

Glencore plc (GLEN)

Annual General Meeting: Thursday 28 April 2022

Resolutions are being highlighted by a Climate Action 100+ initiative signatory for the attention of other signatories.

Organization requesting a 'flag' on a resolution:

[Valborg Lie](#), LGPS Central

Investor statement available [here](#).

Resolution text:

The member is flagging one resolution and stating they are intending to vote AGAINST it:

Resolution #13: [2021 Climate Progress Report](#)

“At our 2021 AGM, shareholders provided a 94% advisory vote in favour of our Climate Action Transition Plan, elements of which are summarised in Appendix 2 to this Notice.

As noted in the Chairman’s Letter on page 2 of this document, this resolution provides an opportunity for shareholders to provide an advisory vote on our activities and progress against our Climate Action Transition Plan.

On 2 December 2021 we published our first Climate Progress Report. On 16 March 2022 we published our 2021 Annual Report that contains our emissions reductions performance data (on pp. 21 & 22) and our capital allocation expenditure (on p. 23) for 2021, which should be taken into account when considering our Climate Progress Report.

These reports set out:

- (a) an overview of our capital allocation strategy*
- (b) progress in addressing Just Transition considerations*
- (c) a review of our industry organisations’ positions on climate change, and*
- (d) progress made against the seven pathways identified to deliver our targets and ambition, complemented by 2021 emissions reductions performance data.*

This resolution is not binding on the Company. Its purpose is to advise the Board, which retains its decision-making powers, of the shareholders’ view on these disclosures.”

[Notice of Meeting](#)

Summary of why the resolution is being flagged

LGPS Central will vote AGAINST Glencore’s climate progress report at the AGM on 28 April 2022 primarily due to shortcomings in target setting over the next decade. We do this in the spirit of asking more also of leading companies and in recognition of our own ambition to achieve net zero emissions across our portfolios by 2050.

Background and rationale details

LGPS Central will vote against Glencore’s climate progress report at the AGM on 28 April 2022 primarily due to shortcomings in target setting over the next decade. We do this in the spirit of asking more also of leading companies and in recognition of our own ambition to achieve net zero emissions across our portfolios by 2050.

As a co-lead of Climate Action 100+ engagement with Glencore, we appreciate ongoing, constructive discussions on its climate transition efforts and commend Glencore for setting a net zero by 2050 ambition alongside short- and medium-term absolute GHG emissions reduction targets across all scopes. LGPS Central encouraged the company to take their climate transition plan to a vote in 2021, allowing shareholders a full view of how the 2050 ambition would be realised in the short and medium term. Since the plan was put to vote, with our support, Glencore has enhanced the medium-term target from 40% to 50% reduction by 2035 and introduced a short-term target of 15% reduction by 2026, which will largely come from decline in coal exposure. It is our view that the short-term target does not provide assurance of alignment with the International Energy Agency Net Zero by 2050 Scenario (NZE) and the Intergovernmental Panel on Climate Change (IPCC) 1.5C scenarios pathways for coal reduction. The IPCC has identified the use of coal to power electricity as the single biggest inhibitor to achieving Paris objectives. We therefore view it as particularly important that a company like Glencore provide clear and robust targets that show a Paris-aligned trajectory this decade.

Patrick O’Hara, Director of Responsible Investment and Engagement at LGPS Central Limited, said: *“Glencore has taken some very positive steps toward Paris-alignment. What we would like to see now are even stronger short-term targets (2026) and an explicit 2030 target, that can ringfence the company’s transition in line with the Paris Agreement during this next, critical decade. We also encourage Glencore to proactively and transparently lobby for Paris-aligned climate policies in key markets, including Australia, both directly and through industry associations they are a member of. Positive advocacy is a material action that Glencore can take in support of its own decarbonisation commitments and to drive demand in minerals segments, such as copper, cobalt, nickel, zinc, silver and vanadium which they want to grow.*

“We are determined to engage with companies in support of their own alignment with the Paris Agreement and in line with science as expressed by IEA and IPCC, but also to support our own net zero ambition across portfolios. While we encourage companies to seek shareholders’ votes on climate transition plans, we are ready to vote against plans or progress reports that fall short, as we have done also for other companies in the mining sector and outside.”