



Press release

14 April 2016

Climate risk transparency goes to the vote at Rio Tinto with unprecedented investor support

The AGM of Rio Tinto (Thursday 14 April) will see the first of three strategic resilience resolutions being put to UK integrated mining companies. In a rare move for shareholder resolutions, the Rio board has supported this resolution as have the boards of Glencore and Anglo-American, where similar resolutions have been filed.

These resolutions have been coordinated by the *Aiming for A* investor coalition, and have received unprecedented support from the investor community, with backing from investors responsible for more than \$8 trillion. The Local Authority Pension Fund Forum (LAPFF) is the lead investor for Rio Tinto in the *Aiming for A* investor coalition, with 18 funds co-filing across the three companies, more providing public declarations of support and with all funds being encouraged to vote in favour.

[Resolution 17](#) asks the Board to commit to routine annual reporting on: ongoing operational emissions management; asset portfolio resilience; low-carbon energy research and development; strategic key performance indicators; and relevant public policy positions.

Councillor Kieran Quinn, the LAPFF Chair, said: "This resolution builds on the great success of the resolutions that were co-filed last year at BP and Shell and shows that asset owners are increasingly calling for companies to be transparent about climate risks and to effectively communicate these to shareholders. Following COP21 late last year, these calls are only going to increase and it is very positive to see that the Rio Tinto board understands these concerns and has chosen to support this resolution."

The resolution is a first in that more than 100 co-filers have Rio Tinto as part of their main investment portfolio. A process of public declarations of support, started with similar resolutions put to the BP and Shell AGMs in 2015, has garnered [further support](#) from other asset owners and managers.

Proponents consider the resolution offers Rio Tinto the opportunity to demonstrate its strategic approach to managing the complex low carbon transition required over the coming decades.

Similar shareholder proposals are being put to the Chevron and Exxon AGMs in May. These shareholder proposals [have already received extensive support](#) with the US fund, CalPERS running a formal proxy solicitation in relation to each of these companies, as well as Rio Tinto, Anglo American, Glencore and other companies responding to similar resolutions.

Ends

Notes to Editors

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You can find a grid of the resolution co-filers and public supporters here: <http://www.lapfforum.org/Archive/investor-community-shows-increasing-support-for-aiming-for-a-strategic-resilience-resolutions>

The Aiming for A coalition has ten investor members. These comprise the Local Authority Pension Fund Forum, as well as CCLA, Hermes Investment management, Rathbone Greenbank, the Pensions Trust, Sarasin partners and members of the Church Investors Group. It was [launched by CCLA in 2012](#).

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)

LAPFF

The Local Authority Pension Fund Forum (LAPFF) is a voluntary association of 70 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