



RESPONSE TO BHP INDUSTRY ASSOCIATION REVIEW



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EXECUTIVE SUMMARY

The World Coal Association (WCA) is the only body that represents the coal industry at the global level. We derive our international stature through observer status with United Nations (UN) bodies and partnerships with a range of international organisations. We are the only body that can provide leadership for the global coal industry in supporting action on the deployment of low emission coal technologies to combat climate change and support sustainable development.

Our members gain significant value from their membership of the WCA. Through our engagement with a range of international bodies, we provide our membership with access to and understanding of key international issues across the entire coal value chain in a way that cannot be achieved by companies acting alone.

There are no substantial or material differences between the climate and energy policies of WCA and those of BHP; moreover we do not believe the material difference identified in BHP’s Industry Association Review accurately represents the position of the WCA.

We recommend BHP remain engaged in WCA at its current membership level. It is through this continued partnership that we can ensure continued alignment of our joint priorities to support a sustainable future for the coal industry.

THE WORLD COAL ASSOCIATION AND OUR INTERNATIONAL STATURE

The World Coal Association is the only body that represents the coal industry at the global level. It is formed of coal producers, allied companies and national associations.

WCA's membership is global in nature, covering all major coal producing and consuming regions and incorporating many of the world's largest coal producing and allied companies.

WCA is governed by its members through twice-yearly meetings of the Board of Directors and between those meetings by the Executive Committee. Those meetings provide the opportunity for members to set the strategic objectives of the organisation and to discuss issues of importance to the global coal industry.

Established in 1985, WCA is recognised internationally as the global voice of coal. WCA regularly represents the global coal industry at high-level international events on energy, sustainable development and climate change. We hold -

- Special Consultative Status with the United Nations Economic and Social Committee (ECOSOC);
- Observer status with the United Nations Framework Convention on Climate Change (UNFCCC);
- Observer Status with the Intergovernmental Panel on Climate Change (IPCC);
- Membership of the United Nations Climate Technology Centre and Network (UNCTCN);
- Membership of the International Energy Agency (IEA) Coal Industry Advisory Board (CIAB);
- Association membership of the International Council on Mining and Metals (ICMM).

WCA has represented the coal industry at the annual United Nations Conferences of the Parties to the Framework Convention on Climate Change since its inception, and most recently at COP23 in Bonn in November 2017; and at the various UN summits on Sustainable Development, most recently at Rio+20 in 2012. The CEO of WCA was invited by the UN Secretary-General to attend the signing ceremony of the Paris Agreement at the UN General Assembly in New York on 22 April 2016.

In addition, the WCA has established Memoranda of Understanding (MoUs) with the following bodies -

- UN Economic Commission for Europe (UNECE);
- ASEAN Centre for Energy (ACE);
- Bettercoal.

These MoUs are designed to promote and enhance cooperation between WCA, its members and the respective organisations on low emissions coal technologies and/or sustainable mining practice. They form the basis of a growing range of international partnerships for WCA.

WCA has also recently become a signatory to the UN Global Compact (UNGC), the world's largest corporate sustainability initiative, and joined the UNGC Network UK.



WCA ACTIVITIES

As the global voice of the coal industry, the World Coal Association works to demonstrate and gain acceptance for the fundamental role coal plays in achieving a sustainable and low emission energy future. In doing so, WCA's Strategic Direction 2020 document, adopted in 2014, focusses our work programme on supporting the role of coal in sustainable development and energy security and the role of low emission coal technologies in supporting international action on climate change.

Engagement in the international policy process

To this end, since the appointment of new leadership in June 2015, WCA has focussed its engagement strategy on working with policy makers and thought leadership organisations with a view to supporting international development and climate objectives.

Recent reports addressing these issues have included:

- *India's Energy Trilemma* – an analysis of the role of low emission coal technologies in supporting India meet its energy needs while also reducing emissions. This report has been referenced by the Indian Government at presentations made in official side-events at UN climate negotiations. This report was based on robust independent external analysis¹. The detailed analysis sitting behind this report has been made available to WCA members;
- *Carbon Capture and Storage: The Vital Role of CCS in an Effective COP21 Agreement* – a report highlighting the role of carbon capture and storage (CCS) as an essential climate technology, released during the COP21 Paris climate negotiations. Amongst the recommendations was a call for CCS to be given equal treatment with renewables;

- *The Power of High Efficiency Coal* – a report focussing specifically on the role of high efficiency coal technologies in meeting the Paris Agreement targets after 19 countries (now 24) included this technology in their Intended Nationally Determined Contributions (INDCs) submitted to COP21 in Paris. The detailed analysis sitting behind this report has been made available to WCA members;
- *ASEAN's Energy Equation* – produced in partnership with ACE, this report explored the role of low emission coal technologies in the ASEAN region, which is expected to see significant increases in coal-fuelled electricity in the coming decades. The report was launched at an event held as part of a WCA Board meeting and co-hosted with ACE. The detailed analysis sitting behind this report has been made available to WCA members.

Partnerships

The partnership with ACE is demonstrative of partnerships that have developed between WCA and major international organisations in recent years.

In January 2017, WCA signed an MoU with UNECE designed to enhance our cooperation on low emissions coal technology. As part of this partnership, we held a joint side event with the UNECE at the Ministerial Conference and 8th International Forum on Energy for Sustainable Development in Astana, Kazakhstan in June 2017. A UNECE representative also participated in WCA's *Sustainable Coal Forum* in London in October 2017. We are currently working with UNECE on contributions to the work programme of their Group of Experts on Cleaner Electricity Production from Fossil Fuels, particularly with regard to financing principles for low emissions coal.

¹Conducted by Charles River Associates



In 2017, WCA also became a signatory to the UNGC, the world's largest corporate sustainability initiative and became a member of the UNGC's Network UK. The head of UNGC Network UK was a keynote speaker at WCA's *Sustainable Coal Forum*. We are currently discussing with the UNGC Network UK possible cooperation with regard to coal and the Sustainable Development Goals (SDGs) and addressing challenges with the deployment of CCS, including engagement with the financial community based in London.

Committed to supporting sustainability along the coal value chain, in October 2017 we signed an MoU with the Bettercoal initiative. This MoU will help ensure engagement between global coal producers and Bettercoal's expanding network of coal users, with a focus on responsible mining practice and responsible sourcing of coal. As our relationship with Bettercoal develops we anticipate partnering with them on sustainability reporting initiatives at a global level for coal value chain sustainability.

WCA VALUE PROPOSITION

The World Coal Association has represented the global coal industry for 33 years. Its role has changed significantly over this time, reflecting developments in both the global coal industry and the environment in which it operates.

WCA works to secure the long-term sustainability of the coal sector, bringing together stakeholders to help the industry respond to the challenges it faces, encouraging innovation, and supporting members to be industry leaders. We represent our network of members globally through advocacy, research and events.

Broad work programme

WCA represents members who are progressive and committed to playing an active, constructive role in meeting the global challenges we face. This commitment to progress is evident in WCA's work programme, which covers a range of issues impacting the global coal industry. This encompasses climate change, the Sustainable Development Goals more broadly, health and safety in mining, coal shipping, low emissions coal technology, including CCS, and other environmental issues for coal, such as mercury emissions.

WCA provides its members with a range of services, including policy briefings on key global developments, advocacy material, weekly media monitoring updates, CEO briefings and access to invitation-only events. While these are the basics that are expected from an industry association, WCA also offers more in terms of global leadership, a network of contacts with key international bodies, input into significant policy discussions, and a forum for discussion and debate with a range of key stakeholders.

Covering the life cycle of coal

The work of WCA is global in reach and extends from coal mining through to the use of coal, in both the power sector and industrial usage. While other international associations also work on behalf of mining companies, setting standards and encouraging best practice, their work is usually limited to mining and doesn't extend much further down the life cycle of the product.

WCA represents coal from start to finish. So not only can we work on issues of importance to mining, such as safety, community engagement and mine reclamation, but critically we are the only organisation to engage internationally on issues around the use of coal, such as climate change and local air pollution. We are involved in the global conversation on how we can ensure that the use of coal is compatible with a clean energy future.

Disengaging from WCA therefore risks disengaging from international cooperative platforms on how coal is used.

Providing industry leadership

At WCA, we believe that as a global industry, coal should have a global voice. National associations play a hugely important role in representing coal companies on local and regional issues. But coal is a global commodity, traded internationally, with global consequences.

WCA works on global issues that are too big for individual companies to tackle alone. Ahead of the COP21 climate talks in Paris in 2015, for example, WCA organised its members to ensure the industry had a coherent and constructive voice at the talks. This included a [COP21 position statement](#) where WCA members stated:

“If comprehensive policy and financial support is provided for CCUS over the coming decade, including policy parity, it is realistic to believe that a transition toward no new unabated fossil fuels could begin in the late 2020s”

Outlining a pathway towards no new unabated fossil fuels ahead of COP21 demonstrated industry leadership. It also exerted a positive influence on the rest of the coal industry. As industry leaders, we recognise that we have to be advocates for change so that our industry has a role in a sustainable energy future.

Without WCA, the coal industry loses its global voice, its global reach and its global influence.

Covering global issues

There are many issues for the coal industry that transcend the national or regional context. Over recent years, there have been a number of instances where WCA has been called upon to work on specific global issues on behalf of its members.

- WCA represented its members as part of the UN Environment Programme (UNEP) negotiations on mercury emissions, which resulted in the Minamata Convention on Mercury. We are the only organisation capable of engaging on future negotiations on implementation of this convention on behalf of the industry should the need arise;
- Similarly, WCA has taken an active role in issues around international coal shipping. When the International Maritime Organization (IMO) introduced environmental and health classification criteria for internationally shipped solid bulk cargoes, WCA produced a package of reports to help coal producers comply with the new classification requirements. The reports were free of charge to all WCA members; non-members had to purchase them. This work continues, as WCA assists the Australian black coal industry’s research program (ACARP) in obtaining samples of coals from around the world, to help develop more accurate testing of coal products for shipping.

While climate change is the critical issue for the global coal industry, as the examples above demonstrate, there are challenges across many fronts. WCA has a broad remit and a network of contacts that ensure that its members are plugged in to the issues that have an impact on their international operating environment. Without WCA, it would be incredibly challenging to organise a coordinated global response to these issues.

Creating a forum for debate

WCA hosts events that bring together a diverse range of global stakeholders to discuss key issues of concern for the industry. Our most recent event, the *Sustainable Coal Forum* in London in October 2017, included representatives from a range of countries, civil society organisations, governments and companies, and featured a keynote speech from the head of the UNGC Network UK.

While the event challenged perceptions about the coal industry, a key aim was also to challenge the industry about the future we can map for ourselves in a new global context focussed on the SDGs. The agenda for this event is provided at Annexe 1.

Not only are WCA events an important forum for discussion, bringing together a wide range of views, they’re also key opportunities for members to build up their own networks, sharing information and building capability. WCA Members frequently get the opportunity to participate as speakers and panellists. At the *Sustainable Coal Forum*, WCA’s BHP representative chaired a panel discussion on SDG 8 and 9², which included senior representatives from Bettercoal, Cerrejon, IPIECA, TechoServe, West Cumbria Mining and the World Steel Association.

²SDG8 “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”. SDG9 “Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation”.

WCA events are held around the world, so that members are able to broaden their knowledge and understanding of issues beyond one country or one region. In recent years, events have been held in Australia, Belgium, China, India, Indonesia and the UK, with the next event in Washington D.C. WCA events are key to raising awareness and understanding of the global context for coal, which is critical as our members need to show global leadership, not just leadership at a national level.

Supporting deployment of low emission coal

A cornerstone of the Paris Agreement is the Nationally Determined Contributions (NDCs), in which countries outline how they will meet their Paris Agreement targets. To date, 24 countries have outlined a role for coal in their Paris Agreement pledges, ranging from India, Pakistan, Nigeria, Bangladesh and Japan, amongst others. Key to balancing their continued and, in many instances, growing use of coal with the priority of reducing emissions is to facilitate wider deployment of low emission coal technologies.

WCA is working with these countries to help support them in the deployment of low emission coal technologies. Most recently, this included inviting government representatives from Bangladesh and Pakistan to speak at WCA's *Sustainable Coal Forum* in London and share insights into the energy choices they are making.

We also held an event in Indonesia to provide a platform for discussion on how Indonesia can meet growing energy needs, while minimising emissions. Senior representatives from the Indonesian government, including the Director General of Climate Change and Director General of Electricity, alongside international organisations, power equipment companies, investors and coal companies discussed the low emission coal pathway for Indonesia.

As previously referenced, our work also includes commissioning research on low emission coal technology in key regions and targeted meetings with countries to discuss their low emission pathway for coal. In *India's Energy Trilemma*, research commissioned by WCA³ outlined how India can balance its forecast growth in coal use with the priority of meeting its Paris Agreement targets.

Developing on our previous engagement on high efficiency low emission (HELE) coal technologies and work by the Coal Industry Advisory Board, WCA's 2018 Work Plan will now progress to working on low emission coal beyond the immediate timeframe of the Paris Agreement, which critically means how to encourage the deployment of CCS technology across key coal using countries and regions.

Advocating for innovation and best practice

WCA has very clear, positive statements on climate change, sustainable mining, energy access and sustainable development, alongside a commitment to safety. It publishes case studies, produced in collaboration with members, on best practice within the industry, on issues such as mine reclamation, water management, safety and technology innovation⁴.

WCA has been a proponent for CCS for many years, actively promoting its inclusion in the Clean Development Mechanism and publishing reports on technologies to help coal meet the challenge of climate change, with a focus on CCS. WCA continues to advocate for wider CCS deployment, as clearly seen on the "[Pathway to zero emissions from coal](#)" page on the WCA website, which states:

"There is a clear pathway to zero emissions from coal, which starts with HELE and progresses to CCUS. We need greater action to accelerate the deployment of CCUS globally to ensure we meet the targets set in the Paris Agreement. Real solutions to climate change will only come through technological change and action on all low emission technologies, and it's vital that this includes CCUS".

³Undertaken by Charles River Associates

⁴Most recently, WCA was working on a CCS case study with BHP

As already noted, WCA has produced a range of high-level policy reports on key global challenges for the industry, helping to provide an evidence base for our outreach efforts on low emission technologies. These reports have been based on research by independent consultants, commissioned by WCA. Reports such as *India's Energy Trilemma* (2015), *The Power of High Efficiency Coal* (2016) and *ASEAN's Energy Equation* (2017) have covered major global challenges facing the energy sector and provided expert insights and policy recommendations on how these challenges can be met. The reports also help to raise awareness among our members of issues where they may not have any knowledge or expertise but which may have a future impact on their operating environment.

Coordinating with stakeholders

WCA's network of contacts is key to its successful work programme. As outlined elsewhere in this document, WCA has formal and informal relationships with a range of influential organisations, including UN bodies, such as the UNECE, regional organisations, such as ACE, CCS leaders, and sustainability initiatives, such as Bettercoal.

In many of these cases, it is not appropriate, or practical, for a company to engage on a corporate basis with these global organisations. If a coal company isn't involved in WCA, then they may face challenges in engaging with many of these international bodies.

WCA is able to have a constructive relationship with ASEAN, for example, through its MoU with ACE, and was recognised for its work with ACE in the Joint Ministerial Statement of the 35th ASEAN Ministers on Energy Meeting which stated:

"The Ministers also appreciated the insights provided by the report "ASEAN's Energy Equation: The Role of Low Emission Coal in Driving a Sustainable Energy Future" prepared in joint collaboration between ACE and the World Coal Association (WCA). The Ministers acknowledged the report outcomes and emphasised the intention to transition away from inefficient coal technologies. Enhanced deployment of cleaner

coal technology will reduce ASEAN's emissions profile, while ensuring affordable energy for economic development and poverty reduction.

The Ministers call on DPs, IOs, international financial institutions, and the energy business community to support AMS to adopt low-emission coal as part of their commitment to the Paris Agreement. The Ministers welcomed further collaboration between ACE and WCA to deliver research and capacity building activities related to the CCT work programme."

The global conversation around coal and decisions about its future are being shaped by these international organisations. It is essential that the coal industry has a role as a constructive stakeholder and this is only possible by coordinating our outreach efforts and having a unified voice.

Providing a global voice

It is impossible to effectively communicate without engaging with media, whether this is traditional media or on social media platforms. WCA engages with top tier media globally, talking to journalists about the range of issues of significance to the coal industry. While there are risks attached to media activity, such as being quoted in pieces with a negative tone or featured in stories with misleading headlines, the risks attached to not having a voice in global media outweighs these concerns.

Over the last twelve months, WCA has featured in around 2400 media stories, which averages at around six stories a day. In these stories we discuss the role of coal and low emissions coal technologies. The estimated value of the media coverage WCA has generated over this period is around £45 million⁵. This coverage is global, with WCA featuring in media in the USA, Australia, UK, India, Canada, South Africa, Singapore, China, Germany and Poland, amongst many others.

WCA also generated broadcast opportunities throughout the year, including coordinating with its members, the China National Coal Association (CNCA) and Shenhua Group (now the China Energy Investment Corporation), to organise a media visit by CNN and Bloomberg to low emission coal plants near Beijing.

⁵As calculated by the Meltwater media monitoring platform



Both visits generated coverage, with CNN's under the headline "China attempts to tackle toxic smog" and Bloomberg "China Drives for Clean Coal".

Coal is a global story and our work over recent years has ensured that we are providing a voice for the industry with global media. Without support and commitment from members, there is a risk that this valuable media activity would have to be reduced if not halted completely.

BHP engagement with the World Coal Association

The members who derive most value from their membership of WCA are those that fully engage in its processes and fully support the organisation.

WCA members are generally represented on our Board by CEOs and senior sustainability executives. In the case of diversified miners like BHP the coal business unit CEO has traditionally been the representative on the WCA Board.

Historically, however, BHP has not engaged with WCA at this level, generally sending less senior executives to WCA Board meetings. It is only in the past 12 months that a senior coal executive from BHP has attended WCA meetings and joined our Executive Committee; we believe this has been mutually beneficial for WCA and BHP.



WCA VIEW ON CLIMATE AND ENERGY POLICIES

The World Coal Association's position on energy and climate change is that global energy and climate challenges can and should be addressed as integrated priorities.

WCA believes that coal is a vital energy and strategic resource, essential to the world's sustainable development and energy security objectives and that it plays an indispensable role in addressing energy poverty, supporting urbanisation and delivering economically competitive energy to support modern economies in developed and developing countries.

We recognise that the use of coal has environmental consequences, but that the technologies exist to address these. WCA has long acknowledged the international imperative of action on climate change. We have been an active and constructive contributor to the UNFCCC climate change negotiations and broader debate on climate action. We have proposed technology and policy solutions to ensure that future use of coal is consistent with global climate objectives.

These positions are reflected in WCA's policy statements on climate, energy poverty and sustainable development, our submission to COP21 and a broad range of other positioning and material submitted over time and published on the WCA website. BHP has either been involved in, or had the opportunity to be involved in, the development of all of these position statements.

We have compared BHP and WCA's positions on energy and climate issues in Annexe 2 of this document with reference to Appendix 2 of the Industry Association Review.

Reviewing these positions compared to those of BHP set out in the Industry Association Review document it is clear that there are no substantial or material policy differences on these issues between BHP and WCA.

RESPONSE TO PROPOSED BHP WITHDRAWAL FROM WCA

BHP's proposed withdrawal from the World Coal Association is based on one identified material difference between the WCA and BHP and the narrow scope of benefits BHP perceives that it gains from its membership of WCA.

Material difference between BHP and WCA

BHP suggests that there is a material policy difference between it and the WCA with regard to technology neutrality. While recognising that WCA has supported technology neutrality, the Industry Association Review states that an article in the *Australian Financial Review* titled "Malcolm Turnbull is right to abandon a Clean Energy Target: world coal boss" represents a material difference to BHP's policy on the then proposed Australian Clean Energy Target.

It should be noted that WCA has never taken a position on the Australian Clean Energy Target. WCA's CEO had provided extensive commentary to the journalist on global energy and climate issues, which naturally included the Australian situation. In the said article, the WCA CEO had called for a more balanced approach to energy policy which he believed would make room for HELE coal-fuelled power generation, allowing investors to support such generation as they saw fit, i.e. allowing a market approach in a balanced policy setting. WCA's CEO was critical of the Renewable Energy Target based on the belief in technology neutrality that excluded the option of HELE and CCS.

The article quotes the CEO talking about the emphasis on the deployment of renewable energy technology and the challenges that this had presented to Australia's energy system – a position BHP's CEO has also reflected⁶.

At the time of publication, WCA's CEO raised concerns with the journalist about how WCA's position was not accurately represented in the headline. And in informal communications, the journalist agreed the headline was possibly too strong and could be reviewed, however WCA understands these are editorial decisions.

It is disappointing that the headline deflected from the crux of the article itself which was a call for a more balanced and technology neutral approach to energy policy.

WCA would suggest that the alleged material difference is effectively based on that one headline.

BHP's proposed withdrawal from WCA based on a single suggested material difference is also inconsistent with the position taken with regards to other bodies that have a larger number of such differences identified in the review.

Value of WCA membership to BHP

The Industry Association Review accepts that BHP derives benefits from membership of the WCA, but that the scope of those benefits is narrow. The review argues the benefits are limited because we are largely involved in raising awareness and information provision and do not undertake standard setting and performance improvement activities, such as those undertaken by ICMM or national associations.

We have clearly set out in this document WCA's value proposition, which we do not believe has been adequately considered by the review. It may be fair to say that the benefits of membership of WCA are perhaps less tangible compared to the ICMM or national associations with regards to standard setting or direct impact on national policies that immediately affect BHP's operations. However, as an international organisation with a relatively small

⁶BHP issues jobs warning after another SA blackout, *InDaily*, 1 December 2016, <https://indaily.com.au/news/local/2016/12/01/sa-disconnects-from-national-power-grid-overnight/>, accessed 24 January 2018



organisational footprint, WCA serves a very different role to those organisations. Engaging with WCA provides significant opportunity to gain greater depth of knowledge about developments affecting the global coal industry. This often provides significant benefit to companies in understanding their business environment and implementing strategies to improve performance in a way that does not occur when similar activities are taken at a corporate level alone.

Furthermore, WCA is the only body working at the international level to support the long term sustainable development of the global coal industry. As a significant player in the global coal industry BHP has an interest in that agenda.

The question of financial commitment also needs to be considered. In the review BHP notes that its fee for the Minerals Council of Australia is approximately A\$1.8 million. In WCA's current membership year BHP's fee is approximately A\$110,000, 6% of the fee paid to the MCA. It is not reasonable to make comparisons between the services or value derived from membership of the two organisations when there is such a significant difference in the financial commitment involved in their respective membership.

Future relationship between BHP and the WCA

We request that BHP reconsider its proposed withdrawal from the WCA.

We do not believe there are any material differences between BHP's views on energy and climate change issues and those of the WCA.

We believe BHP does derive significant value from its membership of WCA, particularly when the limited financial contribution BHP makes to the WCA is considered.

We urge BHP to remain engaged with WCA at its current level. We believe that through continued engagement we can ensure continued alignment between BHP's priorities and those of the WCA and its other members.

ANNEXE 1

SUSTAINABLE COAL FORUM AGENDA

AGENDA

09.00 – 09.05	<p>Welcome Mick Buffier, Chairman, World Coal Association</p>
09.05 – 09.20	<p>Opening remarks Benjamin Sporton, Chief Executive, World Coal Association</p>
09.20 – 09.40	<p>Business and the SDGs Steve Kenzie, Executive Director, U.N. Global Compact Network UK</p>
09.40 – 11.00	<p>Panel session 1 SDG7 Ensure access to affordable, reliable, sustainable and modern energy for all</p> <p>What is the role for coal?</p> <p>Panellists</p> <ul style="list-style-type: none"> • Naeema Ahmed, Founder & Director, Africa Alternative Energy Initiatives • H.E. Md. Nazmul Quanine, High Commissioner, Bangladesh High Commission • Sajid Mehmood Raja, Commercial Counsellor, Pakistan High Commission • Branko Milicevic, Secretary, Group of Experts on Cleaner Electricity Generation from Fossil Fuels, U.N. Economic Commission for Europe <p>Chair: Steve Kenzie, Executive Director, U.N. Global Compact Network UK</p>
11.00 – 11.30	<p>Coffee break</p>

11.30 - 13.00

Panel session 2**SDG8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all****SDG9 Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation****How can coal support sustainable societies?****Panellists**

- Anne-Claire Howard, Executive Director, Bettercoal
- Roberto Junguito, President, Cerrejón
- Brian Sullivan, Executive Director, IPIECA
- Jonathan Barnow, Associate Vice President, Strategic Initiatives, TechnoServe
- Mark Kirkbride, Chief Executive, West Cumbria Mining
- Edwin Basson, Director General, World Steel Association

Chair: James Palmer, Asset President, BMC & NEC, BHP

13.00

Close of morning session

Benjamin Sporton, Chief Executive, World Coal Association

13.00 - 14.00

Lunch

14.00 - 15.30

Panel Session 3**SDG 13 Take urgent action to combat climate change and its impacts (and the role of the Paris Agreement)****Panellists**

- Richard (Rick) W. Westerdale II, P.E, Senior Advisor, Bureau of Energy Resources, U.S. Department of State
- Andrew Green, Programme Manager CCS, Energy Technologies Institute
- Lord Oxburgh, Author of "Lowest Cost Decarbonisation for the UK: The Critical Role of CCS"
- Greg Evans, Chief Executive, ACALET COAL21 Fund & Executive Director, Coal, Minerals Council of Australia
- Aniruddha Sharma, Co-founder & CEO, Carbon Clean Solutions

Chair: Mick Buffier, Chairman World Coal Association and Group Executive, Glencore Coal

15.30 - 15.50

Coffee Break



15.50 - 17.00

Panel Session 4

Realising the financial value of sustainable development in the coal sector and building a competitive advantage

Panellists

- *Seamus French, CEO Bulk Commodities, Anglo American*
- *Peter Freyberg, Head of Global Coal Assets, Glencore*
- *Glenn Kellow, President & CEO, Peabody Energy*
- *Martin McAspurn-Lohmann, Managing Director, Head of Oil & Gas and Utilities, Santander Banking*
- *Arnaud Cohen Stuart, Head of Business Ethics, ING*

Chair: Neil Hume, Commodities and Mining Editor, Financial Times

17.00 - 17.05

World Coal Association and Bettercoal Memorandum of Understanding Signing Ceremony

17.05 - 17.15

Concluding remarks

Mick Buffier, Chairman, World Coal Association

ANNEXE 2

COMPARISON OF BHP AND WCA POLICY POSITIONS

Title	BHP Position	WCA 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>	No specific position
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>	<p>WCA considers CCS critical to meeting the 2-degree climate target. Our COP21 position statement was ambitious for the deployment of CCS, stating: “If comprehensive policy and financial support is provided for CCUS over the coming decade, including policy parity, it is realistic to believe that a transition toward no new unabated fossil fuels could begin in the late 2020s.”</p> <p>We note the IEA assessment that CCS will provide 14% of the cumulative emissions reductions needed by 2050 to meet its 2-degree scenario (<i>IEA, 20 years of CCS: Accelerating Future Deployment</i>).</p> <p>The IEA has repeatedly confirmed the importance of CCS as part of a suite of low-carbon technologies in meeting global climate goals. In its <i>Energy Technology Perspectives 2017</i> report, it states: “Carbon capture and storage is vital for reducing energy emissions across</p>



Title	BHP Position	WCA Position
<p>Carbon capture and storage <i>(continued from previous page)</i></p>		<p>the energy system in both the Energy Technology Perspectives 2°C Scenario (2DS) and the Beyond 2°C Scenario (B2DS)..." (<i>Energy Technology Perspectives 2017</i>). The WCA acknowledges this and works to position itself as an active stakeholder in CCS deployment.</p> <p>In the lead-up to COP21, WCA published a CCS position paper and has actively participated in industry initiatives, including co-authorship of the recent CIAB report to the IEA, <i>An International Commitment to CCS: Recommendations to Expediate CCS Deployment and Development</i>.</p> <p>WCA recognises that an ambition for global warming to be limited to "well below" 2 degrees with an ambition to limit it to 1.5 degrees will require even greater levels of CCS deployment.</p> <p>In conjunction with a range of partner organisations we facilitate workshops and other events designed to accelerate deployment of CCS.</p>
<p>Climate science</p>	<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>	<p>WCA is a listed observer organisation to the IPCC and a registered observer to the UNFCCC.</p> <p>As demonstrated in WCA messaging, we accept the IPCC assessment of climate change science. As an active participant in climate change forums and negotiations, we recognise the global movement to reduce emissions thereby mitigating against the potential impacts of climate change.</p>



Title	BHP Position	WCA Position
<p>Emissions reduction targets</p>	<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>	<p>The WCA website clearly states:</p> <p>“There is a clear pathway to zero emissions from coal, which starts with HELE and progresses to CCUS. We need greater action to accelerate the deployment of CCUS globally to ensure we meet the targets set in the Paris Agreement. Real solutions to climate change will only come through technological change and action on all low emission technologies, and it’s vital that this includes CCUS.”</p> <p>The WCA believes the credibility of the Paris Agreement lies in the NDCs that countries submitted in the lead-up to COP21. The climate pledges ensure that emissions reductions as part of global climate objectives are integrated with national development objectives, including economic development and energy security.</p> <p>24 countries (collectively responsible for over 50% of global emissions) identified a role for cleaner coal technology in their NDCs. WCA does not take a position on individual country climate pledges, considering it to fall within the purview of national authorities. However, as the international interface for those with an interest in coal use, we do work to support deployment of low emission coal technology in countries that have identified a long-term role for coal, including in their climate pledges.</p>



Title	BHP Position	WCA Position
<p>Equal prioritisation of the energy trilemma</p>	<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>	<p>Affordable, reliable and accessible electricity is the foundation of prosperity in the modern world. Like BHP, WCA recognises that effective climate and energy policy is built on balancing the priorities of affordability, sustainability and security.</p> <p>Each nation will choose an energy mix that best meets its needs. For many countries this includes coal, particularly in industrialising and urbanising Asia. With the use of coal projected to continue to grow over the coming decades, the WCA recognises that a low emission coal pathway is required. 24 countries have identified a role for cleaner coal technology and we are actively engaged in efforts to assist them balance the energy trilemma through deployment of cleaner coal technologies.</p>
<p>Land-use change for sequestration</p>	<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>	<p>No specific position</p>



Title	BHP Position	WCA Position
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>	<p>The WCA has responded positively to the Paris Agreement and related national policies to reduce emissions. The WCA is admitted into the UNFCCC process as an accredited observer.</p> <p>At the time the Paris Agreement was adopted we welcomed the renewed commitment to climate finance and called on the various finance, technology and capacity building mechanisms to support countries implement all aspects of their INDCs.</p> <p>We were also clear that the increased ambition of the agreement underscores the need to speed up efforts to deploy CCS. We called on governments to move quickly to support increased investment in CCS and through providing policy parity for CCS alongside other low emission technologies.</p> <p>WCA has continued to attend the climate negotiations following Paris and will continue to in future. WCA has been working with a number of countries and the ASEAN community to support implementation of their Paris Agreement commitments.</p>



Title	BHP Position	WCA Position
<p>Price on carbon</p>	<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>	<p>No specific position</p>
<p>Restricting global warming to 2°C</p>	<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>Our Climate Change: Portfolio Analysis includes consideration of the potential portfolio implications of a transition to a 2°C world.</p>	<p>The WCA has long recognised the global objectives of restricting global warming to 2°C and consistent with evidence from the IEA and others highlighted the role that low emission coal technologies will play in achieving that target.</p>



Title	BHP Position	WCA Position
<p>Technology neutral, free-market energy mix</p>	<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>	<p>The WCA regularly advocates for policy that is technology neutral, but to be genuinely neutral such policies must recognise the role that low emission coal technologies will play in meeting international climate objectives.</p> <p>Many policy decisions taken by governments are not established on a technology neutral basis and are designed to promote renewable technologies. WCA argues that the same policy settings should be applied to all low emission technologies, including low emission coal technologies.</p>

World Coal Association

The World Coal Association is a global industry association formed of major international coal producers and stakeholders. The WCA works to demonstrate and gain acceptance for the fundamental role coal plays in achieving a sustainable and lower carbon energy future. Membership is open to companies and not-for-profit organisations with a stake in the future of coal from anywhere in the world, with member companies represented at Chief Executive or Chairman level.

World Coal Association
5th Floor Heddon House
149-151 Regent Street
London, W1B 4JD
UK

+44 (0) 20 7851 0052
info@worldcoal.org

 www.worldcoal.org

 www.twitter.com/worldcoal

 www.linkedin.com/company/world-coal-association