

About ACCR

The [Australasian Centre for Corporate Responsibility](#) is a philanthropically-funded NGO that monitors environmental, social and governance (ESG) practices and performance of listed companies. We undertake research and highlight emerging areas of business risk through private and public engagement, including the filing of shareholder resolutions.

ACCR's engagement with BHP

ACCR has engaged regularly with BHP Group on its decarbonisation commitments and lobbying related to climate and energy policy for more than four years.

Despite cosmetic improvements to policies, there is little evidence of BHP's industry associations advocating for ambitious and effective climate and energy policy.

Ordinary resolution on climate-related lobbying

Shareholders request that our company strengthen its review of industry associations to ensure that it identifies areas of inconsistency with the Paris Agreement.

Where an industry association's record of advocacy is, on balance, inconsistent with the Paris Agreement's goals, shareholders recommend that our company suspend membership, for a period deemed suitable by the Board.

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

Investor expectations

BHP's own analysis concludes that limiting warming to 1.5°C would be an "attractive scenario for BHP, for our shareholders and the global community."¹ In other words, BHP has determined that highly ambitious climate action is best for its business and its investors.

Following significant support (22.4%) for ACCR's shareholder resolution on lobbying in 2020, investors urged BHP to:²

1. "constructively influence" its industry associations to further enhance the energy transition;
2. ensure that the COVID-19 pandemic was not used (or seen to be used) as a rationale to impede progress on alignment with the Paris Agreement goals;

3. take "tangible action" to drive consistency with its industry associations.

This resolution seeks to ensure that the advocacy of BHP's industry associations is consistent with these investor expectations, along with the company's stated goal to limit warming to 1.5°C.

Reasons to support

It is a reasonable expectation that BHP assess its industry associations for consistency with a 1.5°C scenario which it concluded is in the best interests of shareholders, and to suspend membership where that is not the case.

The suspension of membership is a credible response to a lack of progress from industry associations. In October 2020, BHP suspended its membership of the Queensland Resources Council,³ following its anti-Greens Party advertising campaign during the Queensland state election.

There is a clear rationale for shareholders to support this resolution, as per the following reasons:

1. BHP has failed to meet investor expectations from 2020:
 - There is limited evidence to suggest that BHP has "constructively influenced" its industry associations to advocate for the energy transition;
 - BHP's industry associations have sought to exploit the COVID-19 pandemic;
 - BHP's transparency and reviews of industry associations alone is insufficient.
2. BHP's own scenario analysis concluded that a 1.5°C pathway would be the most favourable for its portfolio.
3. BHP does not assess its industry associations' advocacy for consistency with the Paris Agreement, it narrowly focuses on policy positions and face-value support
4. Australia's approach to climate policy is largely due to BHP's industry associations:
 - Lack of ambition to 2030;
 - 'Gas-fired recovery' prioritises gas expansion;
 - 'Technology not taxes' is intended to prolong the use of coal and gas.
5. BHP has had years to change these organisations with little effect—it remains a member of 13 groups with climate lobbying practices that are misaligned with the Paris Agreement, and four of these are strongly misaligned.⁴

¹ BHP, "Climate change report 2020", p19, [link](#)

² BHP, "Industry associations - BHP's approach", 2021, [link](#)

³ BHP, "Update on Queensland Resources Council", 6 October 2020, [link](#)

⁴ <https://influencemap.org/filter/List-of-Companies-and-Influencers#>

Unconstructive influence on climate policy

In February 2021, Bloomberg ranked Australia’s climate policies as the weakest of the largest developed economies.⁵ In June 2021, Australia received the lowest score awarded to any of the 193 UN member states for climate action.⁶ Australia’s commitment to reduce emissions by 26-28% by 2030 (from 2005 levels) has been deemed inadequate by a range of experts.⁷ Australian government forecasts suggest that emissions will decline by just 22% by 2030.⁸

Despite improved transparency of our company’s governance of industry associations, UK think tank InfluenceMap rates our company’s climate policy footprint ‘D’⁹ (scale A-F), and in 2020 ranked BHP the second most oppositional company on climate and energy policy in Australia.¹⁰

BHP remains a member of 13 industry associations with misaligned climate lobbying practices (ranked D or below, see Table 1).¹¹

Table 1. Selected BHP industry associations

Industry association	Country	InfluenceMap Performance Band ¹²
Australian Petroleum Production and Exploration Association	AU	E+
American Petroleum Institute	US	E-
Business Council of Australia	AU	D
Chamber of Minerals and Energy Western Australia	AU	E
Minerals Council of Australia	AU	E+
NSW Minerals Council	AU	F
South Australian Chamber of Mines and Energy	AU	D
US Chamber of Commerce	US	E-

D or below = lobbying practices misaligned with the Paris Agreement

F = lobbying practices strongly misaligned with the Paris Agreement

⁵ Bloomberg New Energy Finance, “BNEF G20 Zero-Carbon Policy Scoreboard: Who’s doing it best?”, February 2021, [link](#)

⁶ Sachs et al, “The Decade of Action for the Sustainable Development Goals: Sustainable Development Report 2021” June 2021 [link](#)

⁷ Graham Readfearn, “Australia’s new climate pledge to UN criticised for not improving on 2030 target”, The Guardian, 5 Jan 2021, [link](#)

⁸ Department of Industry, Science and Energy Resources, “Australia’s emissions projections 2020”, December 2020, [link](#)

⁹ <https://influencemap.org/filter/List-of-Companies-and-Influencers#>

¹⁰ InfluenceMap, “Australian Industry Associations and their Carbon Policy Footprint”, September 2020, [link](#)

¹¹ <https://influencemap.org/filter/List-of-Companies-and-Influencers#>

¹² *ibid.*

On balance, the impact of BHP’s industry associations on Australia’s climate and energy policy remains overwhelmingly negative, and there has been little improvement since 2017.

Exploiting the pandemic: Australia’s ‘gas-fired recovery’

In September 2020, the Australian government announced it would pursue a “gas-fired recovery” from the COVID-19 pandemic, by incentivising the development of multiple new gas basins.¹³ In the 12 months since that announcement, the Australian government has committed more than \$2.2 billion in subsidies to the gas industry (see Appendix, Table 2).

Throughout 2020-21, the Australian Petroleum Production and Exploration Association (APPEA) lobbied extensively for a “gas-fired recovery”. A key pillar in APPEA’s advocacy throughout 2020, were the following four reports:

- Australia Oil and Gas Industry Outlook¹⁴: advocated for government assistance to develop “uneconomic” basins in order to extend the life of LNG terminals;
- Powering Australia’s Recovery¹⁵: advocated for government incentives for further gas exploration, streamlining regulation and fast-tracking approvals for new development;
- Gas Vision 2050¹⁶: advocated for the introduction of fossil hydrogen into gas networks, and opposed the electrification of domestic cooking and heating;
- Australia’s oil and gas industry - kickstarting recovery from COVID-19¹⁷: advocated for policies to streamline regulation and advance the development of multiple new basins with estimated capital expenditure of \$350 billion over the next 20 years.

APPEA’s advocacy was hugely successful, and in its 2020 annual report, APPEA took full credit for the government prioritising new gas developments in its pandemic response:¹⁸

- “Advocated successfully for natural gas to be recognised as a critical fuel for many decades to come... including by the Australian Government as a part of its post-COVID-19 pandemic economic recovery plan.”
- “Advocated on the role of natural gas in reducing global greenhouse gas emissions and for this to be recognised as part of Australia’s efforts to address climate change... This is now a core part of the Australian Government’s narrative on the role of the industry.”

¹³ Prime Minister of Australia, “Gas-fired Recovery: media release”, September 2020, [link](#)

¹⁴ Wood Mackenzie, “Australia Oil and Gas Industry Outlook”, May 2020, [link](#)

¹⁵ APPEA, “Powering Australia’s Recovery”, September 2020, [link](#)

¹⁶ APPEA, “Gas Vision 2050”, September 2020, [link](#)

¹⁷ EY, “Australia’s oil and gas industry - kickstarting recovery from COVID-19”, November 2020, [link](#)

¹⁸ Australian Petroleum Production and Exploration Association Ltd, Financial Statements, June 2020, p7-8.

Before BHP suspended its membership of the QRC in October 2020, the QRC was also very supportive of the “gas-fired recovery”. The QRC published its “Resource Industry Recovery Agenda”¹⁹ in June 2020, which called for government subsidies for new gas pipelines and incentives for coal and gas exploration.

The NSW Minerals Council also sought to exploit the pandemic in 2020, when it published its “Mining for the Recovery” report.²⁰ That report called for the fast-tracking of 21 new or expanded coal mines, claiming they were necessary for economic recovery.

The exploitation of the pandemic by APPEA, the NSW Minerals Council and the QRC is clearly at odds with the expectations communicated to BHP by its investors throughout 2020-21.

In addition to exploiting the pandemic, BHP’s industry associations undertook a range of other advocacy at odds with the Paris Agreement.

American Petroleum Institute (API)

Unlike its peers in other jurisdictions, the API does not claim to endorse net zero by 2050.²¹ Due to its appalling climate record, the risks are increasing for the API. In June 2020, the State of Minnesota filed a lawsuit against the API and other fossil fuel industry players for “a decades-long campaign to deceive the public about climate change”.²²

In January 2021, oil major Total became the first major company to exit the API “due to disagreements over its climate policies and support for easing drilling regulations”.²³

Throughout 2021, the API has opposed the Biden Administration’s electric vehicle policy, stating that “in the US free-market economy the government shouldn’t push the market and consumers toward a specific policy outcome”.²⁴

In July 2021, ExxonMobil lobbyists confirmed that oil majors used the API to defend the use of “forever chemicals”.²⁵

Recently, the API has opposed the Securities and Exchange Commission’s proposal to mandate climate risk disclosure, including questioning the “practicalities” of Scope 3 emissions disclosure.²⁶ This appears to be inconsistent with BHP’s own transparency and its role in the development of the Task Force on Climate-Related Financial Disclosure²⁷ guidance.

¹⁹ QRC, “Resource Industry Recovery Agenda”, June 2020, [link](#)

²⁰ NSW Minerals Council, “Mining for the Recovery”, July 2020, [link](#)

²¹ API, “Common sense approach to reliable, low-emissions electricity”, July 2020, [link](#)

²² Reuters, “Minnesota sues Exxon, Koch and API for being ‘deceptive’ on climate change”, June 2020, [link](#)

²³ Reuters, “France’s Total quits top U.S. oil lobby in climate split, January 2021, [link](#)

²⁴ API, “US consumers need balance, choice in transportation policy”, May 2021, [link](#)

²⁵ Alex Thomson, “Exxonmobil lobbyist reveals company’s involvement in ‘Forever Chemicals’”, Channel 4, July 2021, [link](#)

²⁶ Financial Times, “Fossil fuel groups step up lobbying of SEC to dilute climate reporting rules”, August 2021, [link](#)

²⁷ TCFD, Task Force member profile: Fiona Wild, [link](#)

Australian Petroleum Production and Exploration Association (APPEA)

In early 2021, APPEA updated its Climate Change Policy Principles, confirming its support for net zero emissions by 2050, while concurrently calling for the expansion of the gas industry.²⁸

APPEA has steadily increased its advertising spend in recent years, primarily through the Bright-r campaign,²⁹ which promotes the use of fossil gas, especially domestic cooking and heating.

In July 2021, APPEA called for amendments to the Australian Renewable Energy Agency (ARENA) to allow it to invest in carbon capture and storage (CCS) in order to enable fossil hydrogen.³⁰

Minerals Council of Australia (MCA)

Over the last couple of years, the MCA has sought to weaken the Environment Protection and Biodiversity Conservation Act,³¹ calling for streamlined regulation, fast-tracking of new and expanded coal projects, and opposing the assessment of new projects’ greenhouse gas emissions.

In mid 2020, the MCA called for government subsidies for fossil fuel exploration.³²

In February 2021, the MCA called for an amendment to Australia’s Clean Energy Finance Corporation, which would allow it to invest in coal-fired power generation,³³ coinciding with an identical proposal from Nationals Party MP Barnaby Joyce.³⁴

In March 2021, the MCA opposed the EU’s proposed Carbon Border Adjustment Mechanism³⁵ and lobbied the European Commission to include fossil fuels with CCS in the EU taxonomy for sustainable activities.³⁶

In May 2021, the MCA advocated for amendments to ARENA to enable it to invest in CCS.³⁷

In June 2021, the MCA published a report claiming Australian thermal coal could reduce global emissions.³⁸

²⁸ APPEA, “Australia’s cleaner energy future”, February 2021, [link](#)

²⁹ <https://bright-r.com.au/>

³⁰ APPEA, “Back ARENA regulation for a cleaner, greener Australia”, July 2021, [link](#)

³¹ Helen Coonan, “Why mining will be ground zero of the nation’s recovery”, The Australian, April 2020 [link](#)

³² MCA, “Reform priorities to support faster recovery”, May 2020 [link](#)

³³ MCA, “Time to bring nuclear into the mix for Australia’s zero-emissions future”, February 2021, [link](#)

³⁴ Paul Karp and Adam Morton, “Barnaby Joyce’s call to allow Clean Energy Finance Corporation to invest in coal rejected by Frydenberg”, The Guardian, February 2021, [link](#)

³⁵ MCA, “CBAM seeks to protect EU industry against competition”, July 2021, [link](#)

³⁶ Adam Morton, “Australia’s miners urge Europe to define nuclear power and fossil fuels with carbon capture as ‘sustainable’”, The Guardian, March 2021, [link](#)

³⁷ MCA, “Broader investment in low-emissions technology a necessary and realistic step to support future decarbonisation”, May 2021, [link](#)

³⁸ MCA, “Reducing emissions & powering jobs with Australian thermal coal”, June 2021, [link](#)

NSW Minerals Council (NSWMC)

In February 2021, the NSWMC lobbied the NSW Deputy Premier to overturn the Independent Planning Commission's rejection of a new metallurgical coal mine, despite the risks it would pose to Sydney's drinking water catchment.³⁹

In May 2021, the NSWMC campaigned during the Upper Hunter by-election in NSW,⁴⁰ encouraging candidates to express their support for thermal coal mining, and claiming that demand for Australia's thermal coal would continue for "decades to come".⁴²

Chamber of Minerals and Energy of Western Australia (CME)

The CME notionally supports the Paris Agreement, but does not have a climate change policy.⁴³

The CME supports the expansion of the gas industry in Western Australia,⁴⁴ including the Australian government's "gas-fired recovery".⁴⁵

In March 2019, the CME opposed regulations from the Western Australia Environment Protection Authority (EPA) that would have required new emissions intensive projects to offset their emissions.⁴⁶

US Chamber of Commerce (the Chamber)

While BHP may claim that the Chamber has improved its position on climate change in recent years, it continues to advocate for coal and LNG to be considered in the US climate change response.⁴⁷ It continued to lobby for the role of coal and LNG when the Biden Administration established its Nationally Determined Contribution upon return to the Paris Agreement.⁴⁸

The Chamber has a dire track record on climate advocacy. Between 2015-2019 it led legal action against the US EPA seeking the repeal of the Clean Power Plan.⁴⁹ Prior to 2021 it lobbied to weaken fuel economy standards in vehicles⁵⁰ and methane regulations.⁵¹

The Chamber's Global Energy Institute, which seeks to unite all stakeholders behind "common sense energy strategy",⁵² continues to run the Natural Gas Advantage campaign, which promotes fossil gas and understates its climate impacts.⁵³

Conclusion

BHP's own scenario analysis has concluded that ambitious efforts to mitigate climate change are in the best interests of its portfolio and its shareholders.

Despite committing to shareholders that it would monitor its industry associations and publish inconsistencies on its website,⁵⁴ BHP failed to identify any advocacy with which it disagreed in the 2020-21.

In 2020, BHP's shareholders clearly communicated their expectations with regard to its lobbying on climate and energy policy. Unfortunately there has been insufficient progress from BHP's industry associations, despite many years of engagement on this issue with ACCR and its shareholders.

As one of Australia's largest companies, and one of the world's largest miners, BHP occupies a unique position of leadership. It must use that position to advocate for ambitious emissions reductions before 2030, and ensure that its industry associations do the same.

[ACCR urges shareholders to support this proposal.](#)

³⁹ Kelly Fuller, "Dendrobium mine battle continues with John Barilaro, Gladys Berejiklian at odds over next step", ABC, February 2021 [link](#)

⁴⁰ The Coalface, volume 5, No 4, May 2021, [link](#)

⁴¹ Stephen Galilee, "Anti-mining campaign based on myths says NSW Minerals Council boss", Newcastle Herald, May 2021, [link](#)

⁴² Jake Lapham, "NSWMC CEO Stephen Galilee addresses Singleton Business Chamber", May 2021, [link](#)

⁴³ CMEWA, "Climate Change in Western Australia", September 2019, [link](#)

⁴⁴ CMEWA, "WA Gas Development to provide multi-billion dollar boost to the Nation", July 2019, [link](#)

⁴⁵ CMEWA, "CME welcomes Federal support for WA mining and resources sector", October 2020, [link](#)

⁴⁶ CMEWA, "CME response to EPA Environmental Factor Guideline for Greenhouse Gas Emissions", March 2019, [link](#)

⁴⁷ US Chamber of Commerce, "Principles and priorities for NDC Development and broader engagement under Paris and the UNFCCC", [link](#)

⁴⁸ US Chamber of Commerce, "Principles and priorities for NDC Development and broader engagement under Paris and the UNFCCC", [link](#)

⁴⁹ US Chamber of Commerce, "Coal is down but not out", October 2016, [link](#)

⁵⁰ US Chamber of Commerce, "US Chamber Statement on Revised Vehicle Fuel Economy Standards", March 2020, [link](#)

⁵¹ US Chamber of Commerce, "Response to EPA's April 13, 2017, Request for comments on Evaluation of existing Regulations" [link](#)

⁵² US Chamber of Commerce, Global Energy Institute, [link](#)

⁵³ US Chamber of Commerce, "Natural gas, natural advantage", [link](#)

⁵⁴ BHP, "Industry associations - BHP's approach", [link](#)

Appendix

Table 2. Federal government subsidies announced as part of the “gas-fired recovery”, 2020-21.

Announced	Project/Announcement	Total	Reference
September 2020	Unlocking five key gas basins	\$28,300,000	Link
September 2020	Set up the National Gas Infrastructure Plan to identify priority pipelines	\$10,900,000	Link
September 2020	CSIRO Gas Industry Social and Environmental Research Alliance	\$13,700,000	Link
September 2020	Beetaloo Basin Cooperative Drilling Grants Program	\$50,000,000	Budget, 2020-21, Budget Measures Budget Paper 2, p 116. Link
December 2020	Northern Territory Gas Industry Roads Upgrades	\$173,600,000	Link
April 2021	‘Clean hydrogen’ funding (includes blue hydrogen)	\$275,300,000	Link
April 2021	Carbon capture and storage projects	\$263,700,000	Link
April 2021	Low emissions international technology partnerships	\$565,800,000	Link
May 2021	Targeted support of critical gas infrastructure projects	\$38,700,000	Link
May 2021	Design a framework to facilitate investment in critical gas infrastructure projects	\$3,500,000	Link
May 2021	Strengthen the Government’s energy system planning framework	\$5,600,000	Link
May 2021	Develop initiatives that empower gas-reliant businesses to negotiate competitive contract outcomes	\$4,600,000	Link
May 2021	Accelerate the development of the Wallumbilla Gas Supply Hub in Queensland	\$6,200,000	Link
May 2021	Investment package to “Develop the North” focusing on “corridors of growth”	\$111,000,000	Link
May 2021	Support gas industry field appraisal trials in the North Bowen and Galilee Basins	\$15,700,000	21-22 Budget paper 2, p 144 (pdf 156)
May 2021	Build the capacity of the Northern Land Council to facilitate land use agreements	\$2,200,000	21-22 Budget paper 2, p 144 (pdf 156)
May 2021	Support Australian Industrial Power to undertake early works on its Port Kembla Gas Power Station	\$30,000,000	21-22 Budget paper 2, p140 (pdf 152)
May 2021	Support the development of “hydrogen ready” gas generation infrastructure	\$24,900,000	21-22 Budget paper 2, p140 (pdf 152)
May 2021	Snowy Hydro for the Hunter Power Project gas fired power station at Kurri Kurri	\$600,000,000	Link
Total		\$2,223,700,000	