

Resources Climate resilience disclosure sought

Rio investors want carbon clarity

Peter Ker

Rio Tinto could be forced to ramp up its disclosure on carbon emissions and climate issues, if a motion demanded by a group of British shareholders is successful at shareholder meetings during the next two months.

A shareholder group calling itself the Aiming for A coalition has forced the Rio board to put a resolution to a shareholder vote that, if successful, would compel the company to disclose its resilience to a range of climate scenarios beyond 2035 and improve management of its own emissions.

The coalition seized on a British law that enables shareholders to force a resolution upon the board so long as their ranks contain 100 shareholders with at least 100,000 shares in the company.

The coalition, which is led by Britain's Church Investors Group, has already succeeded in having similar proposals approved by shareholders of oil and gas companies Shell and BP.

The Shell and BP boards endorsed the resolutions to their shareholders, and it appears the Rio board has followed suit.

"Your directors are unanimously of the opinion that all of the resolutions to be proposed are in the best interests of shareholders and of Rio Tinto as a whole.



Rio Tinto chief executive Sam Walsh. Photo: Philip Gostelow

"Accordingly, they recommend that you vote in favour of all the resolutions," said Rio chairman Jan du Plessis in a letter to shareholders. "Management and the board will ... assess what additional reporting on risks associated to climate change may be required and the format for such additional reporting."

The resolution has a high bar to clear if it is to be successful; support from at least three-quarters of the votes cast is required for the

resolution to be carried.

It is believed the coalition asked for the 75 per cent hurdle.

The council said the resolution was designed to support Rio's preparations for "the low-carbon transition". It asks Rio to regularly report on management of emissions from the company's operations, and report on the size of its investments in renewable technologies such as the solar power facility at the Weipa bauxite operations.

The council's motion will be put before both Rio's Australian and British shareholders.

The Church Investors Group is a collection of institutional investors from a range of church denominations in Britain who collectively manage about £15 billion (\$28.89 billion) of funds.

Other institutions supporting the motion include Hermes Investment Management, Sarasin & Partners and Rathbone Greenbank Investments.