

To Mr. Kalidas Madhavpeddi, Chairman  
Mr. Gary Nagle, Chief Executive Officer  
Directors, Glencore

**Via email to: Company Secretary Mr. John Burton [john.burton@glencore.com](mailto:john.burton@glencore.com)**

13 June 2022

### **Glencore's Climate Progress Plan Engagement: ACCR recommendations**

The Australasian Centre for Corporate Responsibility (ACCR) is a research and shareholder advocacy organisation that focuses on how listed companies manage climate, labour, human rights and governance issues.

It is now over six weeks since the Glencore Plc AGM where almost 24% of shareholders voted against Glencore's 2021 Climate Progress Report. This prompted the company's commitment to, "engage with shareholders on our Climate Transition Action Plan so as to ensure their views are fully understood" and to "publish an update on this engagement, in accordance with the UK Corporate Governance Code, within six months of the 2022 AGM."<sup>1</sup>

This is a critical window of time for Glencore to take feedback and enhance its climate strategy. Emissions from Glencore's coal business comprise the majority of its greenhouse gas (GHG) emissions, including almost 90% of its scope 3 emissions.

[ACCR's analysis](#) found that the company's emission targets are not consistent with the steeper decline pathways for coal as determined by the International Energy Agency (IEA) or the Intergovernmental Panel on Climate Change (IPCC) to stay within 1.5°C climate goals, even with overshoot. On its current trajectory, Glencore's coal-related emissions will continue to outweigh the climate benefits of its future-facing commodities, casting doubt on its actual contribution to the energy transition and decarbonisation goals.

Glencore is the largest thermal coal producer and exporter in Australia, where it is also undertaking several significant coal expansions, including a new greenfield coal mine. This is directly at odds with its stated policy to "run-down" coal mines and coal production over time.

ACCR also has concerns about Glencore's dismissal of methane satellite data that shows a potential underreporting of its fugitive methane emissions from coal mining in Australia. Hail Creek and Oak Creek coal mines were identified by methane satellite imagery to be "[super emitters](#)". Internationally, a partnership between the European Space Agency (ESA) and data analytics company Kayrros established the satellite-enabled Methane Watch, making it possible for over 100 countries to join the Global Methane

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<sup>1</sup> Statement on Resolution 13: <https://www.glencore.com/media-and-insights/news/results-of-2022-agm>

Pledge, launched at the 26th United Nations Climate Change conference (COP 26). However Glencore released a [media statement](#) in response to concerns of fugitive emission underreporting, questioning the reliability and accuracy of methane monitoring satellites.

With new and expanding coal mines on Glencore's agenda for the years to come, investors require more information to ensure Glencore's emissions reduction targets are on track. Currently, there is nothing to suggest planned coal expansions in Australia are aligned with the Paris Agreement or acceptable on a pathway to limit warming to 1.5C.

**ACCR has the following five recommendations for Glencore to provide to its shareholders:**

1. A clear inventory of all Glencore's coal projects and expected annual production, demonstrating an alignment of production decline over time with net zero.
2. A projection of expected emissions from fossil fuel extraction from now until 2050.
3. A 2030 emissions reduction target to provide further assurance that emissions from coal production will not expand between 2026 and 2035.
4. Coal mine methane emissions totals for all sites that are quantified using available best practice technologies, such as satellite, aerial and on ground methane surveys.
5. An increase in capital expenditure allocated to reducing operational emissions.

ACCR has experienced strong investor interest in our research regarding Glencore's Climate Plan to date, including details of the company's coal expansion activities in Australia. [ACCR's research on the company's 2021 Climate Plan](#) has received over 3000 page views. We have been liaising with several significant Glencore shareholders who agree Glencore must be more upfront with granular detail on how the company plans to enact its commitment to 'run down' the coal business and meet climate targets.

Glencore is in the enviable position of having a diverse portfolio and a huge amount to gain from properly addressing the climate change challenge. Now is not the time for double speak and confusion around Glencore's forward coal portfolio. We encourage the company to use this period to revisit its strategy for coal expansion in this critical decade for decarbonisation.

ACCR is open to discussions with Glencore on how best to progress these recommendations and/or the company's approach to climate commitments. ACCR contacted Glencore for a meeting in March and April 2022 via the Head of Investor Relations and the Company Secretary. We continue to extend our offer to meet to discuss our research and these critical climate-related matters.

Yours sincerely,

Naomi Hogan

Strategic Projects Lead  
Australasian Centre for Corporate Responsibility