

BHP

Industry association review

19 December 2017

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Glossary

Term	Description
COP21	21 st Conference of the Parties of the UNFCCC, held in Paris in December 2015
GHG	Greenhouse gas
HELE	High efficiency, low emissions
IPCC	Intergovernmental Panel on Climate Change
MCA	Minerals Council of Australia
Paris Agreement	The agreement negotiated and adopted at COP21. Its central aim is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C
The Chamber	United States Chamber of Commerce
UNFCCC	United Nations Framework Convention on Climate Change
WCA	World Coal Association

Introduction

Background

BHP has completed its current review of its membership of those industry associations which hold an active position on climate and energy policy. In accordance with the commitments given on 18 September 2017, this report (**Report**) sets out:

- a list of the material differences between the positions BHP holds on climate and energy policy, and the advocacy positions on climate and energy policy taken by industry associations to which BHP belongs; and
- the outcomes of BHP's current review of its membership of those industry associations.

The Report is divided into five sections, as follows:

Section 1 – Our approach

This section summarises BHP's views on the three key elements that provide context for the review, namely climate and energy policies, the role of industry associations, and the principles which guide our membership of, and participation in, industry associations.

Section 2 – Scope and methodology

This section defines the parameters and limitations of BHP's review, and describes the detailed analysis undertaken to reach the conclusions set out in the following sections of this Report.

Section 3 – Material differences

Three industry associations were identified as having a materially different position to BHP on one or more climate and energy policy areas. The nature and significance of these differences are described in this section.

Section 4 – Industry association overview

In respect of those three industry associations where at least one material difference was identified, the broader activities of the association were reviewed for the purpose of considering BHP's future relationship with that industry association. This section outlines the broader activities of those industry associations and the benefits derived by BHP.

Section 5 – Outcomes

This section describes the outcomes of BHP's review of its membership of the three industry associations where at least one material difference was identified, having regard to the principles of future participation, identified material differences and the broader activities of the relevant association.

Governance

This review was overseen by a Steering Committee comprising the Chief External Affairs Officer and the Group Company Secretary.

The detailed work was undertaken by a cross-functional Working Group, comprising representatives from BHP's Sustainability and Climate Change, Government Relations, Public Policy and Group Governance teams.

BHP engaged the advisory services of EY (Climate and Sustainability Services) to provide external analysis, research and technical expertise in connection with the matters addressed in this Report. These services are particularised in more detail in section 2 of this Report.

This Report has been approved by the Chief Executive Officer and endorsed by the BHP Board.

All views and conclusions expressed in this Report are those of BHP.

1. Our approach

This section sets out BHP's views on the three key elements that provide context for the review:

- BHP's view on climate and energy policy;
- BHP's view on the role of industry associations; and
- BHP's principles that inform our approach to membership of, and participation in, industry associations.

BHP's view on climate and energy policies

BHP supplies the mineral and energy commodities that are crucial for all stages of economic growth in both emerging and developing economies. BHP accepts the Intergovernmental Panel on Climate Change's (**IPCC**) assessment of climate change science, which has found that warming of the climate is unequivocal, the human influence is clear and physical impacts are unavoidable. BHP believes that sustainable development requires both continued economic growth and an effective response to climate change. As a result, responding to climate change is a priority Board governance and strategic issue for BHP. Management has primary responsibility for the design and implementation of an effective position on, and response to, climate change. Our strategy is underpinned by active engagement with our stakeholders, including investors, policy makers, peers and non-government organisations.

Fossil fuels are an affordable, reliable and accessible way of meeting energy demand and they currently provide more than 80 per cent of the world's primary energy. Under all current plausible scenarios, fossil fuels will continue to be a significant part of the energy mix for decades. To meet development and climate goals, the world must find ways to significantly improve energy efficiency, reduce emissions from the use of fossil fuels and increase the share of alternative energy sources such as renewables, batteries and nuclear power.

As a major producer and consumer of fossil fuels, we recognise our responsibility to take action by focusing on reducing our greenhouse gas (**GHG**) emissions; adapting to the physical impacts of climate change; accelerating the development and deployment of low emissions technology; testing and building the resilience of our portfolio; and working with others, including academia, industry and governments, to enhance the global response to climate change.

In December 2015, we welcomed the agreement reached at the United Nations Framework Convention on Climate Change (**UNFCCC**) 21st Conference of the Parties (**COP21**) in Paris to hold the increase in the global average temperature to well below 2°C and to pursue efforts to limit

the temperature increase to 1.5°C. Together with a range of businesses and other non-state entities, we demonstrated our support for the Paris Agreement and the 2°C goal by signing the UNFCCC Paris Pledge.

Industry has a key role to play in working with governments and other stakeholders to inform the development of an effective, long-term climate change policy framework that delivers a measured transition to a lower emissions economy. We believe an effective policy framework should include a complementary set of measures, including a price on carbon, support for low-emissions technology and measures to build resilience.

BHP has been taking action on climate change for decades. For example, we first set emissions reduction targets in the 1990s. We recently achieved our target to limit our FY2017 operational emissions to below our 2006 baseline (our FY2017 emissions were 21 per cent below the baseline). Over the same period, our production grew by 52 per cent (in Copper Equivalent terms). We have been testing the resilience of our portfolio to climate change for many years. We have had an internal carbon price in place since the early 2000s, and climate change is built into our scenario analysis and investment decision-making. In 2015, we released our *Climate Change: Portfolio Analysis* report that describes our approach to scenario planning, and in particular, the potential portfolio implications of a transition to a 2°C world. In October 2016, we released the *Views After Paris* report, which provides more detail on how we monitor the external environment; and identify and track signals, signposts and triggers and use them to inform our strategic decision-making.

In 2017, BHP actively participated in Australia's national debate on energy policy, following the 'black system' event in South Australia in 2016 that led to BHP losing over US\$100 million at our Olympic Dam operations. We have taken a public position on energy policy to seek solutions that solve the 'energy trilemma' - that is, we endorse solutions that deliver affordable, reliable energy supply, while also ensuring Australia can meet its emission reduction targets agreed to in Paris.

BHP publicly supported (and participated in) the Independent Inquiry into the Future Security of the National Electricity Market (**Finkel Review**). We publicly supported the 50 recommendations of the Finkel Review and specifically endorsed the principles of the Clean Energy Target.

In our formal submission to the Finkel Review, we proposed the following reform principles:

1. Energy security, energy affordability and emissions reduction should be considered on an integrated basis.
2. Technology neutrality (i.e. policy settings that do not favour particular fuels or technologies) provides industry with the necessary flexibility to achieve energy and climate goals at the lowest possible cost.
3. Open and transparent markets in energy are the best means of promoting Australia's economic interests.

On the integration of energy and climate policy, we also noted the following in our submission to that Inquiry:

"the effective integration of energy and climate change policy is essential to providing a strong basis for future investment, supporting continued economic growth, realising emissions reductions in line with international obligations at lowest possible cost and improving energy security."

For the same reasons, BHP now publicly supports the Australian National Energy Guarantee as a platform that has the potential to deliver certainty and stability in Australia's national energy market.

Further detail on BHP's views on climate and energy policy is contained in **Appendix 2**.

BHP's view on the role of industry associations

BHP believes that industry associations have the capacity to play a key role in advancing the development of standards, best practices and constructive policy that are of benefit to members, the economy and society. Similar benefits may be available where non-government organisations organise under a peak body in the not-for-profit sector, or where professionals become a member of a standards body.

We recognise that there is increasing stakeholder interest in the nature and role of industry associations, and the extent to which the positions of industry associations on key issues are aligned with those of member companies.

There are several different types of industry associations. Some are sector specific, such as the Minerals Council of Australia (**MCA**), which engages in activities related to the resources sector regarding a wide range of commodities. Some are issue specific, such as the Center for Climate and Energy Solutions, which focuses on reducing GHG emissions and promoting clean energy, with membership

drawn from across the corporate sector. Others are geographically specific such as the Business Council of Australia, which provides a forum for the chief executives of Australia's largest companies to contribute to public policy debate.

Industry associations have a number of roles. For example, they can provide a platform for the sharing of industry best practice and identification of opportunities to improve health, safety, environmental and community performance, sometimes through collaborative action. They can look for efficiency improvements and address barriers to competition. They can undertake research and provide technical standards and certification. Many associations organise training and events to build capability, share information and establish networks among members.

We believe that active participation in industry associations provides a leadership opportunity. By working within associations, we can, with other like-minded members, seek to exert what we regard to be a positive influence on the industry as a whole. This does not mean we will always agree with every position or approach that every industry association to which we belong adopts on every issue. The role of each member of an association is to articulate its view in a clear and constructive way, and to seek to influence the association through free and open debate. This is certainly how we see BHP's role within the industry associations to which we belong – both in Australia and globally. It is not the role of any association to represent BHP, and there are times when our views are not aligned.

Industry associations are also an important forum for debate and we believe they are most effective when they allow discussion of a wide range of views. However, having a range of members can also make it difficult to form a consensus or 'industry' view, particularly if the topic has different impacts for different members. We believe that in areas where no broad industry consensus exists, associations should generally refrain from advocacy in those areas, with individual members being best placed to outline their views independently.

Fees

Membership fees payable to industry associations are commonly based on either production volumes or revenue, and in some cases, are subject to a cap. Generally, the annual subscription fee payable is an aggregate amount – that is, no part of the annual fee is earmarked for any particular purpose or activity. In CY2016, the subscription fee paid by BHP to the MCA of A\$1,856,250 represented approximately 17 per cent of the MCA's subscription revenue.

BHP's principles for participation in industry associations

BHP has developed the following principles (**Industry Association Principles**) to guide our membership of, and participation in, industry associations that hold advocacy positions on climate and energy policy.

General

1. BHP may choose to participate in an industry association where participation provides access to industry standards, technical insights or other activities that can improve the performance of BHP or of the industry generally, and where such outcomes would otherwise be unavailable, or less effective, in the absence of the industry association's activities.
2. An industry association should have clear and transparent governance arrangements, including direct and regular board oversight of its secretariat activities.
3. In climate and energy policy areas where no broad industry consensus exists, associations should generally refrain from advocacy in those areas, with individual members being best placed to outline their views independently.

Policy Review

4. BHP will keep under regular review its alignment with the climate and energy policy positions taken by industry associations on matters of significance to BHP. For the purposes of assessing material difference, there must be a positively articulated policy view held by the association (versus remaining silent in a policy area).
5. If, in the course of such review, a material difference in policy position is identified, BHP will assess its relationship with that industry association, having regard to the nature of the material difference and the extent of the benefit derived from the broader activities of the association. Based on this assessment (and taking into account any consultation with the association), BHP will take one of the actions described in Principles 6 to 8 below.
6. BHP will cease membership of the industry association where there is a finding of material difference that is likely to have a significant impact on policy debate, and where BHP has not established that there is sufficient benefit derived from the association's broader activities. Prior to making a final decision to cease membership, BHP will invite the relevant association to respond to BHP's findings.

7. BHP will remain a member of the industry association, without additional action, where there is a finding of material difference that is unlikely to have a significant impact on policy debate, and where BHP has established sufficient benefit derived from the association's broader activities.
8. BHP will remain a member of the industry association, with additional action, where there is a finding of material difference that is likely to have a significant impact on policy debate, and where BHP has established sufficient benefit derived from the association's broader activities.
9. In relation to an industry association to which Principle 8 applies, BHP will:
 - communicate the material difference or differences to the board of the industry association;
 - request that the industry association refrain from policy activity or advocacy in the area where the material difference exists (unless there is broad industry consensus to the contrary);
 - maintain a register of material differences; and
 - review its membership of the association if the association has not refrained from such policy activity or advocacy within a reasonable period (being not more than 12 months).

2. Scope and methodology

Material differences

BHP committed to publish a list of the material differences between the positions we hold on climate and energy policy, and the advocacy positions on climate and energy policy taken by industry associations to which we belong.

The identification and assessment of material differences were undertaken within the following parameters:

1. **Industry associations** – BHP, with input from EY, assessed that 21 industry associations to which BHP belongs hold an active position on climate and energy policy. These industry associations were included in the scope of this review and are listed in **Appendix 1**.
2. **Climate and energy policies** – The review focused on the 10 climate and energy policies identified as being of key importance to BHP’s position strategy and/or policy advocacy. These policies, and BHP’s position with respect to each, are described in **Appendix 2**. A climate and/or energy policy has been defined to be of key importance if it satisfies at least one of the following criteria:
 - the policy appears in BHP’s published climate change position statement¹;
 - the policy is a core part of BHP’s climate change strategy; or
 - the policy is one in respect of which BHP undertakes significant advocacy or external engagement.
3. **Materiality** – To determine whether a ‘material difference’ existed between BHP’s position and an industry association’s position on a climate and energy policy, a case by case assessment was undertaken, guided by the following criteria:
 - the nature of the association’s position, including the clarity and consistency of the association’s position; and
 - the reasonableness of claiming that a material difference exists, having regard to the nature and extent of BHP’s position and that of the industry association.

This assessment of material difference was undertaken in relation to the 21 industry associations which have an active position on a climate and energy policy, as referred to at point 1 above.

4. **Objectivity** – The views and conclusions expressed in this Report are those of BHP. No industry association covered by this review was consulted on BHP’s approach or provided with BHP’s assessment of material differences or proposed outcomes prior to finalisation of this Report. BHP has endeavoured (with the input of EY) to provide a balanced and fair summary of the policy and advocacy positions of each industry association included in the scope of this review, but recognises that the nature of a review of policy and advocacy positions in any area of public debate necessarily involves interpretation, judgement and opinion.
5. **Evidence-based review** – The review is based on publicly available information such as websites and social media sites. The review cannot, and therefore does not, encompass or take into account information which may have been disclosed ‘behind closed doors’.

The outcomes of BHP’s material differences assessment are set out in section 3 of this Report.

External analysis

The material differences published in this report are based on a detailed review conducted by EY of the policies of BHP, and those of the 21 industry associations.

EY gathered and analysed information from publicly available sources, including association websites, government submissions, news articles and social media sites. EY also sought input from BHP. Using this information, EY provided an analysis of BHP’s and each industry association’s public position. Any departures between the position held by BHP and that of an industry association were identified.

1 BHP (2017), ‘Our position on climate change’, available at: bhp.com/environment/climate-change.

Outcomes of current review

The review focused on BHP's relationship with those industry associations where one or more material differences on climate and energy policy were identified as a result of the material differences assessment.

BHP's future relationship with each of those industry associations was assessed having regard to a review of the broader activities of these industry associations in a number of key areas, being:

- **Health and Safety:** operational safety, occupational health and related activities;
- **Environment:** land use and biodiversity, and water;
- **Community:** sustainable development, community engagement, Indigenous peoples and human rights;
- **Workforce:** inclusion and diversity, and workforce training; and
- **Economics:** policy development in relation to trade and investment, productivity and growth, and economic reform.

To support BHP's assessment, EY conducted interviews with internal stakeholders and undertook desktop research of publicly available information in relation to industry association activity in the above categories.

An overview of the activities of each of these industry associations is set out in section 4 of this Report.

The outcomes of the review are contained in section 5 of this Report.

3. Material differences

The review identified seven material differences on climate and energy policy across three industry associations, as outlined below. As noted in section 2 of this Report, the identification of material differences was made by reference to publicly available information.

Minerals Council of Australia

Policy	Association position	Our position
Equal prioritisation of the energy trilemma	<p>The Minerals Council of Australia (MCA) has at times argued that energy policy should prioritise reliability and affordability over ‘other policy goals’².</p> <p>When discussing emissions reduction in the energy sector, the MCA has highlighted the costs associated with meeting Australia’s international commitments³ at the expense of addressing the importance of reducing emissions.</p>	<p>We believe climate policy and energy policy are inextricably linked, and that energy reliability, energy affordability and emissions reduction should be considered on an integrated basis.</p>
Technology neutral, free-market energy mix	<p>The MCA has expressed support for technology neutrality and market-based approaches in energy policy⁴.</p> <p>The MCA, however, has also publicly called for policy changes that are more technology-specific and interventionist in relation to High Efficiency Low Emissions (HELE) coal. For instance, the MCA has called for governments to use existing or new mechanisms to fund a new baseload coal plant in the Latrobe Valley⁵. Similarly, the MCA has suggested that the emissions intensity threshold of the Clean Energy Target recommended by the Finkel Review should be set relative to technology-specific factors (i.e. to accommodate new coal generation)⁶.</p>	<p>We believe energy markets should be both fuel and technology neutral, and should not artificially favour one type of technology over another.</p> <p>We also believe governments should focus on setting policies to facilitate efficient markets. Government intervention in resources and energy markets should only be in response to a demonstrated market failure and informed by cost-benefit analysis.</p>

² MCA (2017), *Submission to the Independent Review into the Future Security of the National Electricity Market*, March, available at: environment.gov.au/submissions/nem-review/minerals-council-of-australia.pdf; MCA (2017), *Submission to 2017 Review of Climate Change Policies*, May, available at: environment.gov.au/submissions/climate-change/review-climate-change-policies-2017/minerals-council-of-australia.pdf.

³ For example, see: MCA (2017), *Submission to 2017 Review of Climate Change Policies*, May, available at: environment.gov.au/submissions/climate-change/review-climate-change-policies-2017/minerals-council-of-australia.pdf.

⁴ MCA (2017), *Submission to the Independent Review into the Future Security of the National Electricity Market*, March, available at: environment.gov.au/submissions/nem-review/minerals-council-of-australia.pdf.

⁵ MCA (2017), *Securing Energy, Jobs and Australia’s Export Advantage: A low emissions coal future for the Latrobe Valley*, June, available at: minerals.org.au/file_upload/files/publications/Latrobe_Valley_Securing_energy_and_jobs_and_Australias_export_advantage_June_2017.pdf.

⁶ Philip Hopkins (2017), ‘CET is “not neutral”’: MCA’, *Latrobe Valley Express*, 14 September, available at: latrobevalleyexpress.com.au/story/4923036/cet-is-not-neutral-mca/; MCA (2017), *Securing Energy, Jobs and Australia’s Export Advantage: A low emissions coal future for the Latrobe Valley*, June, available at: minerals.org.au/file_upload/files/publications/Latrobe_Valley_Securing_energy_and_jobs_and_Australias_export_advantage_June_2017.pdf.

United States Chamber of Commerce

Policy	Association position	Our position
Emissions reduction targets	The United States Chamber of Commerce (the Chamber) has claimed that the United States Nationally Determined Contribution is unachievable (due to a lack of specificity and congressional backing) and would impose too high of a cost on American businesses (particularly relative to their international competitors) ⁷ .	We welcomed the Paris Agreement formalised in December 2015 at COP21. We support efforts by government and industry to set targets for emissions reduction.
Paris Agreement	The Chamber has claimed that the Paris Agreement is ineffectual as a framework for reducing remissions (because it has no mechanism to enforce emissions reduction pledges, and the burden of emissions reduction is distributed unevenly across the signatories). The Chamber has also expressed concerns regarding the impact of the Paris Agreement on the United States economy (due, in part, to the perceived risk of carbon leakage) ⁸ .	We welcomed the Paris Agreement formalised in December 2015 at COP21. We believe the Paris Agreement provides a solid long-term foundation for further progress in the global response to climate change.
Price on carbon	The Chamber maintains that introducing a price on carbon would impose significant costs on the United States economy, and would be unlikely to garner popular support from the American people. Rather than carbon pricing, the Chamber believes 'technology and innovation offer the greatest potential to reduce emissions' ⁹ .	Emissions reductions are necessary to mitigate climate change. An effective global framework to reduce emissions should use a portfolio of complementary measures, including a price signal on carbon, implemented in a way that addresses competitiveness concerns and achieves lowest cost emissions reductions.
Restricting global warming to 2°C	The Chamber has indicated that the 2°C goal is unachievable ¹⁰ .	We welcomed the Paris Agreement and the 2°C goal. We have undertaken scenario planning to explore the implications of, and plan for, a 2°C world.

7 United States Chamber of Commerce (2017), 'The high cost of filling in the Obama Administration's Paris pledge "gap"', 17 March, available at: uschamber.com/above-the-fold/the-high-cost-filling-the-obama-administration-s-paris-pledge-gap; United States Chamber of Commerce (2016), 'Statement on the Paris Climate Change Agreement to the U.S. House of Representatives Committee on Science, Space and Technology', 2 February, available at: science.house.gov/sites/republicans.science.house.gov/files/documents/HHRG-114-SY-WState-SEule-20160202.pdf; United States Chamber of Commerce (2015), 'Global climate proposal deserves serious scrutiny', 30 November, available at: uschamber.com/above-the-fold/global-climate-proposal-deserves-serious-scrutiny.

8 United States Chamber of Commerce (2016), 'Statement on the Paris Climate Change Agreement to the U.S. House of Representatives Committee on Science, Space and Technology', 2 February, available at: science.house.gov/sites/republicans.science.house.gov/files/documents/HHRG-114-SY-WState-SEule-20160202.pdf; United States Chamber of Commerce (2015), 'U.S. Chamber statement in reaction to COP21 climate change agreement', 12 December, available at: uschamber.com/press-release/us-chamber-statement-reaction-cop21-climate-change-agreement.

9 United States Chamber of Commerce (2017), 'Climate change', 19 October, available at: uschamber.com/issue-brief/climate-change; United States Chamber of Commerce (2012), 'Industry lobbyists call for lighter oil, gas regulations', November, available at: globalenergyinstitute.org/industry-lobbyists-call-lighter-oil-gas-regulations; Global Energy Institute, United States Chamber of Commerce (2017), 'The Costs of Achieving the Obama Administration's GHG Emissions Goals', January, available at: globalenergyinstitute.org/sites/default/files/EIA%20No%20CPP%20vs.%20IEH%20Analysis%20Formatted%20FINAL.pdf; United States Chamber of Commerce (2016), 'Statement on the Paris Climate Change Agreement to the U.S. House of Representatives Committee on Science, Space and Technology', 2 February, available at: science.house.gov/sites/republicans.science.house.gov/files/documents/HHRG-114-SY-WState-SEule-20160202.pdf; United States Chamber of Commerce (2012), 'Industry lobbyists call for lighter oil, gas regulations', November, available at: globalenergyinstitute.org/industry-lobbyists-call-lighter-oil-gas-regulations.

10 Global Energy Institute, United States Chamber of Commerce (n.d.), 'Analysis: the 1.5°C solution?', available at: globalenergyinstitute.org/analysis-15%C2%B0c-solution; United States Chamber of Commerce (2016), 'Statement on the Paris Climate Change Agreement to the U.S. House of Representatives Committee on Science, Space and Technology', 2 February, available at: science.house.gov/sites/republicans.science.house.gov/files/documents/HHRG-114-SY-WState-SEule-20160202.pdf.

World Coal Association

Policy	Association position	Our position
Technology neutrality	<p>The World Coal Association (WCA) has expressed support for technology neutrality in climate and energy policy frameworks¹¹.</p> <p>The WCA, however, has also called for policy changes that are more technology-specific. For instance, the WCA supported abandoning the proposed Australian Clean Energy Target because in their view abandoning the Clean Energy Target would improve the investment climate for HELE generation¹².</p>	<p>We believe energy markets should be both fuel and technology neutral, and should not artificially favour one type of technology over another.</p> <p>We also believe governments should focus on setting policies to facilitate efficient markets. Government intervention in resources and energy markets should only be in response to a demonstrated market failure, and informed by cost-benefit analysis.</p>

11 For example, see: WCA (2017), 'WCA's engagement at COP23 in Bonn, Germany', 6 November, available at: worldcoal.org/wca%E2%80%99s-engagement-cop23-bonn-germany.

12 Mark Ludlow (2017), 'Malcolm Turnbull is right to abandon a Clean Energy Target: world coal boss', Australian Financial Review, 13 September, available at: afr.com/news/politics/malcolm-turnbull-is-right-to-abandon-a-clean-energy-target-world-coal-boss-20170912-gyfmp.

4. Industry association overview

For those three associations where a material difference (or differences) on climate and energy policy was identified, the broader activities of these associations were reviewed in areas that BHP considers to be of relevance to BHP, namely:

- **Health and Safety:** operational safety, occupational health and related activities;
- **Environment:** land use and biodiversity, and water;
- **Community:** sustainable development, community engagement, Indigenous peoples and human rights;
- **Workforce:** inclusion and diversity, and workforce training; and
- **Economics:** policy development in relation to trade and investment, productivity and growth, and economic reform.

BHP identified, by reference to these areas, various activities of the MCA, the Chamber and the WCA. Those activities are outlined below.

Minerals Council of Australia

Health and Safety	<p>The MCA supports workplace health and safety as the number one value and commitment of the Australian minerals industry.</p> <p>The MCA administers a number of initiatives designed to improve the health and safety performance of the minerals industry. It:</p> <ul style="list-style-type: none">• develops and maintains industry guidance (e.g. the MCA released the <i>Blueprint for Mental Health and Wellbeing</i> in 2015);• supports programs to raise awareness of health and safety issues (e.g. the MCA backed two 'Mates in Mining' pilots in 2016 'to raise suicide awareness and avenues of assistance in the workforce'¹³); and• provides general leadership and strategies on achieving the industry's health and safety goals through its Occupational Health and Safety Standing Committee. <p>The MCA engages on health and safety issues such as supporting mental health outcomes for fly in fly out workers¹⁴ and tackling drug addiction in the Australian workforce¹⁵.</p>
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13 MCA (2017), *Annual Report 2016*, available at: minerals.org.au/file_upload/files/annual_reports/MCA_Annual_Report_2016_FINAL.pdf.

14 For example, see: MCA (2015), 'submission to the WA inquiry into mental health impacts of FIFO work arrangements', 13 February, available at: minerals.org.au/news/submission_to_the_wa_inquiry_into_mental_health_impacts_of_fifo_work_arrang.

15 For example, see: MCA (2015), 'Submission to the Parliamentary Joint Committee on Law Enforcement inquiry into crystal methamphetamine', June, available at: minerals.org.au/file_upload/files/submissions/MCA_Submission_-_Inquiry_into_Crystal_Methamphetamines_24_June_2015.pdf.

Environment

The MCA administers a number of initiatives designed to improve the environmental performance of the Australian minerals industry. It:

- develops and maintains industry guidance (such as the *Cumulative Environmental Impact Assessment Industry Guide*, which assists minerals companies 'in accounting for cumulative environmental impacts within normal project approval processes in Australia'¹⁶ and the *Water Accounting Framework*, which provides international best practice on how minerals companies should manage water resources); and
- develops and maintains policy principles (such as those for water¹⁷ and land stewardship¹⁸) to guide the industry and its interactions with governments.

The MCA engages on environmental issues such as improving the regulation and management of water resources¹⁹, achieving continuous improvement in the closure and rehabilitation of mines²⁰ and reducing regulatory burden associated with the approval of new resource projects²¹.

Community

The MCA administers a number of initiatives designed to improve how Australian minerals companies engage with the communities in which they operate. It:

- develops and maintains industry guidance (such as the *Enduring Value Framework*, which outlines how the minerals industry should put sustainable development into practice, and a *Voluntary Community Investment Toolkit*, which aims to enhance how the minerals industry delivers regional development outcomes);
- develops and maintains policy principles (such as the MCA's overarching principles of Indigenous economic development) to guide the industry and its interactions with governments; and
- commissions and publishes research on community-related issues²².

The MCA engages on minerals industry engagement with Indigenous communities through detailed policy papers²³ and events (including the 2017 Australian Mining Industry Annual Lecture, which was presented by Professor Marcia Langton AM).

16 MCA (2015), *Cumulative Environmental Impact Assessment Industry Guide*, July, available at: minerals.org.au/file_upload/files/reports/Cumulative_Environmental_Impact_Assessment_Industry_Guide_FINAL.pdf.

17 MCA (2012), *Water Policy*, available at: minerals.org.au/file_upload/files/resources/MCA_Water_Policy_2012c.pdf.

18 MCA (2012), *Land Stewardship*, available at: minerals.org.au/file_upload/files/resources/MCA_Stewardship_Policy_2012.pdf.

19 For example, see: MCA (2017), 'Submission to the Productivity Commission inquiry into the progress of water reforms', 9 November, available at: minerals.org.au/news/submission_to_the_productivity_commission_inquiry_into_the_progress_of_water_reforms_draft_report.

20 For example, see: MCA (2017), 'Submission to Senate Environment and Communications Reference Committee inquiry into the rehabilitation of mining and resources projects as it relates to Commonwealth responsibilities', 28 April, available at: minerals.org.au/news/mca_submission_to_the_senate_inquiry_into_mine_rehabilitation.

21 For example, see: MCA (2017), 'Submission to the Senate Select Committee on Red Tape inquiry into environmental approvals', 18 July, available at: minerals.org.au/news/submission_to_senate_select_committee_on_red_tape_inquiry_into_environmenta.

22 For example, see: Julie Keenan and Deanna Kemp (2014), *Mining and Local Development: Examining the gender dimensions of agreements between companies and communities*, prepared for the MCA and Department of Foreign Affairs and Trade, available at: minerals.org.au/file_upload/files/reports/Mining_and_Local_Level_Development_Examining_the_Gender_Dimensions_of_Agreements_Between_Companies_and_Communities.pdf.

23 For example, see: Nyunggai Warren Mundine and Elizabeth Henderson (2017), *Crafting the Future: Minerals industry engagement with Indigenous Australia*, available at: minerals.org.au/file_upload/files/publications/171024_Minerals_industry_engagement_with_Indigenous_Australia_October_2017_FINAL.pdf.

Minerals Council of Australia

Workforce

The MCA raises awareness of the role played by the minerals industry in delivering employment outcomes in regional Australia. It also raises awareness of inclusion and diversity in the minerals industry (through its annual Women in Resources awards, and an executive scholarship program).

The MCA engages on workforce issues such as improving the quality and effectiveness of Australia's tertiary education system²⁴, maintaining the integrity and effectiveness of Australia's skilled immigration programs²⁵, and improving the effectiveness of Australia's industrial relations framework²⁶.

Economics

The MCA raises awareness of the economic performance and contribution of the Australian minerals industry. Most recently, the MCA released research outlining the economic contribution of mining and mining equipment, technology and services to Australia²⁷.

The MCA engages on economic issues such as the importance of free trade and foreign direct investment²⁸, ensuring Australia's system of horizontal fiscal equalisation incentivises resource development²⁹, maintaining the competitiveness of Australia's taxation system³⁰, and achieving sustainable development in regional Australia³¹.

Summary view

Our commitment to improving the health, safety, environmental and community performance of our operations is enhanced by our membership of the MCA and the programs, guidance and standards it has developed. We derive considerable benefits, both directly and as a member of the Australian minerals industry, from the MCA's promotion of workplace diversity and the economic contribution of the minerals industry, and advocacy for free trade. Our overall assessment is that there is high value in membership of the MCA arising from the activities in the areas noted above.

We note, however, that the MCA has on occasion adopted an approach to advocacy and communications at variance to BHP's preferred approach. An example was the MCA's recommendation that, as one element in broader reform options for Australia's charitable sector, policymakers consider imposing a cap on the advocacy activities of charities.

24 For example, see: MCA (2016), 'Submission to inquiry into innovation and creativity: A workforce for the new economy', March, available at: minerals.org.au/news/submission_to_inquiry_into_innovation_and_creativity_a_workforce_for_the_new_economy.

25 For example, see: MCA (2016), 'Submission to Temporary Skilled Migration Income Threshold (TSMIT) review', February, available at: minerals.org.au/news/mca_submission_to_temporary_skilled_migration_income_threshold_tsmit_review.

26 For example, see: MCA (2015), 'Submission to Productivity Commission workplace relations framework draft report', October, available at: minerals.org.au/news/submission_to_productivity_commission_workplace_relations_framework_draft_report.

27 Deloitte Access Economics (2017), *Mining and METS: Engines of economic growth and prosperity for Australians*, prepared for the MCA, available at: minerals.org.au/file_upload/files/reports/Mining_and_METS_engines_of_economic_growth_and_prosperity_for_Australians.pdf.

28 For example, see: MCA (2017), 'Submission on Australia's trade and investment relationship with the UK', March, available at: minerals.org.au/news/submission_to_joint_standing_committee_on_foreign_affairs_defence_and_trade.

29 For example, see: MCA (2017), 'Submission to the Productivity Commission inquiry on horizontal fiscal equalisation in Australia', July, available at: minerals.org.au/news/submission_to_the_productivity_commission_inquiry_on_horizontal_fiscal_equalisation.

30 For example, see: MCA (2017), 'Submission on tax expenditures statement', October, available at: minerals.org.au/news/submission_on_tax_expenditures_statement.

31 For example, see: MCA (2017), 'Submission to the Productivity Commission's initial report on transitioning regional economies', August, available at: minerals.org.au/news/submission_to_the_productivity_commission_initial_report_on_transitioning_regional_economies.

United States Chamber of Commerce

Health and Safety The Chamber seeks to improve workplace wellness in the United States business community by:

- hosting events (e.g. the Chamber hosts annual forums to highlight trends in workplace and community wellness initiatives³²);
- commissioning and publishing research (e.g. in 2016, the Chamber released a study on the impact of wellness on workforce productivity in global markets³³); and
- sharing information and best practice³⁴.

Environment The Chamber seeks to improve the environmental performance of the United States business community by:

- hosting events (e.g. the Chamber recently hosted a workshop on recycling optimisation³⁵);
- developing industry guidance (e.g. the Chamber, in collaboration with the International Association of Plumbing and Mechanical Officials, developed a toolkit to improve energy and water efficiency³⁶);
- administering recognition programs (such as its environmental stewardship awards); and
- sharing information and best practice³⁷.

The Chamber frequently engages on environmental issues such as the regulatory approach of the United States Environmental Protection Agency³⁸, the Clean Air Act and the Ozone Standards Implementation Act³⁹, and the Clean Water Rule⁴⁰.

32 United States Chamber of Commerce (2017), 'Innovations in Workplace and Community Wellness: A new era', available at: [uschamber.com/event/innovations-workplace-and-community-wellness-new-era](https://www.uschamber.com/event/innovations-workplace-and-community-wellness-new-era).

33 United States Chamber of Commerce (2016), Health and Economy: The Impact of Wellness on Workforce Productivity in Global Markets, available at: [uschamber.com/sites/default/files/documents/files/global_initiative_on_health_and_the_economy_-_report.pdf](https://www.uschamber.com/sites/default/files/documents/files/global_initiative_on_health_and_the_economy_-_report.pdf).

34 For example, see: United States Chamber of Commerce (n.d.), 'Workplace wellness', available at: [uschamber.com/issues/health-care/workplace-wellness](https://www.uschamber.com/issues/health-care/workplace-wellness).

35 United States Chamber of Commerce (2017), 'Orlando region recycling optimisation workshop', available at: [uschamberfoundation.org/event/orlando-region-recycling-optimization-workshop](https://www.uschamberfoundation.org/event/orlando-region-recycling-optimization-workshop).

36 United States Chamber of Commerce (2015), 'Energy-Water Nexus Toolkit: Resources and Best Practices for Using Energy and Water More Efficiently', 15 April, available at: [uschamberfoundation.org/reports/energy-water-nexus-toolkit-resources-and-best-practices-using-energy-and-water-more](https://www.uschamberfoundation.org/reports/energy-water-nexus-toolkit-resources-and-best-practices-using-energy-and-water-more).

37 For example, see: United States Chamber of Commerce Foundation (2017), 'Managing water-related risks: Moving from awareness to action', 27 March, available at: [uschamberfoundation.org/blog/post/managing-water-related-risks-moving-awareness-action](https://www.uschamberfoundation.org/blog/post/managing-water-related-risks-moving-awareness-action).

38 For example, see: United States Chamber of Commerce (2017), 'Comments to EPA on Evaluation of Existing Regulations', available at: [uschamber.com/comment/comments-epa-evaluation-existing-regulations](https://www.uschamber.com/comment/comments-epa-evaluation-existing-regulations).

39 For example, see: United States Chamber of Commerce (2017), 'Ozone National Ambient Air Quality Standards', available at: [uschamber.com/issue-brief/ozone-national-ambient-air-quality-standards](https://www.uschamber.com/issue-brief/ozone-national-ambient-air-quality-standards).

40 For example, see: United States Chamber of Commerce (2017), 'Comments to EPA and USACE on Proposed Repeal of 2015 WOTUS Rule', available at: [uschamber.com/comment/comments-epa-and-usace-proposed-repeal-2015-wotus-rule](https://www.uschamber.com/comment/comments-epa-and-usace-proposed-repeal-2015-wotus-rule).

United States Chamber of Commerce

Community

The Chamber seeks to improve how United States businesses engage with the communities in which they operate by:

- hosting events (e.g. the Chamber hosted a workshop on how the private sector could create economic development opportunities in the Twin Cities⁴¹);
- administering recognition programs (such as its Corporate Citizenship Award); and
- sharing information and best practice⁴².

The Chamber launched the Native American Enterprise Initiative (**NAEI**) in 2012 'to promote the interests and agenda of tribes and tribal entrepreneurs'⁴³. The NAEI engages on a number of legislative and judicial priorities (including, most recently, passage of the Tribal Labor Sovereignty Act).

Workforce

The Chamber seeks to improve the inclusion and diversity performance of the United States business community by:

- developing industry guidance (e.g. the Chamber has developed guidance on how businesses can create and implement programs aimed at fostering inclusivity, empowerment and respect⁴⁴);
- hosting events (e.g. the Chamber hosted *America Working Forward* in October to 'showcase employer-led solutions to closing the skills gap'⁴⁵);
- commissioning and publishing research (e.g. the Chamber, in partnership with the United Nations and the Harvard Kennedy School, undertook research on the role of corporations in supporting women's economic empowerment⁴⁶); and
- sharing information and best practice⁴⁷.

The Chamber engages on workforce issues such as securing Congress action on undocumented migrants who arrived in the United States as children⁴⁸, improving the approach of the National Labor Relations Board,⁴⁹ and improving gender diversity outcomes⁵⁰.

41 United States Chamber of Commerce (2016), 'Private sector solutions to economic opportunity in the Twin Cities', available at: uschamberfoundation.org/event/private-sector-solutions-economic-opportunity-twin-cities.

42 For example, see: United States Chamber of Commerce Foundation (2017), 'Leading the Way: A guide for business engagement in early education', 17 October, available at: uschamberfoundation.org/reports/leading-way-guide-business-engagement-early-education.

43 United States Chamber of Commerce (2017), 'Native American Enterprise Initiative', available at: uschamber.com/native-american-enterprise-initiative.

44 United States Chamber of Commerce (2017), 'Developing a kindness program', available at: uschamberfoundation.org/business-kindness/developing-kindness-program.

45 United States Chamber of Commerce Foundation (2017), 'American Working Forward', available at: uschamberfoundation.org/event/america-working-forward.

46 United States Chamber of Commerce (2015), 'A Path to Empowerment: The role of corporates in supporting women's economic progress', 22 April, available at: uschamberfoundation.org/reports/path-empowerment-role-corporations-supporting-women-s-economic-progress.

47 For example, see: United States Chamber of Commerce Foundation (2017), 'Bridging the Soft Skills Gap', available at: uschamberfoundation.org/sites/default/files/Bridging%20The%20Soft%20Skills%20Gap_White%20Paper%20FINAL_11.6.17%20.pdf.

48 For example, see: United States Chamber of Commerce (2017), 'From Dream Job to Possible Deportation, a DREAMer Confronts the Unknown', 16 November, available at: uschamber.com/above-the-fold/dream-job-possible-deportation-dreamer-confronts-the-unknown.

49 For example, see: Glenn Spencer (2017), 'Restoring common sense to labor law', Washington Examiner, 28 February, available at: washingtonexaminer.com/restoring-common-sense-to-labor-law/article/2615945.

50 For example, see: United States Chamber of Commerce (2016), 'Letter supporting "Gender Diversity in Corporate Leadership Act of 2016"', available at: uschamber.com/letter/letter-supporting-gender-diversity-corporate-leadership-act-2016.

United States Chamber of Commerce

Economics

The Chamber frequently engages on economic issues such as reducing red tape⁵¹, managing the federal debt⁵², boosting trade and investment⁵³, and improving the growth impacts of America's corporate tax system⁵⁴.

The Chamber has strongly supported United States involvement in bilateral and multilateral free trade agreements, and sought to convey the benefits of international trade to its stakeholders⁵⁵.

The Chamber supports international economic engagement through its International Affairs Division. The Chamber is also steward of the American Chambers of Commerce Abroad (**AmChams**), which comprises more than 115 American Chambers of Commerce in 103 countries⁵⁶. The AmChams provide export-import trade leads, facilitate meetings between business leaders and governments, and share information and best practice.

Summary view

The Chamber is a high profile and longstanding industry association that plays a significant role in the United States business community. We have been a member of the Chamber since 2011. We derive benefits from the association's advocacy on economic issues, including free trade. We also derive some benefit from having access to issue experts at the Chamber, and the Chamber's information-sharing activities. However, while the Chamber is active across a number of areas of importance to BHP (particularly health and safety, environment, community and workforce), we rely less on the Chamber to improve our performance in these areas compared to other major industry associations.

We differ with the Chamber in some policy areas (as is to be expected given the breadth of the organisation), including in recent times in relation to the potential introduction of regulations requiring the publication by US extractives companies of their payments to governments. The Chamber opposed the introduction of the proposed Securities and Exchange Commission rule 1504⁵⁷. This rule was supported by BHP.

51 United States Chamber of Commerce (2017), 'Red tape issue brief', available at: [uschamber.com/sites/default/files/red_tape_issue_brief_.pdf](https://www.uschamber.com/sites/default/files/red_tape_issue_brief_.pdf).

52 For example, see: United States Chamber of Commerce (2017), 'It's time to scrap the debt limit', 25 May, available at: [uschamber.com/above-the-fold/it-s-time-scrap-the-debt-limit](https://www.uschamber.com/above-the-fold/it-s-time-scrap-the-debt-limit).

53 For example, see: United States Chamber of Commerce (2017), 'The benefits of international trade', available at: [uschamber.com/international/international-policy/benefits-international-trade](https://www.uschamber.com/international/international-policy/benefits-international-trade).

54 For example, see: United States Chamber of Commerce (2017), 'US Chamber welcomes pro-growth Senate tax reform package', 10 November, available at: [uschamber.com/press-release/us-chamber-welcomes-pro-growth-senate-tax-reform-package](https://www.uschamber.com/press-release/us-chamber-welcomes-pro-growth-senate-tax-reform-package).

55 United States Chamber of Commerce (n.d.), 'The benefits of international trade', available at: [uschamber.com/international/international-policy/benefits-international-trade](https://www.uschamber.com/international/international-policy/benefits-international-trade).

56 United States Chamber of Commerce (2017), 'International Affairs Division', available at: [uschamber.com/international-affairs-division](https://www.uschamber.com/international-affairs-division).

57 United States Chamber of Commerce (n.d.), 'API, others sue SEC over Dodd-Frank payment disclosure rule', available at: [globalenergyinstitute.org/api-others-sue-sec-over-dodd-frank-payment-disclosure-rule](https://www.globalenergyinstitute.org/api-others-sue-sec-over-dodd-frank-payment-disclosure-rule).

World Coal Association

Environment

The WCA seeks to improve the environmental performance of the coal industry by sharing information and best practice⁵⁸.

The WCA raises awareness of the environmental performance of the coal industry by sharing information on practices and technologies (including case studies of good practice)⁵⁹.

Community

The WCA seeks to improve how the coal industry engages with the communities in which they operate through the sharing of information and best practice⁶⁰.

The WCA raises awareness of the coal industry's community engagement through the sharing of information on practices and technologies. For instance, the WCA publishes a number of issue briefs on the importance of coal to infrastructure development, transport and sustainable development⁶¹.

Summary view

BHP derives benefits from its membership of the WCA, though the scope of these benefits is narrow. On the one hand, BHP gains value from the efforts of the WCA to raise awareness of the global coal industry's environmental performance and community engagement. Conversely, because the role of the WCA is primarily focused on information provision, it generally does not manage initiatives aimed at improving the performance of member companies (such as developing specific standards, investing in research, and administering training programs). This is largely because such initiatives are driven by national associations and/or the International Council on Mining and Metals.

58 WCA (2014), *Sustainable Mining Practice Policy Statement*, available at: worldcoal.org/sites/default/files/resources_files/wca_sustainable_mining_policy_statement2014%2829_07_2014%29.pdf.

59 For example, see: WCA (2017), 'Coal use and the environment', available at: worldcoal.org/environmental-protection/coal-use-environment.

60 WCA (2014), *Sustainable Mining Practice Policy Statement*, available at: worldcoal.org/sites/default/files/resources_files/wca_sustainable_mining_policy_statement2014%2829_07_2014%29.pdf.

61 For example, see: WCA (2017), 'Building modern societies', available at: worldcoal.org/sustainable-societies/building-modern-societies.

5. Outcomes

The outcomes from the review are outlined below.

Formulation of Industry Association Principles

The Industry Association Principles will guide BHP's membership of, and participation in, industry associations into the future. At the core of those principles is a commitment to:

- Keep under regular review BHP's alignment with the climate and energy policy positions taken by industry associations on matters of significance to BHP (Principle 4).
- Assess, where alignment does not exist, and taking into account the extent of benefit derived from the broader activities of the association, whether to cease membership of the association, remain 'with action', or remain 'without action' (Principle 5).
- Maintain a register of material differences on energy and climate (Principle 9).
- Actively prosecute the view that, where no broad industry consensus exists, associations should generally refrain from advocacy in those areas, with individual members being best placed to outline their views independently (Principle 3).

Future relationship with MCA, the Chamber and WCA

BHP has made a determination as to the next steps regarding BHP's relationships with the three industry associations identified as having materially different positions on energy and climate policy to BHP, namely the MCA, the Chamber, and the WCA.

Consistent with the Industry Association Principles, BHP assessed each of these three associations having regard to the nature of the material difference (or differences), and the extent of the benefit derived from the broader activities of the association.

In summary, we concluded that BHP receives a high level of benefit from the MCA, a more moderate level of benefit from the Chamber, and a lower level of benefit from the WCA.

BHP has, as a result, determined to take the following steps:

- In relation to the **MCA**, BHP has determined, in light of the nature of the material differences and the high level of benefit it derives from membership, that it will remain a member, subject to action as follows:

- BHP will formally communicate the identified material differences to the board of the MCA;
 - BHP will request that the MCA refrain from policy activity or advocacy in these areas;
 - BHP will maintain a register of material differences; and
 - BHP will review its membership of the MCA if it has not refrained from such activity or advocacy within a reasonable period (being not more than 12 months).
- In relation to **the Chamber**, BHP has identified a number of material differences, and a range of broader activities of benefit to BHP from membership. Given these broader benefits, and the role the Chamber plays in the US business community, BHP will seek additional information from the Chamber, prior to making a final determination as to next steps with respect to membership, as follows:
 - BHP will formally communicate the identified material differences to the board of the Chamber;
 - BHP will invite a response to the findings of the review (including any information the Chamber may provide with respect to the nature of its broader activities); and
 - BHP will, following receipt of any response, make a determination as to future membership.

BHP will make this determination on or before 31 March 2018.

- In relation to the **WCA**, BHP has reached a preliminary view that, in light of the nature of the material difference, and the narrower activities of benefit to BHP from membership, it will exit as a member. However, before reaching a final view, BHP will:
 - formally communicate the identified material difference to the board of the WCA;
 - indicate that it has reached a preliminary view to exit the WCA, and that it invites a response to the findings of the review (including any information the WCA may provide with respect to the nature of its broader activities), before making a final determination as to future membership; and
 - following receipt of any response, make a determination as to future membership.

BHP will make this determination on or before 31 March 2018.

Appendix 1: Industry associations

Name	Jurisdiction	Role
American Petroleum Institute	United States	<ul style="list-style-type: none"> Represents the upstream and downstream oil and gas industry in the United States. Facilitates the lifting of industry and member performance (through information sharing, standards development, guidance development, equipment certification, research, events and training). Has approximately 625 members.
Australian Industry Greenhouse Network	Australia	<ul style="list-style-type: none"> A network of industry associations and individual businesses that contribute to the climate change policy debate and see value in joint industry action on climate change to promote sustainable industry development. Has approximately 25 members.
Australian Petroleum Production and Exploration Association	Australia	<ul style="list-style-type: none"> Represents Australia's oil and gas exploration and production industry. Facilitates the lifting of industry and member performance (through information sharing, guidance development, research, events and training). Has approximately 60 full member companies and 140 associate member companies.
Business Council of Australia	Australia	<ul style="list-style-type: none"> Provides a forum for Australian business leaders to contribute to public policy debates. Promotes the contribution and social responsibility of the business community. Facilitates the lifting of industry and member performance (through information sharing, research and events). Has approximately 130 members.
Business Council of Canada	Canada	<ul style="list-style-type: none"> Provides a forum for Canadian business leaders to contribute to public policy debates. Promotes the contribution and social responsibility of the business community. Facilitates the lifting of industry and member performance (through information sharing, research and events). Has more than 150 members.
Centre for Climate and Energy Solutions (Business Environment Leadership Council)	United States	<ul style="list-style-type: none"> A national organisation that aims to strengthen business action and support for effective climate policies. Works towards immediate, binding and global action on climate change. Has more than 30 members.

Name	Jurisdiction	Role
Chamber of Minerals and Energy of Western Australia	Western Australia (Australia)	<ul style="list-style-type: none"> Represents the mineral and energy resources sector in Western Australia. Facilitates the lifting of industry and member performance (through information sharing, research and events). Has approximately 70 ordinary members and 50 associate members.
Consejo Minero de Chile	Chile	<ul style="list-style-type: none"> Represents Chile's mineral resources sector. Facilitates the lifting of industry and member performance (through information sharing, research, skills development, events and training). Has approximately 20 members.
Global Carbon Capture and Storage Institute	Global	<ul style="list-style-type: none"> Seeks to accelerate the deployment of carbon capture and storage technology (through advocacy, research, capacity building and events). Has approximately 75 members.
International Petroleum Industry Environmental Conservation Association	Global	<ul style="list-style-type: none"> Provides a forum for the development, sharing and promotion of good practice and knowledge to help the upstream and downstream oil and gas industry and improve its environmental and social performance. Has approximately 40 corporate members and 25 associate and association members.
International Association of Oil and Gas Producers	Global	<ul style="list-style-type: none"> Represents the global upstream oil and gas industry. Facilitates the lifting of industry and member performance (through information sharing, research and events). Has approximately 75 members.
International Chamber of Commerce	Global	<ul style="list-style-type: none"> Represents and supports businesses of all sizes and in all countries (through advocacy, rule setting and dispute resolution). Has over six million business members in more than 100 countries.
International Council of Mining and Metals	Global	<ul style="list-style-type: none"> Aims to strengthen the environmental and social performance of the mining industry, with members having to meet specified performance standards and sustainable development commitments to be eligible. Has 25 company members and approximately 30 association members.
International Emissions Trading Association	Global	<ul style="list-style-type: none"> A member-led organisation that promotes market-based trading systems as a solution to climate change; participates in the design and implementation of national and international rules and guidelines; and disseminates information on emissions trading. Has approximately 120 members.
Minerals Council of Australia	Australia	<ul style="list-style-type: none"> Represents and promotes Australia's exploration, mining and minerals processing industry. Facilitates the lifting of industry and member performance (through information sharing, guidance development, research and events). Has approximately 50 member companies and 30 associate members.
Mining Association of Canada	Canada	<ul style="list-style-type: none"> Represents the Canadian mining industry. Facilitates the lifting of industry and member performance (through information sharing, research and events). Has approximately 40 full members and 50 associate members.

Name	Jurisdiction	Role
New South Wales Minerals Council	New South Wales (Australia)	<ul style="list-style-type: none"> • Represents the minerals industry in New South Wales. • Facilitates the lifting of industry and member performance (through information sharing, research and events). • Has approximately 30 full members and 60 associate members.
Queensland Resources Council	Queensland (Australia)	<ul style="list-style-type: none"> • Represents the mineral and energy resources sector in Queensland. • Facilitates the lifting of industry and member performance (through information sharing, guidance development, research and events). • Has approximately 75 full members and 85 service members.
South Australian Chamber of Mines and Energy	South Australia (Australia)	<ul style="list-style-type: none"> • Represents the minerals, energy, extractive and oil and gas sectors in South Australia through advocacy, research and industry events. • Has approximately 200 members.
United States Chamber of Commerce	United States	<ul style="list-style-type: none"> • Represents and supports businesses of all sizes, sectors and regions in the United States. • Facilitates the lifting of business performance through information sharing, research, events and training. • Has more than three million business members.
World Coal Association	Global	<ul style="list-style-type: none"> • A member-led organisation that aims to demonstrate and gain acceptance for the role coal can play in achieving a sustainable and lower carbon energy future. • Has 15 corporate members and more than 20 associate members.

Appendix 2: BHP Climate and energy policies

Title	Our position
Adaptation infrastructure	<p>We take a robust, risk-based approach to adapt to the physical impacts of climate change. We work with globally recognised agencies to obtain regional analyses of climate change science to inform resilience planning at an asset level and improve our understanding of the climate vulnerabilities that our operations and host communities may face.</p> <p>A policy framework to deliver a measured transition to a lower emissions economy should include a complementary set of measures, including a price on carbon, support for low-emissions technology and measures to build resilience.</p>
Carbon capture and storage	<p>To provide access to energy and limit climate change, the world must find ways to reduce emissions from the production and use of fossil fuels, as well as increasing the share of alternative energy sources. Carbon capture and storage (CCS) can play a pivotal role in reducing emissions from oil and gas production, and from fossil fuels used in power generation and industrial processes.</p> <p>To enable the expansion of CCS development, policies must be embedded in long-term strategies that recognise a range of abatement options will play a role in the future. In an ideal world, there would be mechanisms, such as a carbon price as part of a suite of policy solutions, to help steer commercial investment into low emission technologies like CCS. In the nearer term, industry and government must work together to develop pilot projects, demonstration plants and 'first of a kind' commercial scale operations.</p>
Climate science	<p>We accept the IPCC assessment of climate change science, which has found that warming of the climate is unequivocal, the human influence is clear and physical impacts are unavoidable.</p>
Emissions reduction targets	<p>We welcomed the Paris Agreement formalised in December 2015 at COP21. We support the commitment of the Australian Government to reduce emissions by 26-28 per cent on 2005 levels by 2030.</p> <p>Australian climate change policies should be optimised to achieve this commitment, integrated with key energy policy considerations, and consistent with the government's broader policy objectives of boosting employment, trade competitiveness and investment.</p>
Equal prioritisation of the energy trilemma	<p>Climate policy and energy policy are inextricably linked. Recognising this connection, and ensuring that the sometimes conflicting demands of energy reliability, energy affordability and emissions reduction are appropriately balanced, is essential to minimising adverse impacts and maximising policy efficacy.</p>

Title	Our position
Land-use change for sequestration	<p>Deforestation and land degradation are responsible for up to 20 per cent of GHG emissions and are the largest sources of emissions in many developing countries. Forest resources also contribute directly to the livelihoods of 90 per cent of the 1.2 billion people living in abject poverty. GHG emissions will remain an inevitable part of BHP's business even with low-emissions technology becoming more effective and commercially viable. As a result, identifying cost-effective and robust offsets (carbon credits) is important to meeting future GHG emissions reduction commitments.</p> <p>REDD+ is an international mechanism established under the UNFCCC that provides economic, social and environmental incentives for developing countries to reduce GHG emissions from deforestation and related activities through the creation of carbon credits. Supporting the REDD+ is a key element of our climate change mitigation efforts.</p>
Paris Agreement	<p>We welcomed the Paris Agreement formalised in December 2015 at COP21. We believe the Paris Agreement provides a solid long-term foundation for further progress in the global response to climate change.</p> <p>Together with a range of businesses and other non-state entities, we demonstrated our support by signing the UNFCCC's Paris Pledge.</p>
Price on carbon	<p>An effective global framework to reduce emissions should use a portfolio of complementary measures, including a price signal on carbon, implemented in a way that addresses competitiveness concerns and achieves lowest cost emissions reductions.</p> <p>The ideal solution would be an international price that incentivises a market-based response. But gaining alignment is challenging, and we recognise that countries have different strategic objectives and priorities they must consider.</p>
Restricting global warming to 2°C	<p>We welcomed the agreement reached at COP21 in Paris to hold the increase in the global average temperature to well below 2°C and to pursue efforts to limit the temperature increase to 1.5°C.</p> <p><i>Our Climate Change: Portfolio Analysis</i> includes consideration of the potential portfolio implications of a transition to a 2°C world.</p>
Technology neutral, free-market energy mix	<p>Energy markets need to be both fuel and technology neutral, and not artificially favour one type of technology over another. Governments should instead focus on providing clear emissions reduction goals and system stability requirements. It would then be up to industry to determine the most effective and least cost means of achieving these goals. Such an approach would promote innovation and avoid a scenario where less-efficient technologies are established and/or potentially more efficient technologies are unnecessarily held back.</p> <p>BHP believes that societies and economies can be strengthened by policy and regulatory settings that are risk-based and developed in an open, transparent manner. This is particularly important in energy markets, where the cost impacts of poor market interventions are high; flow across much of the economy; and can persist in the market long after being discontinued. To ensure Australia can boost its international competitiveness in the supply of energy, Commonwealth and State and Territory policy settings need to facilitate an efficient market. Government intervention in resources and energy markets should only be in response to a demonstrated market failure and informed by cost-benefit analysis.</p>

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