



Press release

6 May 2016

Rio Tinto strategic resilience resolution: highest level of support to date

With the closing of the Rio Tinto Ltd AGM on 5 May, voting on Rio Tinto's 2016 resolutions was complete, following the Rio Tinto plc AGM held in April. The outcome was overwhelming shareholder support for a resolution asking the company to report on its carbon risk management. Unusually for a shareholder resolution, the Rio board supported it, which no doubt contributed to such a high level of investor support.

As lead investor for Rio Tinto in the 'Aiming for A' investor coalition, the Local Authority Pension Fund Forum (LAPFF) had 18 funds co-filing strategic resilience resolutions to the three UK-listed integrated mining companies. In total, [investors responsible for more than \\$8 trillion have co-filed](#) across the resolutions, with additional asset owners publicly pre-declaring their positive voting intent.

Councillor Kieran Quinn, the LAPFF Chair, said: 'At the Rio Tinto Ltd AGM yesterday, the combined vote from shareholders on the strategic resilience resolution received 99.16% of the vote, the highest for such resolutions to date. We look forward to the Glencore AGM on 19 May, and encourage similar strong support for the Glencore board to set out its strategic approach to global climate and energy challenges'.

[Resolution 17](#) asked 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.

Similar shareholder proposals put to the Chevron and Exxon AGMs in May have had the more traditional response from the boards who are advising shareholders to oppose. However these resolutions have also received extensive [investor support](#). LAPFF has recommended to member funds to vote in favour of both resolutions as well as supporting declarations of voting intent.

The proponents of the carbon risk resolutions continue to encourage investors to provide public declarations of support, encouraging the companies to demonstrate their strategic approach to managing the complex low carbon transition required over the coming decades.

Ends

Notes to Editors

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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