

# BHP to exit global coal body over climate change policy

SYDNEY - The world's biggest miner BHP said it would leave the World Coal Association and review its membership of the US Chamber of Commerce to show support for action against climate change.



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The Anglo-Australian giant has been reviewing its industry group memberships to see if their stances align with its view that climate change must be tackled through emissions reductions and the use of renewable energy.

A 22-page report released Tuesday found that the organisations as well as the Minerals Council of Australia held different positions from BHP, which derived just under 20% of its total revenue from coal in the year ended June 2017.

BHP's chief external affairs officer Geoff Healy said the report demonstrated the firm's support for action on climate change and commitment to transparency.

"While we won't always agree with our industry associations, we will continue to call out material differences where they exist and we will take action where necessary, as we have done today," he said in a statement.

The miner said it was making a preliminary decision to part ways with the World Coal Association (WCA), which would be reviewed by next March.

The global lobby group had favoured the dumping of a clean energy target, which supports investment in renewables in Australia, since it preferred the use of cleaner coal technologies instead.

In contrast, BHP said its policy was to tackle climate change through encouraging the use of all technologies, rather than artificially favouring one -- such as cleaner coal -- over renewable energy.

BHP said it also disagreed with the US Chamber of Commerce's rejection of the Paris Agreement and a carbon-pricing policy, and would decide by March whether to leave the organisation.

"Emissions reductions are necessary to mitigate climate change," the report said, outlining BHP's stance in support of the Paris pact on cutting emissions.

"An effective global framework to reduce emissions should use a portfolio of complementary measures, including a price signal on carbon."

The Paris deal was sealed under US President Barack Obama, but his successor and climate sceptic Donald Trump pulled out of it in June.

The miner said its membership of the Minerals Council of Australia remains beneficial. But it threatened to quit the council unless it stopped lobbying for coal.

Brynn O'Brien, executive director of the Australasian Centre for Corporate Responsibility, said BHP's decision to cut ties with the WCA "is a seismic shift in the world of anti-climate lobbying".

"It is an emphatic market signal that the era of aggressive anti-climate lobbying is no longer acceptable," O'Brien said in a statement.

The decision to exit the WCA came as some governments look to move away from coal-fired power, a key driver of global warming and air pollution.

Global demand for the fossil fuel is forecast to remain flat between 2017 and 2022, resulting in a "decade of stagnation for coal consumption", the International Energy Agency said Monday.

Rio Tinto, the world's second-largest miner, in September completed the sale of most of its Australian coal assets to China-backed Yancoal.

Rio's divestment drive is expected to lead to a complete exit from the coal sector.

**Source:** *AFP*

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