

The Church Commissioners for England and a leading coalition of investors participating in Climate Action 100+ today welcomed a position statement issued by Glencore significantly strengthening its commitment to combat climate change.

In a first for the mining industry, Glencore has agreed to align its business and investments with the goals of the Paris Agreement, which are to limit warming to well below 2 degrees and to achieve net zero emissions in the second half of the century. Importantly, Glencore has undertaken not to grow its coal production capacity.

Glencore has announced its plans in a statement developed after engagement by institutional investors participating in Climate Action 100+, an initiative led by investors with more than \$32 trillion in assets under management.

Speaking as the lead of the Climate Action 100+ dialogue with Glencore, Edward Mason, Head of Responsible Investment for the Church Commissioners for England said: “Delivering on the goals of the Paris Agreement requires unprecedented collaboration and today’s announcement is a positive step forward for Glencore, its investors and the fight against climate change. Investors will now want to hold the company to its commitments and to ensure that the methodology for determining the company’s alignment with the Paris goals is robust.”

Glencore in its statement made the following commitments:

1. Not to grow coal production capacity beyond current levels
2. Future capital expenditure and investments to prioritise commodities essential to the energy and mobility transition and to be aligned with the goals of the Paris Agreement
3. Developing new longer-term targets for reduction of its scope 1 and 2 emissions with additional reporting in mandatory filings and evaluation from 2020
4. Disclosing new, longer-term projections for reductions in Scope 3 emissions intensity, with regular disclosures in mandatory filings from 2020 onwards
5. Consideration of how climate change objectives can be reflected in variable remuneration for senior executives
6. Further climate-related disclosure consistent with its support for the Financial Stability Board’s Taskforce on Climate-Related Financial Disclosures (TCFD).
7. Assessing whether its membership in relevant trade associations aligns with the company’s stated positions in today’s statement and does not undermine its support for the Paris Agreement and Paris goals. The result of this review, including any material misalignments identified and actions that will be taken, will be made public in 2019.

Carlota Garcia-Manas, Senior Investment Stewardship Analyst at the Commissioners, added: “This is a significant development in the alignment of diversified mining with the Paris climate goals. The simple truth is that in the absence of commercially viable carbon capture and storage, coal

has no long-term future in the energy mix. Glencore's commitments on capital investment and expenditure start to provide assurance to investors increasingly focused on climate-related risks and opportunities. Engagement on implementation will now get underway."

Stephanie Pfeifer, a member of the global Climate Action 100+ Steering Committee and CEO, Institutional Investors Group on Climate Change, said: "Glencore's commitment to work within the Paris Agreement is a significant step forward for the company. As engagement moves to the next stage we look forward to working with Glencore and the sector as a whole on reducing emissions across the value chain."

George Cheveley, Portfolio Manager, Investec Asset Management Natural Resources Team, said, "Investec Asset Management welcomes Glencore's statement around their climate change commitment which is unique for the mining sector. We support Glencore in making progress towards the transition to a low-carbon economy and engaging closely with their stakeholders, including shareholders.

"Showing the positive outcome of engagement, institutional investors have been able to align their long-term interests with Glencore's aim to become a proponent of the energy transition. As long-term investors, we look forward to monitoring this progress closely as it evolves."

Narina Mnatsakanian, Director Responsible Investment at Kempen said: "We see Glencore's commitment not to grow its coal production capacity and its willingness to set clear emission reduction targets as an important step towards its contribution to the Paris Agreement goals. We believe that engagement needs to be done by all types of investors. That is why we as a bondholder worked with the company's shareholders and other parties. Collectively we can make a bigger difference and further support Glencore in implementing its commitments and developing longer-term targets."

Anne Simpson, Director of Board Governance and Strategy, CalPERS and co founder and Steering Committee Chair Climate Action100+ said:

"Climate change brings both risk and opportunity for investors. Keeping global warming to well below 2 degrees demands bold and urgent action from the world's largest greenhouse gas emitters. Glencore's new commitments to its investors are a vital step forward in the path to align strategy with the goals of Climate Action100+."

Notes to Editors

- The full text of Glencore's statement is [available here](#).
- The statement was developed after engagement between Glencore and a leadership group of institutional investors participating in the global investor initiative [Climate Action 100+](#).
- The investor engagement with Glencore has been led by the Church Commissioners for England, the endowment fund of the Church of England, with active participation from Investec Asset Management and Kempen. The Church Commissioners were supported by environmental law organisation ClientEarth and with shareholder outreach by ShareAction.
- Climate Action 100+ is an investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. More than 300 investors with over \$32 trillion in assets collectively under management are engaging companies on improving governance, curbing emissions and strengthening climate-related financial disclosures. The companies include 100 'systemically important emitters', accounting for two-thirds of annual global industrial emissions, alongside more than 60 others with significant opportunity to drive the clean energy transition.

Launched in December 2017, [Climate Action 100+](#) is coordinated by five partner organisations: Asia Investor Group on Climate Change (AIGCC); Ceres; Investor Group on Climate Change (IGCC); Institutional Investors Group on Climate Change (IIGCC) and Principles for Responsible Investment (PRI). These organisations, along with five investor representatives from AustralianSuper, California Public Employees' Retirement System, HSBC Global Asset Management, Ircantec and Manulife Asset Management, form the global Steering Committee for the initiative. Investor engagement across Europe is delivered with the support of IIGCC.

Source URL: <https://www.churchofengland.org/media/press-releases/church-commissioners-england-and-leading-institutional-funds-welcome-glencores>