

BHP

Industry Association Review

June 2023

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Disclaimer and limitations

Objectivity

The views and conclusions expressed in this Report are those of BHP. No association was consulted on BHP's approach or provided with BHP's assessment or proposed outcomes prior to finalisation of this Report. BHP has sought (with KPMG's input) to provide a balanced and fair summary of the policy and advocacy positions of each association included in the scope of our review, but we recognise that the nature of a review of policy and advocacy positions in any area of public debate necessarily involves interpretation, judgement and opinion.

*We have also not undertaken any verification of the public information regarding any of the associations referred to in this Report and BHP makes no representation regarding the accuracy of any such information, including the information regarding their advocacy positions as contained in **Appendix A**.*

Evidence-based review

The review is based on publicly available information. The review could not, and therefore did not, encompass or take into account information which may have been discussed 'behind closed doors', or subsequently amended after the review period. BHP did not separately verify the publicly available information on which the review was based.

Executive Summary

The purpose of this Report is to provide the outcomes of our review of policy alignment between BHP and our material association memberships in relation to climate change.

We join, and remain members of, industry associations that we believe can help achieve better outcomes on public policy, practice and/or standards.

We also believe that we can have a positive impact on standards and advocacy working with and within industry associations.

Our 2023 industry association review focused on 15 association memberships we consider to be material. Of these, we found:

- 10 were aligned with our August 2020 Global Climate Policy Standards.
- Five had some, non-material misalignment: the Canadian Chamber of Commerce (CCC), Minerals Council of Australia (MCA), New South Wales Minerals Council (NSWMC), Queensland Resources Council (QRC) and United States Chamber of Commerce (US Chamber). In relation to:
 - CCC, MCA and US Chamber, our view is that we derive sufficient benefit from our membership of these associations. Accordingly, and consistent with our principles for participating in industry associations, we have determined to remain a member of the CCC, MCA and US Chamber, while actively encouraging these associations to address the identified areas of misalignment.
 - NSWMC, we will remain a member conditional on the association confirming its policy agenda to support the achievement of a reliable, affordable and zero emissions electricity grid.
 - QRC, we have decided to resume full membership given that the reason for our suspension in October 2020 has been resolved and given the benefits derived from membership. We will also encourage the association to address the area of misalignment identified by this review.
- None had material misalignment with our August 2020 Global Climate Policy Standards.

Future action

In February 2023, we engaged with investors and other stakeholders on possible further improvements we could make to our industry association review approach. Based on the feedback we received, we will be increasing the frequency of our industry association reviews to every two years. In the intervening years, we will publish (as relevant) an update on the progress we have made in addressing identified areas of misalignment and any relevant findings from our real time monitoring.

Governance

This Report has been approved by the BHP Board.

Our approach

Scope of the review

Our 2023 industry association review considered the climate policy advocacy of in-scope associations in the period January 2020 to February 2023. Fifteen industry associations (see **Appendix A**) were in scope for the review on the basis that they met at least one of the following two 'materiality' criteria as at July 2022:

- our base membership fee in 2022 was equal to or greater than US\$100,000; and/or
- there is significant stakeholder interest in the advocacy of the association (as determined by whether the association was listed on InfluenceMap's [ranking of industry associations](#)).

Methodology

Assessing alignment and acting on material misalignment

We used the following three-step approach to assess the climate policy advocacy of our material associations:

- We commissioned an external party (KPMG) to collect publicly available information on the associations' advocacy (e.g., from association websites, government consultation processes, news reports and social media).
- We assessed the extent to which the advocacy aligned with our August 2020 Global Climate Policy Standards. This assessment considered both the formal position statements of industry associations and their day-to-day advocacy, and focused primarily on advocacy of direct relevance to the mining sector. In determining whether an identified misalignment was material or not, we considered:
 - the nature of the identified misalignment (e.g., does it relate to a fundamental difference over principle or outcomes? Or is it more of a practical disagreement over the best way to achieve a shared goal?);
 - the nature of the relevant policy issue (e.g., how crucial is the issue in terms of enabling the achievement of the aims of the Paris Agreement?); and
 - the consistency and trajectory of association advocacy (e.g., does the identified misalignment fit within a broader pattern of association advocacy, or does it appear to be more of a one-off? Has the advocacy of the association in relation to the identified misalignment improved over time?).
- For those industry associations that were found to have some, non-material, misalignment, we made a determination of what actions we would take to address the identified misalignment (having regard to BHP's principles for participating in industry associations).

Position on the Paris Agreement

One of our guiding principles for participating in industry associations is that the policy advocacy of an industry association should reflect the views of its membership. On issues where no broad industry consensus exists, we believe associations should refrain from advocacy.

As a consequence, we generally do not view the absence of an association position on an element of our August 2020 Global Climate Policy Standards as representing, by itself, sufficient evidence that a misalignment exists (given such 'silence' could reflect a lack of consensus amongst the association's membership).

The only exception relates to the Paris Agreement. Given the centrality of the Paris Agreement to the global effort to address climate change, we consider the absence of a position on the Paris Agreement to represent a material misalignment.

Findings and outcomes

Alignment

Applying the methodology outlined above, we found that, of the 15 material industry associations, there was:

- alignment with 10 industry associations;
- some, non-material misalignment with five industry associations, being CCC, MCA, NSWMC, QRC and the US Chamber; and
- no material misalignment.

Appendix A provides further detail on our findings.

Actions on non-material misalignment

In determining what actions to take regarding our membership of the five associations where there was non-material misalignment, we have been guided by the nature of the misalignment and the benefits of membership.

Given these factors, we have decided to remain members of the **CCC** and **MCA**. We will actively encourage these associations to address the areas of misalignment identified.

In relation to the **US Chamber**, our 2019 industry association review found two material differences (relating to greenhouse gas (GHG) emissions reduction targets and carbon pricing). The US Chamber has largely addressed these differences by committing to work with the Biden Administration in pursuit of its new 2030 emissions reduction target, and by publicly shifting its posture in favour of carbon pricing. Given this, and our view of the benefits of membership, we will remain a member and actively encourage the US Chamber to address areas of misalignment.

In relation to the **NSWMC**, our 2019 industry association review found one material difference (relating to balancing the energy trilemma). Given there is some similarity between this material difference and one of the areas of misalignment found as part of our 2023 review, and our view that we derive benefit from our membership of NSWMC, we have determined that we will remain a member of NSWMC, although our ongoing membership is subject to the association confirming its policy agenda to support the achievement of a reliable, affordable and zero emissions electricity grid.

Queensland Resources Council

We suspended our membership of the QRC in October 2020. This followed a decision by the QRC to undertake advertising that specifically targeted the overall standing of one political party during the 2020 Queensland election campaign.

As part of our 2023 industry association review, we considered:

- **The QRC's adherence to the Political Engagement Policy** adopted by the QRC Board in February 2021. Based on our review of the QRC's public commentary (including media releases, interviews and social media activity) from February 2021 to February 2023, it is our view that the QRC has adhered to its Political Engagement Policy.

- **Advocacy alignment.** As we note above, our 2023 industry association review found that there is some, non-material, misalignment between the climate policy advocacy of the QRC and BHP's August 2020 Global Climate Policy Standards. The identified area of misalignment related to one media release issued by the QRC and does not appear to form part of a broader pattern of advocacy.
- **The benefits of QRC membership.** The key drivers of the value QRC offers include:
 - Providing a consolidated industry voice to the Queensland Government on matters of significance to the mining sector. In the past, this has included coordinating how the sector and government could protect workers and the community during the COVID-19 pandemic. More recently, the QRC has played a key role in advocating against the Queensland Government's increase in royalty rates that threaten the State's attractiveness as an investment destination, and engaging with the Queensland Government on the sector's ongoing commitment to address sexual assault and sexual harassment in its workforce.
 - Promoting the positive contribution that the mining sector makes to Queensland, in terms of direct and indirect employment, procurement spend and payments to government. The QRC produces an annual economic report, which underpins its promotional efforts in this regard.
 - Supporting improved inclusion and diversity practices in the Queensland mining sector. Most notably, the QRC highlights and celebrates best practice through its QRC Indigenous Awards and Women in Mining and Resources Queensland.
 - Addressing the skills crisis facing the mining sector. The QRC manages a partnership with the Queensland Government (the Queensland Minerals and Energy Academy) that seeks to put 'students onto pathways into the resources sector and other science, technology, engineering and maths (STEM) industries'.
 - Driving sector performance through its various technical working groups. In the past, we found these working groups provided a cost-effective means of staying up-to-date on potential legislative/regulatory changes, as well as industry best practice.

Based on the above, we have determined to remove suspension of our membership effective 1 July 2023.

Appendix A – Summary of association advocacy

Appendix A – Summary of association advocacy continued

Australian Industry Greenhouse Network

We have found there to be **alignment** between the climate policy advocacy of the Australian industry Greenhouse Network (AIGN) and BHP's August 2020 Global Climate Policy Standards.

Background		
Overview	2022 membership fee	Governance role
A network of ~20 Australian-based industry associations and corporations that see value in joint action on climate change to promote sustainable industry development.	Less than US\$100,000	Board member
Policy outcomes		
Global agreements	AIGN’s <u>formal principles</u> emphasise the significance of global action and the need for global agreement. AIGN has <u>reflected</u> these principles in its advocacy.	
Paris Agreement goals	AIGN has <u>repeatedly expressed support</u> for the aims of the Paris Agreement and has <u>referred to these aims</u> in setting the parameters of its advocacy.	
Emissions reduction targets	AIGN has <u>expressed</u> support for the Australian Government’s emissions reduction targets and proposal to update these targets every five years.	
Least cost abatement	AIGN’s <u>formal principles</u> are focused on the delivery of ‘least cost, environmentally effective and equitable outcomes for Australia’. In line with these principles, AIGN has: engaged on the <u>proposed reform</u> of the Safeguard Mechanism; supported measures that accelerate the development of <u>pre-commercial technology</u> and <u>nationally consistent policy approaches</u> ; and advocated in favour of allowing ‘access to <u>genuine international units</u> ’.	
Pre-commercial technology	AIGN’s <u>formal principles</u> emphasise the important role government can play in unlocking ‘first-of-a-kind’ technologies. AIGN has <u>reflected these principles</u> in its advocacy.	
Enabling the broader transition	AIGN has <u>advocated in favour</u> of integrated and transparent policy frameworks, the importance of taking into account different abatement capabilities between and within countries, and the pursuit of equitable outcomes.	
Guiding principles		
Balanced	AIGN’s advocacy appears to be balanced between <u>upholding business competitiveness</u> and <u>highlighting the upside</u> presented by the energy transition.	
Fact-based	AIGN’s advocacy generally appears to be fact-based and free of ambiguous terminology.	
Focused	AIGN generally appears to avoid advocacy on issues that may be seen to unduly exacerbate policy tensions. For example, AIGN <u>previously</u> expressed support for the use of Kyoto carryover credits, but does not appear to have done so during the review period.	
Technology neutral	AIGN generally appears to advocate in favour of technology neutral policy frameworks.	

Appendix A – Summary of association advocacy continued

Business Council of Australia

We have found there to be **alignment** between the climate policy advocacy of the Business Council of Australia (BCA) and BHP's August 2020 Global Climate Policy Standards.

Background		
Overview	2022 membership fee	Governance role
A national and multi-sector industry association. It has approximately 130 members.	Less than US\$100,000	Board member
Policy outcomes		
Global agreements	BCA has advocated in favour of <u>international climate cooperation</u> , the <u>Paris Agreement</u> and Australia making a <u>fair contribution to global efforts</u> .	
Paris Agreement goals	BCA has <u>expressed</u> support for the aims of the Paris Agreement and has proposed a <u>policy agenda</u> focused on achieving these aims.	
Emissions reduction targets	BCA has advocated in favour of <u>net zero by 2050</u> , increasing the ambition of <u>Australia's 2030 target</u> , and the Australian Government's <u>new Climate Change Act</u> .	
Least cost abatement	BCA has advocated in favour of least cost abatement, both <u>in principle</u> and <u>in practice</u> (including in relation to the <u>Safeguard Mechanism</u>).	
Pre-commercial technology	BCA <u>recognises</u> the importance of technology to drive emissions reduction and has advocated for governments to play a role in <u>supporting pre-commercial technology</u> .	
Enabling the broader transition	BCA has advocated for a <u>regulatory framework</u> that is predictable, technology neutral, adaptable and flexible, and for the transition to be proactively managed (both so Australia can take advantage of <u>available opportunities</u> and to address <u>distributional impacts</u>).	
Guiding principles		
Balanced	BCA's advocacy on climate change appears to be underpinned by a recognition of both the opportunities that are available to Australia from the energy transition and the costs that face Australia from inaction.	
Fact-based	BCA's advocacy generally appears to be fact-based and free of ambiguous terminology.	
Focused	BCA generally appears to avoid advocacy on issues that may be seen to unduly exacerbate policy tensions. For example, BCA had <u>argued</u> in mid-2020 that Australia should aim to meet its targets without relying on Kyoto carryover credits. The association subsequently <u>hardened</u> its position against the use of such credits.	
Technology neutral	BCA generally appears to advocate in favour of technology neutral policy frameworks.	

Appendix A – Summary of association advocacy continued

Canadian Chamber of Commerce

We have found there to be **some, non-material, misalignment** between the climate policy advocacy of the Canadian Chamber of Commerce (CCC) and BHP's August 2020 Global Climate Policy Standards.

While we welcome the CCC's focus on achieving net zero emissions by 2050, we believe there is room for the CCC to strengthen its position on mandatory Scope 3 reporting and low to zero GHG emissions hydrogen production, and ensure it provides appropriate context on the future role of fossil fuels.

On the whole, we believe we sufficiently benefit from our membership of the CCC to continue our membership at this point in time. In particular, we value the opportunities for sharing of best practice and supporting policy development presented through our involvement in the Net Zero Council established by the CCC.

Background		
Overview	2022 membership fee	Governance role
A national and multi-sector industry association. It has over 200,000 members.	Less than US\$100,000	None
Policy outcomes		
Global agreements	CCC has advocated for greater <u>international cooperation</u> on climate policy and <u>commended</u> the Canadian Government on its participation in COP26.	
Paris Agreement goals	CCC has described Canada's net zero by 2050 goal as a 'necessity' and established a <u>Net Zero Council</u> to support 'research and advocacy designed to advance Canada's pathway to net-zero'.	
Emissions reduction targets	CCC has recognised the important role governments play in <u>setting targets</u> and welcomed both the <u>Canadian Net Zero Emissions Accountability Act</u> and the <u>2030 Emissions Reduction Plan</u> .	
Least cost abatement	CCC has <u>advocated</u> for an 'efficient and cost-effective approach to climate change'. This has included <u>carbon pricing</u> (and associated arrangements, such as <u>border carbon adjustments</u>) and a range of <u>other</u> fiscal and <u>regulatory measures</u> .	
Pre-commercial technology	CCC has <u>advocated</u> for the Canadian Government to 'accelerate Canada's net zero transformation through supporting innovation, propelling clean tech projects, and growing zero emission technology manufacturing'.	
Enabling the broader transition	CCC has advocated on the link between <u>labour and decarbonisation</u>, the economic potential presented by the <u>circular economy</u>, the need for a <u>national adaptation strategy</u>, measures to accelerate the <u>electrification</u> of the Canadian economy and the opportunity to expand Canada's <u>critical mineral-related industries</u>. <i>In January 2022, CCC <u>advocated</u> that the Canadian Securities Administrators should not integrate Scope 3 emissions 'into disclosure requirements at this time', on the basis that mandatory Scope 3 reporting is currently not practical for issuers. However, BHP is supportive of the concept of mandatory reporting of Scope 3 emissions, subject to any such requirement reflecting the inherent data limitations associated with calculating Scope 3 emissions.</i>	

Appendix A – Summary of association advocacy continued

Guiding principles	
Balanced	CCC's advocacy generally appears to be balanced between maintaining the competitiveness of Canadian businesses and highlighting the upside presented by the energy transition.
Fact-based	CCC generally appears to be fact-based in its advocacy. However, at times, the association has used language on the future role of fossil fuels that lacks important context. For instance, in December 2020, CCC noted that 'The demand for Canadian energy, including fossil fuels, remains high for the foreseeable future. The Canada Energy Regulator suggests that while coal and oil will decline in use while natural gas and renewable use rises, crude oil production still has the potential to see a 49% increase from 2018 levels to 2040'. The association, does not, however, provide information on how this forecast could be affected if governments around the world adopted more ambitious climate policies (such as by noting the outputs of other comparable scenarios) or the technologies that would be required to help align the expected strong demand for fossil fuels with the aims of the Paris Agreement. In a recent submission to a consultation process on the Canadian Government's proposed Clean Hydrogen Investment Tax Credit, CCC <u>framed</u> hydrogen derived from natural gas and biomass as one pathway for 'clean hydrogen production', without stipulating any requirement for such production to be coupled with carbon capture and storage. We believe CCC should be clearer on this point and the broader need to ensure future hydrogen production is aligned with national net zero by 2050 goals.
Focused	CCC generally appears to avoid advocacy on issues that may be seen to unduly exacerbate policy tensions.
Technology neutral	CCC generally appears to advocate in favour of technology neutral policy frameworks.

Appendix A – Summary of association advocacy continued

Carbon Market Institute

We have found there to be **alignment** between the climate policy advocacy of the Carbon Market Institute (CMI) and BHP's August 2020 Global Climate Policy Standards.

Background		
Overview	2022 membership fee	Governance role
A national and multi-sector industry association. It has over 140 members, drawn from all sides of Australia’s carbon market.	Less than US\$100,000	None
Policy outcomes		
Global agreements	CMI has advocated for international cooperation on carbon market development, both <u>in principle</u> and <u>in practice</u> .	
Paris Agreement goals	CMI’s <u>policy statement</u> maintains that Australia should adopt policies aligned with the ‘Paris Agreement goal to pursue limiting warming to 1.5°C’. CMI has <u>reflected this position</u> in its advocacy.	
Emissions reduction targets	CMI has advocated (<u>in principle</u> and <u>in practice</u>) for Australia to set a goal of net zero ‘by or before 2050’ and to adopt more ambitious interim targets.	
Least cost abatement	CMI’s <u>policy statement</u> maintains that Australia should ‘support economy-wide market mechanisms that provide a clear and long-term investment signal for economy-wide transformational emissions reductions. In line with this position, CMI has been a <u>long</u> and <u>prominent advocate</u> of <u>reforming</u> the <u>Safeguard Mechanism</u> .	
Pre-commercial technology	CMI has advocated (<u>in principle</u> and <u>in practice</u>) for policy measures to support the development and deployment of technologies needed to enable decarbonisation.	
Enabling the broader transition	CMI has advocated for the establishment of a ‘ <u>Just Transition agency or framework</u> ’, and the adoption of a mandatory and internationally aligned <u>climate-risk disclosure framework</u> .	
Guiding principles		
Balanced	CMI’s advocacy generally <u>appears</u> to be balanced between ‘help[ing] business manage risks and capitalise on opportunities in the transition to a net-zero emissions economy’.	
Fact-based	The CMI’s advocacy generally appears to be fact-based and free of ambiguous terminology.	
Focused	CMI generally appears to avoid advocacy on issues that may be seen to unduly exacerbate policy tensions.	
Technology neutral	CMI generally appears to advocate in favour of technology neutral policy frameworks.	

Appendix A – Summary of association advocacy continued

Chamber of Minerals and Energy of Western Australia

We have found there to be **alignment** between the climate policy advocacy of the Chamber of Minerals and Energy of Western Australia (CME) and BHP's August 2020 Global Climate Policy Standards.

Background		
Overview	2022 membership fee	Governance role
A state-based and sector-specific industry association. It has over 180 members.	US\$500,000–US\$1 million	Board member
Policy outcomes		
Global agreements	CME's position statement provides that ‘climate change is a global challenge requiring coordinated action at international, national and sub-national levels’ and provides an explicit endorsement of the Paris Agreement.	
Paris Agreement goals	CME's position statement supports the aims of the Paris Agreement and the goal of net zero by 2050. In line with this position, CME has contributed to the development of climate policies , supported efforts to expand the production of critical minerals , and promoted the activities being taken by its members to reduce GHG emissions.	
Emissions reduction targets	CME has advocated that Australia ‘ must actively contribute ’ to the aims of the Paris Agreement and welcomed both the net zero by 2050 goals of the Australian and Western Australian governments.	
Least cost abatement	CME's position statement highlights the importance of national coordination, policy stability, transparent price signals, the promotion of lowest cost abatement, and providing appropriate consideration to the competitiveness of trade exposed industries. In line with these positions, CME has advocated on various climate policies and related issues .	
Pre-commercial technology	CME has advocated (in principle and in practice) for policies that support the development and deployment of technologies required to reduce emissions.	
Enabling the broader transition	CME's position statement highlights the importance of a ‘sustainable development approach to climate policy’ and ‘ensur[ing] a just transition for those affected by change’. CME has also supported efforts by the Australian and West Australian Government to expand the production of critical minerals in the State.	
Guiding principles		
Balanced	CME's advocacy generally appears to be balanced between pushing for ‘ practical, competitiveness and sustainable ’ policy settings, and recognising both the need for, and opportunities presented by, decarbonisation.	
Fact-based	The CME's advocacy generally appears to be fact-based and free of ambiguous terminology.	
Focused	CME generally appears to avoid advocacy on issues that may be seen to unduly exacerbate policy tensions.	
Technology neutral	CME generally appears to advocate in favour of technology neutral policy frameworks.	

Appendix A – Summary of association advocacy continued

Confederation of British Industry

We have found there to be **alignment** between the climate policy advocacy of the Confederation of British Industry (CBI) and BHP's August 2020 Global Climate Policy Standards.

Background		
Overview	2022 membership fee	Governance role
A national and multi-sector industry association. It has over 190,000 members.	Less than US\$100,000	None
Policy outcomes		
Global agreements	CBI has advocated in support of the UN Framework Convention on Climate Change (UNFCCC) process and the <u>Paris Agreement</u> , and for the United Kingdom to play an active role in ' <u>rais[ing] global ambitions</u> ' as host of COP26.	
Paris Agreement goals	CBI has advocated in favour of 'limiting the average global temperature rise to 1.5°C' and the goal of net zero by 2050. CBI has also advocated for business to <u>accelerate their decarbonisation plans</u> , and <u>launched campaigns</u> on how the British Government and industry can achieve the aims of the Paris Agreement.	
Emissions reduction targets	CBI has advocated for the British Government to set a <u>net zero by 2050</u> target and welcomed the British Government's <u>revised 2030</u> target.	
Least cost abatement	CBI has advocated for policies that are <u>transparent</u> , <u>predictable</u> , based on <u>cost/benefit analysis</u> and are <u>market-based</u> (including carbon pricing).	
Pre-commercial technology	CBI has emphasised the important role <u>government</u> can play in helping to scale-up and commercialise technology and <u>advocated</u> for policies in line with this position.	
Enabling the broader transition	CBI has highlighted the need to deliver a ' <u>just and fair transition</u> ', and participated in the development of a ' <u>set of core principles of fairness</u> ' to guide how ' <u>government and business can best work together to support our transition to a carbon neutral economy</u> '.	
Guiding principles		
Balanced	CBI has <u>stated</u> that the 'costs of not acting on climate change are significantly larger than transitioning to net zero'. The association's climate policy advocacy is <u>largely centred</u> on how the United Kingdom and British businesses can best take advantage of the opportunities presented by decarbonisation.	
Fact-based	The CBI's advocacy generally appears to be fact-based and free of ambiguous terminology.	
Focused	CBI generally appears to avoid advocacy on issues that may be seen to unduly exacerbate policy tensions.	
Technology neutral	CBI generally adopts an 'all of the above' approach in terms of the technologies required to achieve the aims of the Paris Agreement.	

Appendix A – Summary of association advocacy continued

Consejo Minero

We have found there to be **alignment** between the climate policy advocacy of Consejo Minero and BHP's August 2020 Global Climate Policy Standards.

Background		
Overview	2022 membership fee	Governance role
A national and sector-specific industry association. It has ~20 members.	US\$500,000 – US\$1 million	Board member
Policy outcomes		
Global agreements	Consejo Minero <u>recognises</u> that ‘climate change is a global challenge that must be understood and addressed by all society agents’ and supports ‘the implementation of a binding global agreement on climate change’.	
Paris Agreement goals	Consejo Minero <u>supports</u> ‘the implementation of a binding global agreement on climate change’, including specifically the Paris Agreement. It has also <u>emphasised</u> the mining sector’s commitment to helping Chile fulfil its objective of carbon neutrality by 2050.	
Emissions reduction targets	Consejo Minero has: <u>advocated</u> in favour of including Chile’s carbon neutrality by 2050 goal in the country’s Climate Change Framework Law; <u>emphasised</u> the mining sector’s commitment to helping Chile fulfil its 2030 emissions reduction targets; and actively contributed to the development of Chile’s <u>National Mining Policy</u> .	
Least cost abatement	Consejo Minero’s <u>policy principles</u> highlight the importance of cost effectiveness, minimising impacts on vulnerable sections of the community, and market-based instruments. In line with this principles, Consejo Minero has <u>engaged</u> on <u>various climate policies</u> .	
Pre-commercial technology	Consejo Minero’s <u>policy principles</u> highlight the importance of ‘renewable resources and other low-emission technologies’, and the association participated heavily in the development of the <u>National Mining Policy</u> , which includes (among other things) a goal to accelerate the deployment of zero emission fleets.	
Enabling the broader transition	Consejo Minero has <u>endorsed</u> the ‘implementation of climate change adaptation measures in the communities located around the operations’ and <u>frequently highlights the role</u> the Chilean mining sector can play in supplying the minerals needed to enable the global shift to a low-carbon economy.	
Guiding principles		
Balanced	Consejo Minero generally appears balanced in its climate advocacy. The association <u>notes</u> the challenges the mining sector will face in decarbonising its operations, while also <u>highlighting the considerable opportunities</u> presented to the mining sector by the global shift to a low-carbon economy.	
Fact-based	Consejo Minero’s advocacy generally appears to be fact-based and free of ambiguous terminology.	
Focused	Consejo Minero generally appears to avoid advocacy on issues that may be seen to unduly exacerbate policy tensions.	
Technology neutral	Consejo Minero generally appears to advocate in favour of technology neutral policy frameworks.	

Appendix A – Summary of association advocacy continued

International Copper Association

We have found there to be **alignment** between the climate policy advocacy of the International Copper Association (ICA) and BHP's August 2020 Global Climate Policy Standards.

Background		
Overview	2022 membership fee	Governance role
A global and commodity-specific industry association. It has around 30 members.	US\$2.5 million – US\$5 million	Board member
Policy outcomes		
Global agreements	ICA has <u>expressed</u> support for the UNFCCC process and <u>highlighted</u> that broad collaboration will be required to achieve the aims of the Paris Agreement. ICA also <u>highlights and supports</u> the contribution of the copper industry to the United Nations Sustainable Development Goals.	
Paris Agreement goals	ICA has emphasised the need to achieve the aims of the <u>Paris Agreement</u> and the role the copper industry can play in enabling the <u>low-carbon transition</u> . In line with these positions, ICA has <u>commissioned research</u> on decarbonising copper mining and <u>collaborated</u> with key stakeholders to help implement China’s dual carbon targets.	
Emissions reduction targets	As a global association, ICA has tended not to comment on the emissions reduction targets of individual countries. The key exception is the European hub of ICA, which has <u>expressed</u> support for ‘the EU’s climate ambitions for 2030 and 2050’.	
Least cost abatement	ICA has <u>advocated</u> for a <u>range</u> of <u>measures</u> aimed at <u>supporting least cost abatement</u> , at the global and regional levels.	
Pre-commercial technology	ICA has <u>highlighted</u> the essential role of copper in underpinning the technologies required to decarbonise the global economy. On a regional level, ICA has <u>supported policies</u> aimed at bolstering innovation in the copper value chain.	
Enabling the broader transition	ICA has <u>highlighted</u> the need to address energy poverty and electrical safety as part of the EU’s broader push to ensure a safe and inclusive transition. ICA also promotes the <u>Copper Mark</u> , which is used to demonstrate the copper industry’s contribution to the United Nations Sustainable Development Goals’.	
Guiding principles		
Balanced	ICA’s advocacy <u>generally appears</u> to be balanced between upholding the competitiveness of the copper industry and highlighting the upside presented by the energy transition.	
Fact-based	ICA’s advocacy generally appears to be fact-based and free of ambiguous terminology.	
Focused	ICA generally appears to avoid advocacy on issues that may be seen to unduly exacerbate policy tensions.	
Technology neutral	ICA generally appears to advocate in favour of technology neutral policy frameworks.	

Appendix A – Summary of association advocacy continued

International Council on Mining and Metals

We have found there to be **alignment** between the climate policy advocacy of the International Council on Mining and Metals (ICMM) and BHP's August 2020 Global Climate Policy Standards.

Background		
Overview	2022 membership fee	Governance role
A global and sector-specific industry association. It has around 30 company members.	US\$1 million – US\$2.5 million	Board member
Policy outcomes		
Global agreements	ICMM's position statement recognises ‘the need for an urgent global response to the threat of climate change, across all areas of society and the economy’.	
Paris Agreement goals	ICMM's position statement recognises ‘the need to support the goals of the Paris Agreement’. The members of ICMM have also collectively committed ‘to a goal of net zero Scope 1 and 2 greenhouse gas (GHG) emissions by 2050 or sooner’.	
Emissions reduction targets	As a global association, ICMM has tended not to comment on the emissions reduction targets of individual countries.	
Least cost abatement	ICMM's position statement highlights the importance of technology neutral and market-based approaches, and broad-based, predictable and long-term carbon pricing.	
Pre-commercial technology	ICMM supports efforts to promote innovation and the development and deployment of low emissions technology. ICMM has been acting on this position largely though its Innovation for Cleaner, Safer Vehicles initiative.	
Enabling the broader transition	ICMM's position statement highlights the importance climate-related disclosures, the circular economy and working with communities on adaptation. Through its Skills for our Common Future initiative, ICMM is partnering with others ‘to develop the tools and resources to help [communities] secure their futures in an increasingly automated, climate-stressed and unpredictable world’. ICMM is a signatory of the Paris Peace Forum’s call to action on the responsible sourcing and production of critical minerals, and has recently highlighted the actions the mining industry can and should take to uphold human rights during the energy transition.	
Guiding principles		
Balanced	ICMM frequently highlights the longstanding commitment of the mining and metals industry to sustainable development, and the fundamental role the industry has to play in addressing climate change’.	
Fact-based	ICMM’s advocacy generally appears to be fact-based and free of ambiguous terminology.	
Focused	ICMM generally appears to avoid advocacy on issues that may be seen to unduly exacerbate policy tensions.	
Technology neutral	ICMM generally appears to advocate in favour of technology neutral policy frameworks.	

Appendix A – Summary of association advocacy continued

Minerals Council of Australia

We have found there to be **some, non-material, misalignment** between the climate policy advocacy of the Minerals Council of Australia (MCA) and BHP's August 2020 Global Climate Policy Standards.

We appreciate MCA's engagement on major policy issues like the Safeguard Mechanism. However, the association has, at times, undertaken advocacy that does not appear to have been appropriately focused (such as commenting on the draft European Union Sustainable Financing Taxonomy) or given appropriate context to the future role of fossil fuels.

On the whole, we believe we sufficiently benefit from our membership of MCA to continue with membership at this point in time. In particular, we value the association's: work in driving the Climate Action Plan and Towards Sustainable Mining accountability framework; focus on maintaining the competitiveness of the Australian mining sector in an increasingly challenging domestic and international economic context; and role in helping the mining industry and the broader community navigate the COVID-19 pandemic.

Background		
Overview	2022 membership fee	Governance role
A national and sector-specific industry association. It has around 120 full and associate members.	US\$1 million – US\$2.5 million	Board member
Policy outcomes		
Global agreements	MCA has recognised the need for global action and Australia's participation in global agreements – both <u>in principle</u> and <u>in practice</u> .	
Paris Agreement goals	MCA has <u>confirmed</u> 'the industry's ambition to achieve net zero emissions by 2050 in support of the goals of the Paris Agreement'. In line with this position, the MCA has: developed and maintained its <u>Climate Action Plan</u> ; commenced implementation of the <u>Towards Sustainable Mining</u> framework; <u>contributed</u> to the <u>development of various climate policies</u> and supported efforts to <u>expand</u> the <u>production of critical minerals</u> in Australia.	
Emissions reduction targets	MCA has welcomed the <u>previous Australian Government's</u> net zero by 2050 target and the <u>current Australian Government's</u> Climate Change Act and legislated target of reducing GHG emissions by 43% on 2005 levels by 2030.	
Least cost abatement	MCA's position statement highlights the importance of pursuing least cost abatement, market-based policy measures, policy certainty and investments in low emission technologies. In line with these positions, the MCA <u>has advocated on various climate policies and related issues</u> .	
Pre-commercial technology	MCA has advocated in favour of policies that support the development and deployment of pre-commercial technologies – both <u>in principle</u> and <u>in practice</u> .	
Enabling the broader transition	MCA has supported a range of measures to <u>expand</u> the <u>production of critical minerals</u> in Australia.	

Appendix A – Summary of association advocacy continued

Guiding principles	
Balanced	MCA's advocacy generally appears to be balanced between upholding the competitiveness of Australia's mining industry and highlighting the upside presented by the energy transition.
Fact-based	<i>MCA generally appears to be fact-based in its advocacy. However, at times, the association has used language on the future role of fossil fuels that lacks important context. For instance, MCA commissioned <u>research</u> on future demand for thermal coal that took account of current policy settings, but did not give full consideration to how demand could be affected if governments around the world adopted more ambitious climate policies (such as by noting the outputs of other comparable scenarios) or the technologies that would be required to help align the expected strong demand for fossil fuels with the aims of the Paris Agreement.</i>
Focused	<i>In December 2020, MCA provided <u>feedback</u> to the European Commission, arguing that the draft European Union Sustainable Financing Taxonomy should treat 'clean energy sources such as nuclear power and carbon capture utilisation and storage (CCUS)' equally as other clean energy technologies. In July 2021, MCA issued a <u>media release</u> highlighting free trade-related concerns with the European Union's proposed Carbon Border Adjustment Mechanism. Regardless of the substance of the underlying claims made by MCA, it is not clear to BHP that either of these interventions in another jurisdiction's policy process represented the best use of the MCA's advocacy efforts.</i> <i>In 2019, MCA <u>advocated</u> in support of carrying over 'emissions reductions from the first and second Kyoto commitment periods' to help achieve Australia's 2030 target. In August 2020, following the release of BHP's Global Climate Policy Standards, the MCA <u>noted</u> the 'use of Kyoto carryover credits was an issue for the government'.</i>
Technology neutral	MCA generally appears to advocate in favour of technology neutral policy frameworks.

Appendix A – Summary of association advocacy continued

Mining Association of Canada

We have found there to be **alignment** between the climate policy advocacy of the Mining Association of Canada (MAC) and BHP's August 2020 Global Climate Policy Standards.

Background		
Overview	2022 membership fee	Governance role
A national and sector-specific industry association. It has around 110 full and associate members.	Less than US\$100,000	Board member
Policy outcomes		
Global agreements	MAC's <u>policy principles</u> recognise that 'climate change is a global issue that requires a global solution'. MAC has also <u>expressed</u> support for climate action that is consistent with the aims of the Paris Agreement.	
Paris Agreement goals	MAC has <u>expressed</u> support for climate action that is consistent with the aims of the Paris Agreement. In line with this position, MAC has: <u>developed</u> a new Climate Change Protocol under the Towards Sustainable Mining accountability framework; <u>contributed</u> to the development of key emissions reduction policies; and <u>advocated for Canada</u> 'to play a much more significant role in providing the materials the world needs to get to net-zero'.	
Emissions reduction targets	MAC does not appear to have directly commented on the emissions reduction targets or goals set by the Canadian Government.	
Least cost abatement	MAC's <u>policy principles</u> outline the association's views on how the Canadian Government can achieve effective and efficient climate change policy. They include an endorsement of carbon pricing and the need to address competitiveness concerns. In line with these principles, <u>MAC has engaged on various climate policies and related issues</u> .	
Pre-commercial technology	MAC has advocated (in principle and in practice) for policy measures to support the technologies required to help the mining sector decarbonise.	
Enabling the broader transition	<u>MAC has frequently advocated for Canada</u> 'to maximize domestic production of low carbon metals and materials needed to meet projected clean technology demand'. MAC has also <u>engaged</u> with the Canadian Government on its proposed approach to a 'people-centred just transition'.	
Guiding principles		
Balanced	MAC's <u>advocacy generally appears</u> to be balanced between upholding the competitiveness of the Canadian mining sector and highlighting the opportunities presented to Canada by decarbonisation.	
Fact-based	MAC's advocacy generally appears to be fact-based and free of ambiguous terminology.	
Focused	MAC generally appears to avoid advocacy on issues that may be seen to unduly exacerbate policy tensions.	
Technology neutral	MAC generally appears to advocate in favour of technology neutral policy frameworks.	

Appendix A – Summary of association advocacy continued

New South Wales Minerals Council

We have found there to be **some, non-material, misalignment** between the climate policy advocacy of the New South Wales Minerals Council (NSWMC) and BHP's August 2020 Global Climate Policy Standards.

The NSWMC has tended to emphasise the risks associated with the transition of the electricity sector, without engaging during our 2023 industry association review period (at least publicly) with various policy processes designed to mitigate these risks. Furthermore, the NSWMC has not always given appropriate context on the future role or GHG emissions profile of fossil fuels.

On the whole, we believe we sufficiently benefit from our membership of the NSWMC to continue with membership at this point in time. In particular, we value the assistance the NSWMC has provided, and continues to provide, as we proceed with our intended managed process to cease mining at New South Wales Energy Coal by the end of FY2030 and prepare for closure.

Background		
Overview	2022 membership fee	Governance role
A state-based and sector-specific industry association. It has around 80 full and associate members.	US\$500,000 – US\$1million	Member of the Executive Committee
Policy outcomes		
Global agreements	NSWMC <u>acknowledges</u> that 'sustained global action is required to reduce the risks of human-induced climate change' and supports 'Australia's participation in global agreements, including the [UNFCCC]'.	
Paris Agreement goals	NSWMC's <u>position statement</u> supports 'Australia's participation in global agreements, including the [UNFCCC]', and the 'NSW Government and Australian Government target of reaching net-zero emissions by 2050'. In line with these principles, NSWMC has <u>contributed</u> to the <u>development</u> of emissions reduction policies; and <u>supported efforts</u> by the NSW Government to <u>position</u> the State as a major supplier and processor of critical minerals.	
Emissions reduction targets	NSWMC's <u>position statement</u> supports the 'NSW Government and Australian Government target of reaching net-zero emissions by 2050'.	
Least cost abatement	NSWMC's <u>position statement</u> maintains that policy frameworks should 'provide for least-cost abatement ... and recognise that all sectors of the economy have a role to play in meeting emission reduction goals, including the resources sector'. In line with these principles, NSWMC has <u>engaged on various climate policies</u> and related issues.	
Pre-commercial technology	NSWMC has advocated in favour of policies that 'the research, development and deployment of new and emerging low emissions technologies' – <u>in principle</u> and <u>in practice</u> .	
Enabling the broader transition	NSWMC has <u>advocated</u> in favour of reforming the NSW planning regime, with the goal of allowing mining operations 'to amend their existing post-mining approval conditions in response to community needs so local mining communities receive the best possible outcomes once mines reach the end of their operating lives'. Such a change would enable a more community-centric approach to an equitable transition. NSWMC has <u>also supported efforts</u> by the NSW Government to position the State as a major supplier and processor of critical minerals.	

Appendix A – Summary of association advocacy continued

Guiding principles	
Balanced	NSWMC has highlighted the <u>opportunities presented</u> by the energy transition to NSW (in terms of increased demand for critical minerals) and the <u>steps being taken</u> by mining companies to decarbonise. <i>The association's <u>advocacy on the electricity system</u>, however, tends to have more of a focus on the costs and risks associated with the energy transition, without giving due consideration (at least in public) to the policy solutions needed to ensure a decarbonised grid can supply electricity as cheaply and reliably as possible.</i>
Fact-based	NSWMC has, at times, <u>used language</u> on the future role of fossil fuels that lacks important context. For instance, NSWMC has noted that coal exports are 'likely to contribute strongly to our economy for decades', based on forecasts of coal demand published by the NSW Government and the IEA that appear to be based on current policies. The association does not, however, provide information on how these forecasts could be affected if governments around the world adopted more ambitious climate policies (such as by noting the outputs of other comparable scenarios) or the technologies that would be required to help align the expected strong demand for fossil fuels with the aims of the Paris Agreement. NSWMC's <u>Responsible Mining</u> campaign makes a reference to NSW's 'high quality, low-emissions coal'. This framing could be interpreted as the NSWMC suggesting coal produced from NSW is a source of low GHG emissions energy. If the intent of NSWMC was to highlight that coal produced from NSW results in lower GHG emissions compared to coal produced from other jurisdictions, the association should be clearer in its language.
Focused	NSWC generally appears to avoid advocacy on issues that may be seen to unduly exacerbate policy tensions.
Technology neutral	NSWMC generally appears to advocate in favour of technology neutral policy frameworks.

Appendix A – Summary of association advocacy continued

Queensland Resources Council

We have found there to be **some, non-material, misalignment** between the climate policy advocacy of the Queensland Resources Council (QRC) and BHP's August 2020 Global Climate Policy Standards.

In November 2021, the QRC advocated in a manner that presented a misleading view of the electricity system in Queensland.

The Findings and Outcomes section of this Report provides further information with respect to our determination to remove suspension of our membership of the QRC effective 1 June 2023.

Background		
Overview	2022 membership fee	Governance role
A state-based and sector-specific industry association. It has around 180 full and services members.	US\$500,000 – US\$1million ^{1,2}	Board member
Policy outcomes		
Global agreements	The QRC recognises that ‘climate change is a critical global challenge’ and that climate policies ‘must be consistent with Australia’s participation in global agreements, including the Paris Agreement’.	
Paris Agreement goals	The QRC’s <u>position statement</u> supports the aims of the Paris Agreement, ‘action to achieve the commitments under the [Paris Agreement]’ and ‘the [MCA’s] industry ambition to achieve net zero emissions by 2050’. In line with these positions, the QRC has <u>contributed</u> to the <u>development</u> of the Queensland Resource Industry Development Plan; and supported efforts by the Australian and Queensland governments to <u>expand</u> the <u>production</u> of <u>critical minerals</u> in the State.	
Emissions reduction targets	The QRC’s <u>position statement</u> supports ‘the [MCA’s] industry ambition to achieve net zero emissions by 2050’. While the QRC does not appear to have commented on the emissions reduction targets of either the Federal or State governments during our review period, it has <u>acknowledged</u> the need for action to meet ‘emissions targets’.	
Least cost abatement	The QRC’s <u>position statement</u> supports market-based approaches that prioritise least cost abatement, maintain international competitiveness, are technology neutral, and ‘deliver a clear, predictable and long-term price signal’. In line with these principles, the QRC has <u>engaged</u> on <u>various climate policies</u> and related issues.	
Pre-commercial technology	The QRC has advocated for policy measures that support the development and deployment of low emission technologies – <u>in principle</u> and <u>in practice</u> .	
Enabling the broader transition	The QRC has highlighted the importance of <u>local adaptation planning</u> and supported efforts by the Australian and Queensland Governments to <u>expand</u> the <u>production</u> of <u>critical minerals</u> in the State.	
Guiding principles		
Balanced	The QRC’s advocacy generally appears to be balanced between upholding the competitiveness of the Queensland mining sector and highlighting the opportunities presented to Queensland by decarbonisation. An illustrative example is the QRC <u>response</u> to the Queensland Government’s Energy and Jobs Plan. The QRC noted that while the plan to achieve 70% renewable energy by 2032 did ‘come with some risk’ and would need to be ‘managed very tightly’, it did provide an ‘enormous opportunity’ for the resources industry, given the sector supplies many of the raw materials needed to build renewable energy infrastructure.	
Fact-based	<i>In November 2021, the QRC <u>issued</u> a media release that noted: ‘Right now, steel can only be produced commercially by using metallurgical coal, and thermal coal is the only 100 percent reliable way to produce energy in Queensland’. The QRC later updated this release to note that ‘thermal coal and gas are the only 100 percent reliable way to produce energy in Queensland’. Even with this update, the statement presents a misleading view of electricity generation in Queensland, as it overlooks the decades-long role played by hydroelectricity in the State (including the 570 MW Wivenhoe pumped storage plant).</i>	
Focused	The QRC generally appears to avoid advocacy on issues that may be seen to unduly exacerbate policy tensions.	
Technology neutral	The QRC generally appears to advocate in favour of technology neutral policy frameworks.	

¹ Fees for the QRC relate to the BHP Mitsubishi Alliance (BMA). BMA is a 50:50 joint venture between BHP and Mitsubishi Development that was formed in 2001.

² BHP suspended its member of the QRC in October 2021, however we continued to meet our obligations under the QRC constitution, which included the payment of membership fees.

Appendix A – Summary of association advocacy continued

South Australian Chamber of Mines and Energy

We have found there to be **alignment** between the climate policy advocacy of the South Australian Chamber of Mines and Energy (SACOME) and BHP's August 2020 Global Climate Policy Standards.

Background		
Overview	2022 membership fee	Governance role
A state-based and sector-specific industry association. It has around 200 members.	Less than US\$100,000	Board member
Policy outcomes		
Global agreements	SACOME <u>position statement</u> ‘supports the Paris Agreement as a critical element of the global response to climate change’.	
Paris Agreement goals	SACOME’s <u>position statement</u> supports the aims of the Paris Agreement and the ‘target of net zero emissions by 2050’. In line with these positions, SACOME has <u>contributed to the development of climate policies</u> and <u>supported efforts</u> by the South Australian Government to expand the production of critical minerals in the State.	
Emissions reduction targets	SACOME does not appear to have directly commented on the emissions reduction targets of either the South Australian or Australian Governments during our review period. The association has, however, <u>indicated</u> it shares the support of its member companies ‘for a target of net zero emissions by 2050’.	
Least cost abatement	SACOME’s <u>position statement</u> outlines a number of policy principles. These are centred on achieving least cost abatement and preserving the trade competitiveness of Australian industries, and include an endorsement of market-based mechanisms, carbon pricing, trade and technology neutrality, and effective coordination between climate and energy policy and Federal and State governments. In line with these principles, SACOME has <u>engaged on various climate policies and related issues</u> .	
Pre-commercial technology	SACOME has advocated (<u>in principle</u> and <u>in practice</u>) for policy measures that support the development and deployment of low emission technologies.	
Enabling the broader transition	SACOME’s <u>position statement</u> highlights the importance of measures to build resilience and support local adaptation. SACOME has also <u>supported efforts</u> by the South Australian Government to expand the production of critical minerals in the State.	
Guiding principles		
Balanced	SACOME has adopted a <u>notably constructive</u> approach to climate policy advocacy, with the association advocating for policy proposals to address challenges and opportunities associated with the transition to a low carbon economy of relevance to the mining industry.	
Fact-based	SACOME’s advocacy generally appears to be fact-based and free of ambiguous terminology.	
Focused	SACOME generally appears to avoid advocacy on issues that may be seen to unduly exacerbate policy tensions.	
Technology neutral	SACOME generally appears to advocate in favour of technology neutral policy frameworks.	

Appendix A – Summary of association advocacy continued

United States Chamber of Commerce

We have found there to be **some, non-material, misalignment** between the climate policy advocacy of the United States Chamber of Commerce (US Chamber) and BHP's August 2020 Global Climate Policy Standards.

We welcome the US Chamber's commitment to climate action and embrace of carbon pricing. However, we believe there is room for the US Chamber to strengthen its position on fuel efficiency standards and mandatory Scope 3 reporting, and ensure it provides appropriate context on the future role of fossil fuels.

On the whole, we believe we sufficiently benefit from our membership of the US Chamber to continue with membership at this point in time. In particular, we value the deep expertise and advocacy of the US Chamber on matters relating to fiscal policies, trade and geopolitics.

Background		
Overview	2022 membership fee	Governance role
A national and multi-sector industry association. It has around 3 million members.	US\$100,000 – US\$500,000	None
Policy outcomes		
Global agreements	US Chamber has <u>recognised</u> the importance of international action and cooperation. In line with this position, US Chamber <u>welcomed</u> 'President Biden's action to re-join the Paris Climate Agreement'.	
Paris Agreement goals	US Chamber has expressed support for 'US participation in the Paris Agreement' and <u>welcomed</u> the Biden Administration's decision to re-join the Paris Agreement. In line with this position, US Chamber has: <u>engaged</u> on <u>climate policy debates</u> ; supported efforts to improve access to <u>critical minerals supply</u> ; and provided <u>guidance</u> to businesses on how they can accelerate their decarbonisation progress.	
Emissions reduction targets	US Chamber has <u>advocated</u> for 'reducing emissions as low as we can and fast as we can, while ensuring that any national targets and timetables are realistic, achievable, appropriately account for U.S. economic interests and work to address impacts to trade-exposed, hard-to-adapt and energy intensive sectors'. In line with this position, US Chamber <u>noted</u> the Biden administration's new 2030 target, and <u>expressed</u> its support for the Global Methane Pledge.	
Least cost abatement	US Chamber's <u>position statement</u> highlights the importance of 'acknowledg[ing] the costs of action and inaction and the competitiveness of the US economy', and market-based approaches to emissions reduction. US Chamber has separately indicated that it supports an 'economy-wide carbon price'. In line with these positions, <u>US Chamber has engaged on various climate policies</u>. <i>In March 2020, US Chamber <u>stated</u> that it welcomed the Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule issued by the Trump Administration, on the basis that it appeared to provide 'a workable path forward on a unified national program that provides regulatory certainty while strengthening fuel economy standards and continuing emissions reductions'. It is not clear, however, that the SAFE Vehicles Rule would have resulted in more cost-effective abatement in the transport sector relative to the more stringent fuel efficiency standards that it replaced – particularly given the <u>reported concerns</u> about the quality of the cost-benefit analysis that underpinned the regulatory change process.</i>	
Pre-commercial technology	US Chamber has advocated (<u>in principle</u> and <u>in practice</u>) for policy measures that help accelerate the development and deployment of new technologies.	
Enabling the broader transition	US Chamber has advocated (<u>in principle</u> and <u>in practice</u>) for policy measures that support climate resilient infrastructure. US Chamber has also been a <u>strong proponent</u> of <u>expanding</u> the domestic production and processing of the minerals required to enable the energy transition, with a particular focus on permitting reform. <i>In June 2022, US Chamber <u>advocated</u> that the Securities and Exchange Commission (SEC) should make Scope 3 reporting voluntary, rather than mandatory, given the difficulties associated with calculating Scope 3 emissions. However, BHP supports the concept of mandatory reporting of Scope 3 emissions, subject to any such requirement reflecting the inherent data limitations associated with calculating Scope 3 emissions.</i>	

Appendix A – Summary of association advocacy continued

Guiding principles	
Balanced	US Chamber’s advocacy generally appears to be balanced between upholding the competitiveness of the US business community highlighting the opportunities presented by decarbonisation. Notably, US Chamber’s position statement is underpinned by the recognition that ‘ <u>inaction is not an option</u> ’.
Fact-based	<i>US Chamber generally appears to be fact-based in its advocacy. However, at times, the association used language on the future role of fossil fuels that lacks important context. For instance, in March 2022, the US Chamber <u>noted</u> that ‘Oil and natural gas are the primary sources of [reliable] energy, and the Department of Energy forecasts they will remain the most-consumed sources of energy in the U.S. through at least 2050’. The association does not, however, provide information on how this forecast could be affected if governments around the world adopted more ambitious climate policies (such as by noting the outputs of other comparable scenarios) or the technologies that would be required to help align the expected strong demand for fossil fuels with the aims of the Paris Agreement.</i>
Focused	US Chamber generally appears to avoid advocacy on issues that may be seen to unduly exacerbate policy tensions.
Technology neutral	US Chamber generally appears to advocate in favour of technology neutral policy frameworks.

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