Constitution of our company is not conducive to the right of shareholders to place ordinary resolutions on the agenda of an 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.¹ However, section 198A specifically provides that management powers in a company reside with the Board.²

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.³

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.

¹ sections 249D and 249N of the *Corporations Act 2001* (Cth)

² 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."

³ *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 (946 words including footnotes)

Overview

The principle of free, prior and informed consent (FPIC) is recognised in international law, and “represents the highest standard possible for the involvement of Indigenous Peoples in decision-making processes about large extractive projects.”⁴ **Respect for FPIC is recognised as central to discharging the corporate responsibility to respect human rights under the UN Guiding Principles on Business and Human Rights (UNGPs), where companies interact with Indigenous Peoples.** Under principle 13(a) of the UNGPs, companies must “avoid causing or contributing to adverse human rights impacts in their own activities.” This responsibility “exists over and above compliance with national laws and regulations protecting human rights” - that is, where local laws are inadequate, it is incumbent upon companies to look to international standards.⁵

We commend our company’s statement that “our activities will be guided by” the 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.

The Australasian Centre for Corporate Responsibility (ACCR) favours policies and practices that protect the long term value of our investments. **Where companies in which we invest interact with Indigenous Peoples, obtaining genuine FPIC is an important measure in protecting shareholder value.** In support of this position, we note the following:

- Globally speaking, “[i]n the last decade, the time taken to bring oil projects online has doubled, with 73% of delays due to non-technical problems – including resistance from Indigenous stakeholders.”⁸
- Denouncements by Indigenous peoples of corporate non-compliance with UNDRIP before enacting projects on their land have increased in recent times⁹. According to Hermes Investment Management, ¹⁰ “[s]uch tumult has prompted investors to engage with companies about FPIC.”
- Our company frequently states its commitment to consent, which is commendable, however, we emphasise that **a commitment to consent does not necessarily deliver consent**, and that “[d]espite good intentions, good laws and progressive human rights instruments, there [may still remain] a gap between words and actions.”¹¹

FPIC and risk concerns

- Our company holds petroleum exploration permits on Aboriginal land in the Northern Territory (NT). We plan to undertake exploration and, ultimately, hydraulic fracturing (fracking) activities on that land.

⁴ See <https://www.oxfam.org.au/what-we-do/mining/free-prior-and-informed-consent/>

⁵ UNGPs, commentary to principle 11

⁶ Origin Energy Human Rights Policy <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 Tim Goodman, Hermes investment management, 29 January 2018, available at <https://www.hermes-investment.com/au/blog/perspective/companies-indigenous-peoples-collide/> citing Investors and indigenous people: Bridging cultures and reducing risk,” published by First People Worldwide as at November 2015

⁹ Free Prior and Informed Consent: An indigenous peoples’ right and a good practice for local communities,” published by the Food and Agriculture Organisation of the United Nations as at December 2016

¹⁰ Tim Goodman, Hermes investment management, 29 January 2018, available at <https://www.hermes-investment.com/au/blog/perspective/companies-indigenous-peoples-collide/>

¹¹ Statement by the Chair of the UN Permanent Forum on Indigenous Issue (UNPFII) on the 10th Anniversary of the UNDRIP,” published by the UN as at September 2017

- A review of publicly available information about consent processes in place in the NT¹², including the findings of the Hawke¹³ and Pepper¹⁴ inquiries, raises the concerning prospect that some if not all petroleum exploration permits in the NT have been issued in the absence of FPIC. **This poses significant risks to our company.**
- Concerns in relation to FPIC centre around the immense power imbalance between companies such as ours and Aboriginal Traditional Owners, and the lack of appropriate information provided to Aboriginal Traditional Owners in language. Furthermore, the Pepper Review has occasioned a mass leap forward in understandings about fracking – which suggests that new information must be provided to communities for informed consent to be said to have occurred.
- This is an emerging issue and preliminary discussions with civil society organisations have revealed that community attention on fracking in the NT will increase.¹⁵ If it becomes clear that FPIC is not present, our company can expect escalating community concern, which may translate into significant campaigning and protest action. Given our company’s consumer profile it is important to protect its brand against potential risks of this kind.
- Hermes Investment Management recommends that, “Until FPIC has been obtained, a project should not commence. Even during a project’s life-cycle consent can be withdrawn and amended. It is therefore vital that projects not only deliver on what has been agreed but that dialogue and consultation continues between the [I]ndigenous peoples affected by any project and the project developers and owners.”¹⁶

Recommended approach

- **The NT is a complex environment for obtaining FPIC and our company should exercise caution.**
- This resolution is urgent given the lifting of the moratorium on fracking in the NT in April of this year, and the subsequent announcement by our company of its intention to “resume work as soon as practical”, and its “plans to drill and fracture stimulate a further five wells to complete existing exploration permit commitments put in place prior to the moratorium being introduced in September 2016.”¹⁷
- If the FPIC Review requested concludes that FPIC has not been clearly established, our company should take active steps to ensure that Aboriginal Traditional Owners and communities are afforded FPIC, by engaging in new consultation processes that comply with FPIC before any further exploration or production activity takes place.

ACCR urges shareholders to vote for this proposal.

¹² This review has included the findings of the Hawke Inquiry, the Pepper Inquiry, submissions to those inquiries, and credible media reporting

¹³ 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

¹⁴ Scientific Inquiry into Hydraulic Fracturing of Onshore Unconventional Reservoirs in the Northern Territory, 2018, see <https://frackinginquiry.nt.gov.au/>

¹⁵ See, for example <https://www.theguardian.com/environment/2018/jun/18/not-safe-not-wanted-is-the-end-of-nt-fracking-ban-a-taste-of-things-to-come>

¹⁶ Tim Goodman, Hermes investment management, 29 January 2018, available at <https://www.hermes-investment.com/au/blog/perspective/companies-indigenous-peoples-collide/>

¹⁷ <https://www.originenergy.com.au/about/investors-media/media-centre/origin-to-resume-beetaloo-exploration-in-nt.html>

Supporting statement to resolution 3 (962 words incl footnotes)

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

In December 2017, our company committed to “a company-wide 50% reduction in absolute scope 1 and 2 carbon emissions by 2032” (on 2017 levels)¹⁸. Our company also committed to “a 25% reduction in value chain Scope 3 emissions on 2017 levels over the same period”¹⁹. These targets were endorsed by the international Science Based Targets initiative (SBTi)²⁰.

Yet neither our company nor the SBTi have disclosed the underlying assumptions or modelling upon which this endorsement was made. This is concerning given our company’s recent emissions performance:

- In FY2018, our company’s operated Scope 1 & 2 emissions increased 6% to 20,079 ktCO₂-e due to “a full year’s contribution from APLNG Train Two and increased output from the Eraring black coal-fired power station”²¹;
- Our company’s operated Scope 1 & 2 emissions have increased 45% in the five years from FY2013 to FY2018 (13,865 to 20,079 ktCO₂-e);
- The increased output from Eraring is expected to account for approximately 2,000 additional ktCO₂-e in FY2018;
- Given our company’s science-based target uses a FY2017 baseline, the cumulative impact of operating Eraring at this level every year until 2032 would be the equivalent of keeping it open for an additional two years.

Our company has set a target of renewables comprising more than 25% of our generation mix by 2020, up from approximately 10% in 2017²². Despite this target, our company’s greenhouse gas emissions intensity worsened between FY2013 and FY2017 (0.74 to 0.78 tonnes CO₂-e/MWh).

Our company’s commitment to a 25% reduction in Scope 3 emissions does not include the emissions from LNG exports (Category 11). Our company has narrowly defined its Scope 3 emissions as those resulting from “gas purchases and electricity derived from the pool”²³, and reported just 18ktCO₂-e of Scope 3 emissions in FY2017. It is likely that due to the broader decarbonisation of the electricity sector, this target will be met without the need for action²⁴.

Regulatory risk

- Despite the Australian government’s currently unambitious emissions reduction target (of 26-28% by 2030), the Paris Agreement demands that our Nationally Determined Commitment (NDC) be ratcheted up over time.
- It is widely accepted that a greater proportion of emissions reductions must be borne by the electricity sector. In 2017, the CSIRO modelled four scenarios in which the electricity sector could reduce

¹⁸Origin Energy, ASX/Media Release, 14 December 2017

¹⁹ibid.

²⁰ibid.

²¹Origin Energy, Financial Statements 30 June 2018

²²Origin Energy, ‘Resilience of Origin’s Generation Portfolio to a Low Carbon Economy’, October 2017

²³Origin Energy, ASX/Media Release, 14 December 2017

²⁴Finkel et al, Independent Review into the Future Security of the National Electricity Market, June 2017

emissions by between 52-70% by 2030²⁵. In the absence of an interim emissions reduction target on its Scope 1 & 2 emissions, our company's contribution to any of these scenarios, and Australia's Paris Agreement commitments is insufficient.

- Our company has a 70% interest in exploration permits over 18,500km² in the Beetaloo Basin. In February this year, 31 climate scientists signed an open letter to the Scientific Inquiry into Hydraulic Fracturing in the NT, stating that "the development of onshore shale gas and shale oil fields in the Northern Territory should not go ahead under any circumstances"²⁶. The inquiry found that the development of a single onshore shale gas field would increase Australia's GHG emissions by 5%²⁷. Such an increase in emissions would be incompatible with Australia's commitments under the Paris Agreement. In the interests of its own commitments, our company should set targets for the use of product sold (Scope 3, Category 11).
- It is expected that in the years ahead, our company will come under increasing regulatory and political pressure to reduce emissions over the medium term. Given that a federal election is due to be held in Australia within the next year, clarity about our company's interim emissions reductions targets would give shareholders greater comfort that our company is prepared for a shifting regulatory landscape.

Increased scrutiny

- Earlier this year, our company was included in the Climate Action 100+, a global, institutional investor-led initiative to "drive the clean energy transition and help achieve the goals of the Paris Agreement"²⁸. Our company's inclusion in this initiative will subject its emissions performance to greater scrutiny, particularly if our company fails to reduce its emissions over the medium term.
- In July 2018, the Transition Pathway Initiative (TPI) found that the emissions intensity of our company's electricity generation is "not aligned" with limiting global warming to 2°C²⁹. Our company compares unfavourably to its global peers in TPI's analysis.
- Furthermore, based on the TPI's benchmarks for emissions intensity that are consistent with the Paris Agreement, our company will not be aligned in 2030, and may not be aligned even after Eraring is closed in 2032. Put simply our company's existing targets are not ambitious enough to meet the aims of the Paris Agreement.

We emphasise our support for our company's long-term goal of net zero emissions from the electricity sector by 2050³⁰. As we approach the critical decade for climate action, we urge our company to set substantive, interim targets to reduce its carbon emissions in order to deliver on its commitment to meet the aims of the Paris Agreement.

ACCR urges shareholders to vote for this proposal.

²⁵CSIRO, Low Emissions Technology Roadmap, June 2017

²⁶<http://www.tai.org.au/content/open-letter-scientific-inquiry-hydraulic-fracturing-northern-territory-and-northern>

²⁷ibid.

²⁸<http://www.climateaction100.org/>

²⁹Transition Pathway Initiative, 'The state of transition in the coal mining, electricity and oil and gas sectors: TPI's latest assessment', July 2018

³⁰Origin Energy, 'Resilience of Origin's Generation Portfolio to a Low Carbon Economy', October 2017

Supporting statement to resolution 4 (986 words incl footnotes)

As a shareholder, the Australasian Centre for Corporate Responsibility (ACCR) favours policies and practices that protect and enhance the value of our investments.

The last decade of Australian climate and energy policy has been characterised by short-lived policy subject to relentless scrutiny and adversarial campaigning by industry bodies.

Accordingly, we urge companies in the mining and energy sector to review their relationships with industry bodies that act as obstacles to the effective uptake of national and global climate and energy frameworks aimed at limiting global warming to 2°C.

In its 2017 climate change submission to the CDP, our company identified just four industry associations that “are likely to take a position on climate change legislation”: the Australian Energy Council, the Australian Industry Greenhouse Network, the Australian Petroleum Production and Exploration Association, and the Business Council of Australia. We believe, however, that this list does not cover the full extent of our company’s involvement in lobbying on climate policy.

We are concerned that our company’s in principle commitment to the goals of the Paris Agreement is being undermined by our company’s membership of various trade associations which undertake advocacy counter to these goals.

In particular we question the long-term attractiveness to shareholders of our company’s public policy advocacy through the following industry associations:

- **Australian Industry Greenhouse Network** advocates for emissions-intensive trade-exposed (EITE) industries - including aluminium, cement, petroleum, coal and steel - to be exempt “from the costs of the [National Energy] Guarantee”³¹; this is now part of government policy, counter to the goals of the Paris Agreement;
- **Australian Petroleum Production and Exploration Association (APPEA)** has called for the removal of any regulatory barriers (including state-based moratoria) that prevent the development of Australia’s gas resources³², despite conservative estimates of the global carbon budget determining that 56% of Australia’s gas resources must remain unburned if we are to meet the goals of the Paris Agreement³³;
- APPEA’s climate change policy principles state that were Australia to implement more aggressive climate policies than its international competitors, the costs imposed on EITE industries, such as LNG, should be minimised³⁴;
- **Australian Pipelines and Gas Association** advocates for switching the majority of Australia’s coal-fired electricity generation to gas³⁵;
- The **Business Council of Australia (BCA)** actively campaigned against and celebrated the repeal of Australia’s short-lived price on carbon in 2014³⁶;
- The BCA supports the adoption of the National Energy Guarantee (NEG), however, it described the more ambitious target of 45% (by 2030) as an “economy wrecking target”³⁷, despite that target being more closely aligned to the Paris Agreement than the government’s proposed target;

³¹ AIGN comments on National Energy Guarantee - draft detailed design consultation paper, 13 July 2018

³² APPEA Submission to ESB National Energy Guarantee Draft Detailed Design Consultation Paper, 15 June 2018

³³ McGlade & Ekins, ‘The geographical distribution of fossil fuels unused when limiting global warming to 2°C’, Nature, January 2015

³⁴ APPEA Climate Change Policy Principles, December 2015

³⁵ APGA Submission to the Draft Design Consultation Paper - National Energy Guarantee, March 2018

³⁶ <http://www.bca.com.au/media/business-groups-welcome-carbon-tax-repeal>

- BCA CEO Jennifer Westacott has claimed that more ambitious emissions targets will result in “the deindustrialisation of the economy”³⁸, and told government MPs that the BCA would campaign against the opposition’s more ambitious emissions target³⁹;
- BCA President Grant King believes the continued export of Australian coal will assist other countries in reducing emissions⁴⁰; this is patently absurd and runs counter to our company’s interests;
- **Gas Energy Australia** has singularly blamed renewable energy for rising electricity prices, and advocates for the primary role of gas in reducing emissions⁴¹;
- The **Queensland Resources Council (QRC)** has repeatedly lobbied for government policy and financial support for the construction of new coal-fired power generation⁴², although any new coal-fired power generation would be inconsistent with Australia meeting its Paris Agreement commitments⁴³;
- The QRC supports the development of new thermal coal mines in Queensland including Adani’s Carmichael coal mine in the Galilee Basin⁴⁴.

Many of these policy interventions seek to weaken policy outcomes that are consistent with the goals of the Paris Agreement. The breadth of such lobbying suggests that our company’s governance of industry association relationships is inadequate, and that our company’s ambition to transition to a low carbon portfolio is underserved by many of these relationships.

Our company has stated that the “goal of net zero emissions in the electricity sector by 2050 or earlier is possible”⁴⁵. Yet the BCA believes such a goal would “wreck the economy”. In respect to the NEG, some of our company’s industry associations are arguing for vastly different policy outcomes, which suggests a lack of oversight of their advocacy.

Our company’s public policy advocacy is not limited to gas and electricity. For example, the Australian Institute of Petroleum (our company is an associate member), the BCA and Gas Energy Australia have each advocated for changes to Australia’s vehicle emissions standards⁴⁶.

We emphasise our support for our company’s long-term goal of net zero emissions from the electricity sector by 2050⁴⁷. However, the activities of industry associations of which our company is a member stand in conflict with this commitment and our company’s long term financial and strategic interests, and have the potential to undermine shareholder value over time, given our company’s exposure to climate-related risk and energy instability.

Our company’s membership of Relevant Industry Associations should therefore be reviewed in light of those associations’ positions, with a view to establishing criteria for discontinuing memberships that have not promoted our company’s interests.

ACCR urges shareholders to vote for this proposal.

³⁷ <https://twitter.com/BCAcomau/status/1011414577702031361>

³⁸ <https://twitter.com/SkyNewsAust/status/1025867269719519232>

³⁹ <https://www.theguardian.com/australia-news/2018/jun/26/turnbull-quashes-abbotts-bid-to-give-party-room-a-say-on-energy-guarantee>

⁴⁰ <https://www.gladstoneobserver.com.au/news/business-council-gladstone-at-the-centre-of-nation/3474433/>

⁴¹ Gas Energy Australia, Submissions to National Energy Guarantee (NEG) Draft Detailed Design Consultation Paper, 13 July 2018

⁴² <https://www.qrc.org.au/media-releases/queensland-ideal-place-for-hele-coal-investment/>

⁴³ http://www.climateinstitute.org.au/verve/_resources/TCI_A-Switch-In-Time_Final.pdf

⁴⁴ <https://www.qrc.org.au/media-releases/statement-queensland-resources-council-chief-executive-ian-macfarlane-adani/>

⁴⁵ Origin Energy, ‘Resilience of Origin’s Generation Portfolio to a Low Carbon Economy’, October 2017

⁴⁶ <https://infrastructure.gov.au/vehicles/environment/forum/>

⁴⁷ Origin Energy, ‘Resilience of Origin’s Generation Portfolio to a Low Carbon Economy’, October 2017