Today the Church of England Pensions Board tabled a shareholder resolution with Australian, Danish and Dutch investors, at the AGM of BHP, the world's largest mining company.
The Resolution (Resolution 22) asks BHP to suspend membership of trade associations that are not lobbying in line with the Paris Climate Agreement. Ahead of the AGM in London this advisory resolution had the backing of investors totalling over US$ 10 trillion of Assets Under Management (AUM). The vote was indicative and will not be finalised until BHP’s Australian AGM to be held on Thursday 7 November.

Today’s vote resulted in 22.16% voting for resolution 22 with a further 7.72% withholding their votes.

Commenting on the vote, Adam Matthews, Director of Ethics and Engagement for the Church of England Pensions Board, said:

“Today’s indicative vote, backed by assets owners totalling over US$10 trillion in Assets Under Management sends an unequivocal signal to BHP’s Board. It is essential that lobbying be used as a constructive force and not one designed to delay, divert and disrupt the long-term interests of the company and its shareholders. Sophisticated, sustained and impactful negative lobbying continues despite promises made by BHP in 2017 that trade bodies should cease lobbying where its members are not aligned (this was the third principle of BHP’s 2017 Industry Review). Investors continue to call for a robust approach. The Board now needs to urgently review its approach and set a new standard for how companies and their associations respond to the complex challenge of climate change. Today's vote makes it clear that the world's largest mining company must play its part.”

Adam Matthews: Director of Ethics and Engagement at the Church of England Pensions Board made the following remarks at the AGM:

My name is Adam Matthews from the Church of England Pensions Board, a shareholder of BHP PLC and of BHP LIMITED.

I speak as a supporter and proposer of this resolution along with:

- ACTIAM,
- Grok Ventures,
- MP Pension,
- Vision Super and
- ACCR.

Together we support resolution 21 and 22.

Regardless of the percentage of the vote achieved today, we know that over 50 climate aware institutional investors with over ten trillion US Dollars in Assets Under Management have indicated support - either publicly or privately for resolution 22. This includes Aberdeen Standard, AXA, AVIVA, BNP Paribas, CalPERS, Union Investments and LAPFF amongst many more.
Let me be clear, we want BHP to succeed and flourish as a company and to do so as you navigate the complexity of the multi-decadal transition envisaged by the Paris Climate Agreement. Yet BHP and society’s ability to transition in an orderly manner is directly challenged by industry associations that continue to lobby at a national and sub-national level to delay and disrupt the necessary regulatory response. Ironically, they use your, and our, shareholder funding to do so.

We recognise the leadership position that BHP has taken and in particular on scope 3 emission targets. However, Mr Mackenzie's July speech was absent of any reference to how BHP will ensure its strategy would not be undermined by its own funding of industry associations. Specifically, I would draw the Board’s attention to principle 3 of your 2017 Industry Association Review.

Principle 3 states:

‘In climate and energy policy areas where no broad industry consensus exists, associations should generally refrain from advocacy in those areas...’

None of the associations you highlighted in 2017 as being misaligned on climate lobbying has ceased such activities in the time since then.

You are not a small funder of these industry associations. You are a significant funder.

Were I an equivalently sized shareholder of BHP I do not believe the Board would be as unresponsive to my concerns as it would appear so many of the industry associations at a national and sub-national level have been to BHP. As I said when I began, I do not know what percentage of the vote is in support of the substantive motion 22. But regardless, the follow through that was promised in 2017, puts the Board, on this issue, at odds with considerable number of ‘climate aware’ institutional investors. All of whom, like the beneficiaries I represent, want the company to succeed but believe that to do so, require you to take the steps as outlined in resolution 22.

I propose this Advisory resolution.
Further information:

A sample of investors backing the Church of England's call include:


[1] Hermes EOS recommended support for resolution 22 to its stewardship clients.

Church of England Pensions Board co-files shareholder resolution at BHP Ltd – the world's largest mining company

BHP Shareholder Resolution: Statement from Church of England Pensions Board