



SAY ON CLIMATE assessment

UK

GLENCORE

2024

Transparency rating

35%

alignment with FIR
recommendations



ACCELERATE
CLIMATE
TRANSITION

PERFORMANCE SCORING

4 / 20

NARRATIVE SCORING

A B C D E

TREND SCORING



Glencore's climate plan seems to lack ambition, particularly because of its lack of commitment to a trajectory validated by a scientific scenario. Although most of the group's emissions are linked to the use of its products (mainly coal), Glencore is not planning to phase out its coal production and is continuing to invest in existing mines. The company will also probably acquire 77% of the metallurgical coal production and supply activities of Teck Resources (Canada) in the coming months and this forthcoming acquisition has not yet been taken into account in the Action Climate Plan 2024-2026. The scant information provided by Glencore on its action plan and its investments in clean energy does not reflect a transformation of the core of its business model. In addition, the targets it set itself for 2026 and 2030 were fully and almost fully achieved in 2023 respectively, while its decarbonisation strategy relies heavily on certificates (power purchase agreements and carbon credits) to achieve these targets. While we welcome the company's effort to present a Say on Climate, we encourage it to go further in terms of the transparency and ambition of its climate strategy.

Since 2021, the **French Forum for Responsible Investment (FIR)** has called for the widespread adoption of stringent Say on Climate (SOC). In March 2023, the FIR signed again [an agreement with 48 French and European signatories](#), encouraging the development of SOC. Meanwhile, in 2022, FIR began analyzing the climate plans of French companies that submit them to shareholder vote. After joining forces last year, **FIR and ADEME** are extending their partnership by joining forces this year with **Ethos and the World Benchmarking Alliance**, to analyze the climate plans of European companies submitted to a consultative shareholder vote at their annual general meetings in 2024.

In 2022, FIR had published [analysis reports](#) assessing the extent to which French companies' climate strategies were in line with its recommendations. In 2023, as part of the partnership with ADEME, these analysis reports has been enriched with the **ACT assessment tool**, to measure the contribution of corporate strategies and actions to the mitigation objectives of the Paris Agreement.

In 2024, the scope of our analysis has been extended to include European companies which have submitted a SOC. Assessments will be published progressively ahead of their annual general meetings. As in 2022 and 2023, the FIR wishes to salute the efforts of companies that contribute to improving shareholder dialogue, and encourages them to reiterate the Say on Climate exercise annually.

TABLE OF CONTENTS

- ▶ [Assessment according to the FIR analysis grid](#)
- ▶ [ACT's assessment](#)
- ▶ [FIR's recommendations grid](#)
- ▶ [ACT's assessment methodology](#)
- ▶ [ACT Generic methodology](#)

In partnership with :



World
Benchmarking
Alliance



With the contribution of the European
Union LIFE program

GLENCORE

Ambition Net Zero 2050

Ambition of neutrality for 2050 on the three scopes

▷ The nature and levels of compensation are not explicit by 2050

Reference scenario(s) used

The company positions its objectives in relation to various IEA and IPCC warming scenarios; however, its objectives are not aligned with a 1.5°C scenario to date (except with the IAE 2023 DAC* Net 1.5°C scenario). The company is positioning its targets up to 2035 below the IEAAPS 1.7°C scenario

▷ The company does not wish to commit to an alignment certified by a baseline warming scenario

Current GHG emissions (2023 vs 2022)

SCOPE 1 (market based)

16.7 MtCO₂eq (vs. 16.4)
4%

SCOPE 2 (market based)

10.3 MtCO₂eq (vs. 12.8)
2%

SCOPE 3

405.8 MtCO₂eq (vs. 368.3)
94%

▷ exclusion of marketing emissions in scope 3

Short-term GHG emissions reduction target**

15% reduction in scopes 1, 2 and 3 by 2026 vs. 2019 in absolute terms

▷ No targets per scope

▷ Target reached in 2023 (-22% vs 2019) and no upward revision of the target seems envisaged

GHG emission reduction target for the medium term**

25% reduction in scopes 1, 2 and 3 by 2030 compared with 2019 in absolute terms

50% reduction in scopes 1, 2 and 3 by 2035 compared with 2019 in absolute terms

These reductions appear to be in line with the APS scenario according to the company

▷ No targets per scope

▷ 2030 target almost achieved in 2023 (-22% vs 2019) and no upward revision of the target seems envisaged

▷ Reduction to be significant between 2030 and 2035

Long-term GHG emissions reduction target

No clear reduction target other than to achieve carbon neutrality by 2050

Action plan measures

Action plan priorities by scope :

Scope 1 : working on fuel efficiency, equipment electrification, developing alternative fuels

Scope 2 : sourcing renewable electricity

Scope 3 :

-Closure of 12 coal mines by 2035 but the company does not rule out increasing production and investing in its mines that are still in operation.

-Investment in carbon capture, utilisation and storage systems via the Carbon Transport and Storage Company (CTSCo) subsidiary.

▷ No information on the contribution of each action to the reduction targets

▷ The action plan could be clearer and more detailed by scope, particularly for scope 3.

▷ No phasing out of all coal-related activities, which account for the largest share of the company's total emissions***

CAPEX / OPEX investment alignment

▷ No clear, quantified information on short-, medium- or long-term investments to help achieve objectives

▷ No reporting on CAPEX amounts eligible or aligned with taxonomy (subject to regulation from 2025)

Remuneration

Variable annual remuneration 2023:

Criterion of 15% of variable remuneration for executives based on short- and medium-term GHG emission reduction targets (2026, 2030 and 2035)

2023 Action Plan:

Part allocated on the basis of ESG performance

▷ Qualitative criteria (not. Climate Change) disclosed but neither quantified nor weighted

Change in remuneration policy in 2024 vs. since 2021

Annual variable remuneration 2024 :

Abolition of the annual variable, replaced by a variable whose performance is assessed over several years

▷ Qualitative criteria (CO₂ reduction) disclosed but neither quantified nor weighted

Annual consultative vote on implementation

No annual consultation vote on implementation

Consultative vote on strategy every three years

Consultative vote if ever the climate strategy is reworked but does not commit to a vote every 3 years

In April 2024, the European Commission approved Glencore's acquisition of sole control of 77% of the Canadian coal business and assets of Teck Resources Limited of Canada. The transaction mainly concerns the production and supply of metallurgical coal.

This potential forthcoming acquisition is not yet taken into account in the Climate Action Plan 2024-2026.

*Delayed Action Case

**Exclusion of marketing emissions in scope 3

***In 2023, emissions linked to the use of coal and refined oil by customers accounted for 80% of Scope 3 emissions





PERFORMANCE SCORING
4 / 20

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A B C D E

TREND SCORING
-

Module	Score	%	Assessment's elements
Targets	11/20	15%	<ul style="list-style-type: none">Glencore's 2026 and the new 2030 targets are not considered ambitious (achieved or nearly achieved) and not aligned with a 1.5°C benchmark according to the ACT tool.Glencore's targets do not account for emissions within its marketing activities.Glencore's CAPEX disclosures are not transparent enough to be assessed, in particular regarding coal investments.
Material investment	3/20	5%	
Sold product performance	0/20	30%	<ul style="list-style-type: none">Glencore does not disclose significant product interventions within its value chainGlencore's scope 3 emissions decreased from the restated 2019 baseline, but they increased from 2018 (not restated) levels. Restatements are selective and based on the company's view, which may lead to an inflated 2019 baseline.
Management	12/20	10%	<ul style="list-style-type: none">Glencore's CEO and the chairman do not have material experience regarding climate change issues.Glencore's transition plan include a marginal abatement cost curve (MACC) for its short- and long-term actions but it only includes actions on its scope 1 and 2 emissions.No significant strategy and actions to influence suppliers to reduce their GHG emissions have been found.No significant strategy and actions to influence clients to reduce their GHG emissions have been found.Glencore provides some support to customers' new solutions, but its positioning is focused on responding to evolving demand.Glencore does not plan a phase-out from thermal coal production, only a phase-down, and will continue brownfield investments in existing coal mines.Glencore's current decarbonisation actions are overly reliant on power purchase agreements (PPAs) and carbon credits.No significant change in its business model has been found.
Supplier engagement	1/20	5%	
Client engagement	3/20	15%	
Policy engagement	7/20	5%	
Business model	2/20	15%	

Consistency of the plan:




Glencore climate transition action plan is not considered consistent with a 1.5°C benchmark according to the ACT tool. The company lacks ambitious targets and does not demonstrate credible actions to reduce its emissions. In particular, the company does not plan a phase-out of its coal activities, which account for the largest share of its total emissions, and it mostly relies on certificates (PPAs and carbon credits/offsets) to meet its objectives. Overall, the company does not plan to change its business model based on extraction to a circular one.

Identified areas for improvement:

The company should develop a credible and ambitious transition plan which includes a phase-out of its coal portfolio and planned actions to reduce its emissions throughout its value chain that are measurable and do not rely mostly on certificate purchases. The company should also transition its extractive business model to a business model based on circularity and recycling.

SAY ON CLIMATE 2023 evaluation grid

based on follow-up to FIR recommendations

			
Ambition net zero 2050	If the ambition of contributing to carbon neutrality by 2050 is declared and clear explanations are given on how to achieve this neutrality The level of negative emissions is limited	The ambition to contribute to carbon neutrality by 2050 is declared and the explanations on how to achieve this neutrality are clear. The level of negative emissions is high	A declared ambition, but very little clarity on how the company intends to achieve carbon neutrality (no long-term reduction targets, targets set are not very credible, heavy reliance on offsetting, etc.) or no declared ambition to be carbon neutral by 2050
Reference scenarios used	The company positions its climate strategy in relation to a 1.5°C warming scenario for all scopes	The company uses a reference scenario limiting warming to between 2°C and 1.5°C, or 1.5°C for only part of its scope.	No reference scenario explicitly mentioned or scenario(s) not used to define the strategy
Current GHG emissions	Disclosure of greenhouse gas emissions in absolute terms; breakdown by scope	Insufficiently detailed publication	No public data
Short-term GHG emissions reduction target	If the quantified emission reduction targets before 2030, expressed at least in absolute terms, cover the 3 scopes and are set in relation to the company's 1.5°C alignment trajectory. This trajectory has been scientifically validated.	If the quantified emission reduction targets before 2030 do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the short term, or targets that are not very ambitious in the short term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Medium-term GHG emissions reduction target	If the quantified emission reduction targets for 2030, expressed at least in absolute terms, cover the 3 scopes and respect the alignment with a 1.5°C scenario. This trajectory has been scientifically validated	If the quantified emissions reduction targets for 2030 do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the medium term, or targets that are not very ambitious in the medium term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Long-term GHG emissions reduction target	If the quantified emission reduction targets in 2050 or earlier, expressed at least in absolute terms, cover the 3 scopes and are set in relation to the company's 1.5°C alignment trajectory. This trajectory has been scientifically validated	If the quantified emission reduction targets for 2050 or earlier do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the long term, or targets that are not very ambitious in the long term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Action plan measures	Detailed measures for each scope of the company with a sufficient level of detail, including short- and medium-term figures, to enable the alignment of this plan with the objectives set to be assessed.	Detailed measures for each scope of the company, but insufficient detail to assess the level of alignment with the objectives set (lack of quantified measures in particular)	Measures with little or no detail
Investment alignment (OPEX / CAPEX)	Details the proportion of investments (OPEX and CAPEX) that contribute to meeting short- and medium-term targets, and explains how these investments enable the targets to be met	The information provided on the contribution of investments to the achievement of objectives does not allow an understanding of how the company achieves the objectives set	No investments contributing to the achievement of explicit objectives
Remuneration	All variable parts of the remuneration of corporate officers include at least one criterion that assesses the achievement of greenhouse gas emission reduction targets. The % of remuneration determined by this criterion is published; it represents a significant proportion (10% or more)	At least part of the variable part of the remuneration of corporate officers is covered by a non-diluted criterion for reducing greenhouse gas emissions in line with the reduction trajectory defined by the company	The criterion included in the remuneration of corporate officers relating to the reduction in greenhouse gas emissions is diluted, or does not follow the reduction trajectory defined by the company. or No criteria relating to the reduction of greenhouse gas emissions are included in executive remuneration
Annual consultation on implementation	The company undertakes to consult shareholders annually on the implementation of its climate change strategy	The company is committed to consult shareholders on the implementation of its climate strategy over the coming years	The company does not undertake to consult shareholders on the implementation of its climate strategy
Consultation on strategy every three years	The company undertakes to consult shareholders on its climate strategy at least every three years	The company undertakes to consult shareholders on its climate strategy over the coming years	The company makes no commitment to consult shareholders on its climate strategy

→ IT'S TIME TO ACT

WHAT IS ACT ?

A joint voluntary initiative of the UNFCCC secretariat Global Climate Agenda.

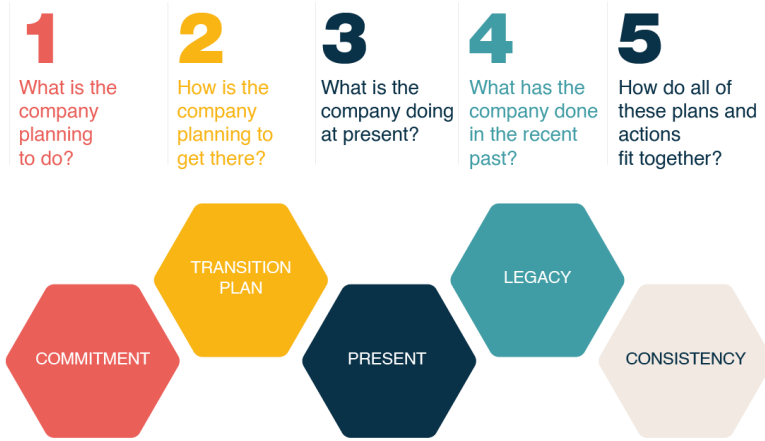
WHY ACT ?

Drive climate action by companies and align their strategies with low-carbon pathways.

HOW DOES ACT WORK ?

ACT provides sectoral methodologies as an accountability framework to assess how companies' strategies and actions contribute to the Paris mitigation goals.

FRAMEWORK



INNOVATIVE : ACT is an integrated, long-term approach.

QUANTITATIVE : it measures past, present and future performance

TARGETED: on the main sources of emissions in the value chain

SECTORAL: addressing issues specific to the transition of each sector

TRANSPARENT: through third-party evaluation

ACT ASSESSMENT

For what purpose?

Credibly measure the contribution to the net-zero objective in relation to sectoral low-carbon trajectories.

For whom?

Companies with science-based objectives and/or a transition plan ready for assessment

20



PERFORMANCE SCORE

Transition alignment metrics

1 - 20

A



NARRATIVE SCORE

Analysis of overall consistency

A - E

+



TREND SCORE

Forecast of future changes

+ = -

ACT Methodology Generic

The full ACT methodology for the Generic sector can be found on our website. The detailed assessment is summarized in a score based on three criteria : performance, overall consistency and trend. It takes the following form:

- **Performance** : number between 1 and 20
- **Evaluation (consistency)** : letter between A and E
- **Trend** : + (improvement), - (deterioration), = (stable)

Module	Indicator
1. Targets	1.1 Alignment of scope 1+2 emissions reduction targets
	1.2 Alignment of upstream scope 3 emissions reduction targets
	1.3 Alignment of downstream scope 3 emissions reduction targets
	1.4 Time horizon of targets
	1.5 Achievement of previous and current targets
2. Material investment	2.1 Trend in past emissions intensity from material investment
	2.2 Trend in future emissions intensity from material investment
	2.3 Share of Low Carbon CAPEX
4. Sold product performance	4.1 Product-specific interventions
	4.2 Trend in past product /service specific performance
5. Management	5.1 Oversight of climate change issues
	5.2 Climate change oversight capability
	5.3 Low-carbon transition plan
	5.4 Climate change management incentives
	5.5 Climate change scenario testing
6. Supplier engagement	6.1 Strategy to influence suppliers to reduce their GHG emissions
	6.2 Activities to influence suppliers to reduce their GHG emissions
7. Client engagement	7.1 Strategy to influence client behaviour to reduce their GHG emissions
	7.2 Activities to influence customer behaviour to reduce their ghg emissions
8. Policy engagement	8.1 Company policy on engagement with associations, alliances, coalitions or thinktanks
	8.2 Associations, alliances, coalitions and thinktanks supported do not have climate-negative activities or positions
	8.3 Position on significant climate policies
	8.4 Collaboration with local public authorities and local actors
9. Business model	9.1 Revenue from low-carbon products and/or services
	9.2 Changes to business models
	9.3 Share of product/service sales used in client low-carbon products/services

Narrative scoring

1. Business model and strategy
2. Consistency and credibility
3. Reputation
4. Risks

Trend scoring

1. Probability of emissions' evolution
2. Evolution of business model and strategy

Disclaimer:

The information and assessments disclosed here do not constitute investment or voting advice. Each organisation individually determines the most appropriate way to use this information. In addition, the information and assessments contained in this document reflect a judgement at the time these assessments were made and do not guarantee that the most recent information on the company has been taken into account, as this information may have been published between the assessment and the publication of this document.

In collaboration with:

