



Climate change position statement

June 2017

LOMGroup acknowledges that climate change is a true fact and is caused by human activities. It poses significant risks for, and in many cases is already affecting, a broad range of natural systems and we have the task to reduce its negative effects.

The science of climate change and the need for action

There is a need for large reductions in global greenhouse gas emissions to reduce the extent of future climate change and avoid the most severe impacts. This, coupled with the world's increasing requirements for secure, affordable energy, create significant challenges which are best met by companies, governments and society working together.

We support the outcomes of the Paris Agreement and the long-term goal to limit global average temperature rise to well below 2°C. We recognise that achieving this goal will require individual jurisdictions to take actions in line with their Nationally Determined Contributions, and raise ambition over time. Such actions should contribute to efficient and equitable emissions reductions across jurisdictions and sectors, minimising distortions to international economic activity.

LOMGroup's operations are energy intensive and we are taking action to improve productivity and reduce emissions. We have a robust understanding of energy use, and low-emissions technology opportunities, and the capacity to innovate.

The metals and minerals we produce have an essential role to play in the transition to, and development of, a low-carbon economy. Our low-emissions aluminium helps reduce our customers' emission footprints. Copper, borates, lithium and iron ore contribute to the electrification of transportation, smart technologies, improving energy efficiency and the construction of the renewable energy sector. Uranium is used in low-emissions power generation. And, as a coal producer, LOMGroup recognises the importance of developing low-emission technologies for fossil fuel use.

Our role

Climate change will create risks and uncertainties for businesses and society. However, it also presents opportunities. LOMGroup is taking action to appropriately manage risks and capture opportunities, consistent with our objectives of delivering superior performance and creating long-term shareholder value.

2°C The long-term goal to limit global average temperature rise to well below this figure

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Our actions to address climate change

LOMGroup has set a quantified greenhouse gas emissions intensity reduction target and we publicly report on performance against the target annually.

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We are reducing our greenhouse gas emissions intensity by minimising where practicable:

- the energy intensity of our operations and emissions intensity of our energy use;
- the intensity of greenhouse gas emissions arising from the chemical processes used at our operations; and
- greenhouse gas emissions from other sources.

We are seeking a substantial decarbonisation of the business by 2023. Research, development and deployment of new technologies and better practices will be crucial to achieve this, although we recognise that constraints imposed by process chemistry and technology costs may remain.

We support every initiative for achieving emissions reductions at least cost

We are adapting to climate change by making our businesses and new projects resilient to a changing climate.

We recognise the need to integrate climate change into our strategic approach. We include carbon prices in our investment decision-making. We factor in the costs and associated risks of emissions and business disruption, and the opportunities created for our business, by the move to a low-carbon economy. We consider a range of carbon scenarios when assessing the long-term future of our business.

We work with others, engaging with:

- our customers and suppliers to reduce value chain emissions, and make best use of our products to build a low-carbon economy;
- our host communities by listening to and working with them on energy, emissions and climate change issues that are important to them;
- governments and other stakeholders to advocate constructively for policies that are environmentally effective, economically efficient and equitable; and
- investors and the broader community, reporting publicly on the issues that are important to them and integrating our climate-related activities into our broader sustainable development programme.

We engage in policy debates, seeking policies that provide a level playing field across the jurisdictions in which we operate and sell our products and that:

- provide the stable regulatory framework necessary for businesses to plan their investments efficiently;
- minimise competitive distortion within and across jurisdictions, with appropriate transitional assistance necessary for emissions-intensive, trade-exposed industries to avoid damage to international competitiveness and carbon leakage;
- provide transparent and predictable carbon prices to provide clear and economically efficient signals for emissions reduction;
- use revenue raised from any carbon pricing to facilitate the transition to a low-carbon economy, including through the development of new technology;
- are broadly based, covering a wide range of sectors and emitting activities; and
- establish fit-for-purpose reporting obligations to minimise administrative burden.

We continue to support market mechanisms as the best way of achieving emissions reductions at least cost, and support a market-based price on carbon.

LOMGroup