

## Press release

1 February 2016

### Unprecedented investor call for climate risk transparency from mining giants

Investors responsible for more than \$8 trillion have called on mining giants Anglo American, Glencore and Rio Tinto to be more transparent over climate change risks and opportunities to their businesses.

The move comes in the form of shareholder resolutions which have received unprecedented support, including from four of the world's ten largest pension funds: Dutch funds ABP via APG and PFZW via PGGM, North American funds CalPERS and the Canada Pension Plan Investment Board.

For the first time in the UK, investors backing an AGM resolution make up 5% of a company's voting shares – in this case Anglo American's.

In another first, more than 100 co-filers who have Rio Tinto as part of their main investment portfolio have backed that resolution.

The '*Aiming for A*' investor coalition filed two successful strategic resilience resolutions focusing on climate change with BP and Shell last year.

This year, as well as four of the world's ten largest pension funds, four of continental Europe's ten largest Fund Managers have also backed the resolution, including Aegon Asset Management, Amundi Asset Management, AXA Investment Managers and BNP Paribas Investment Partners. There are eight co-filers across the UK's ten largest pension funds and ten largest asset managers, including BT Pension Scheme, Railpen, USS, Aviva Investors and Schroders.

Schroders co-filed across the largest number of Anglo American shares, and Jessica Ground, Global Head of Stewardship, said: "We have been engaging with companies for some time on these issues and having a constructive dialogue. By co-filing and working with '*Aiming for A*' we are supporting a more transparent and public discussion of these risks."

The Paris Agreement has provided a major incentive for carbon intensive companies to assess and report on the risks and opportunities facing their organisations as a result of climate change.

The investors were supported by ClientEarth lawyer Alice Garton, who said: "These historic resolutions show how much investors value transparency on the climate risks and opportunities facing companies. The Paris Agreement was a game-changer for carbon intensive industries and company reporting. These resolutions, which we expect will become binding on management after the AGM votes, are an excellent example of investors' desire for more complete information post-Paris."

Funds belonging to the Local Authority Pension Fund Forum (LAPFF), which has been part of the coalition since its inception, made up half of the largest co-filers by shares held at Anglo American, with eighteen funds co-filing across the three companies.

CLLr Kieran Quinn, LAPFF Chair, said: “Since co-filing the first strategic resilience resolutions in 2015, there has been a step-change in investor confidence. We are now seeing the larger pension funds and fund managers stepping forward to co-file. Part of this is testament to the positive engagement undertaken by the coalition and in-kind response from the company chairmen and boards.”

The ‘*Aiming for A*’ coalition believes that carefully crafted supportive but stretching shareholder resolutions can play a positive stewardship role during the multi-decade low carbon transition.

## Ends

## Notes to Editors

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You can find a grid of the resolution co-filers here: [www.lapfforum.org](http://www.lapfforum.org)

It includes UK church, charity and pension fund investors, alongside some of their local and overseas fund managers, plus their peers across three continents. About a dozen of Rathbone Greenbank Investment’s individual clients also co-filed at RioTinto, and a handful of organisations and individuals with a few AGM access shares provided invaluable contingency to the co-filers at that company.

## 'Aiming for A'

'*Aiming for A*' was [launched by CCLA in 2012](#). The Church Investors Group members currently involved are: the three Church of England National Investing Bodies (the Church Commissioners, the Church of England Pensions Board and the CBF Church of England Funds) and the Central Finance Board of the Methodist Church. The other five partners in this £230bn UK initiative are the Local Authority Pension Fund Forum, Rathbone Greenbank Investments, Sarasin & Partners, Hermes Investment Management on behalf of its stewardship services clients, and the Pensions Trust. The last three joined the initiative after supporting the BP and Shell strategic resilience shareholder resolutions, which achieved more than 98% of the vote at the companies' 2015 AGMs.

The 'A' within '*Aiming for A*' refers to the best A-E CDP (formerly Carbon Disclosure Project) performance band. Within the scoring methodology considerable weight is given to operational emissions management, alongside the strategic and governance issues covered in the shareholder resolutions.

The following investors lead the long-standing '*Aiming for A*' engagement with the mining companies: Local Authority Pension Fund Forum (Rio Tinto); Church Commissioners (Glencore) and the Central Finance Board of the Methodist Church (Anglo American). Until last October’s AGM CCLA

led the engagement with BHP Billiton. Hermes' stewardship services team have co-ordinated the mining engagement since joining the 'Aiming for A' coalition last autumn.

In response to engagement under the Global Investor Coalition on Climate Change's Carbon Asset Risk initiative, BHP Billiton pre-empted the need for a 2016 resolution by publishing a report for investors entitled 'Climate Change: Portfolio Analysis' last September:  
<http://www.bhpbilliton.com/investors/news/diversification-and-competitiveness-provide-resilience-to-climate-risk>

Alongside the Investor Forum, 'Aiming for A' was the only collective engagement to be highlighted in the Financial Reporting Council's review of corporate governance and stewardship in 2015:  
[https://www.frc.org.uk/Our-Work/Publications/Corporate-Governance/Developments-in-Corporate-Governance-and-Stewa-\(1\).pdf](https://www.frc.org.uk/Our-Work/Publications/Corporate-Governance/Developments-in-Corporate-Governance-and-Stewa-(1).pdf) (p.15)

See also <http://investorsonclimatechange.org/engage/>

### **ClientEarth**

ClientEarth is Europe's leading environmental law organisation. We use law to tackle environmental challenges like deforestation, air pollution and climate change.  
<http://www.clientearth.org/>

### **LAPFF**

The Local Authority Pension Fund Forum (LAPFF) is a voluntary association of 69 UK public sector pension funds with combined assets of approximately £175 billion. It exists to promote the long-term investment interests of member funds, and to maximise their influence as shareholders to promote corporate responsibility and high standards of corporate governance amongst the companies in which they invest. PIRC is the Research and Engagement partner to the Forum, [www.lapfforum.org](http://www.lapfforum.org)

### **Resolution**

The resolution for all three companies is as follows:

Special resolution – strategic resilience for 2035 and beyond

“That in order to address our interest in the longer term success of the Company, given the recognised risks and opportunities associated with climate change, we as shareholders of the Company direct that routine annual reporting from 2017 includes further information about: ongoing operational emissions management; asset portfolio resilience to the International Energy Agency's (IEA's) scenarios; low-carbon energy research and development (R&D) and investment strategies; relevant strategic key performance indicators (KPIs) and executive incentives; and public policy positions relating to climate change.

“This additional ongoing annual reporting could build on the disclosures already made to CDP (formerly the Carbon Disclosure Project) and/or those already made within the Company's Annual Report and Sustainable Development Report.”

