

Funds totalling £1.8 trillion have declared they will support a shareholder resolution regarding the funding of lobbying organisations that has been co-filed at Rio Tinto Limited's AGM next week in Sydney, Australia.

The resolution co-filed by the Australasian Centre for Corporate Responsibility (ACCR), the Church of England Pensions Board, The 7th Swedish Pension Fund (AP7) and Australia's Local Government Super Pension Fund calls on the Board to undertake a review regarding the current use of shareholder funds to support industry associations and lobby groups.

As part of the review the resolution asks the Board to publish how much they spend on such trade associations and to ensure appropriate governance processes around this important issue. The Resolution specifically seeks to address the funding of trade associations by Rio Tinto that lobby in public and in private, contrary to Rio's own stated support for the Paris Agreement and efforts to combat climate change.

With other funds expected to join in support a number of funds in Australia, the US and Europe that have publicly indicated their support for the shareholder resolution. These include Legal and General Investment Management (LGIM), AEGON Asset Management, CalPERS, CalSTRS, VicSuper, Cbus and HESTA.

The resolution is co-filed by the Australian & Local Government Super (AU\$10billion), the Church of England Pensions Board, and the Seventh Swedish National Pension Fund (AP7).

Emanuele Fanelli, Responsible Investment Manager Aegon Asset Management which has £277 Billion Assets under management said: "Aegon will vote in favour of Climate Lobbying Resolution 20 at Rio Tinto Limited. The resolution asks for greater transparency of industry association memberships, and active management of misaligned positions on climate change. We are concerned about the company's use of trade associations by corporations to block climate policy. As well as, misalignment between the company's own climate commitments and the positions of their trade groups. With our vote, we hope to improve governance around lobbying activities that pose financial and reputational risks to the company, and ultimately voice the concerns of our clients who want to spend their retirement in a sustainable environment."

Adam Matthews, Head of Engagement for the Church of England Pensions Board, on behalf of the co-filers said: "Rio Tinto has not done enough to respond to what is widely recognised as a reasonable resolution. There is a disconnect between the Company's own stated support to address climate change and the funding of trade associations that seek to undermine public policy on the very same issue. Whatever the result of the vote the Board must focus on addressing this concern of investors. On behalf of the co-filers I thank those funds that will be voting in support of our resolution and for their recognition of this issue's importance."