

# Glencore

## Detailed assessment of Glencore’s corporate climate policy engagement review




This document outlines a detailed breakdown of InfluenceMap's assessment of the company's disclosure on climate policy engagement. Further detail on the assessment methodology is available in the Appendix, and on InfluenceMap’s CA100+ Investor Hub [here](#).

A summary of Glencore’s disclosures on climate policy engagement is shown below. Glencore has undertaken four reviews of its climate policy engagement to date. The Review Score represents InfluenceMap’s overall assessment of the quality of the company’s industry association review process, where 100 would indicate that a company has met investor expectations for all criteria related to the review process.

Date of Review	Review Score
June 2019	7 / 100
December 2020	36 / 100
December 2021	36 / 100
March 2023	36 / 100

This assessment focuses solely on Glencore’s disclosure on climate policy engagement, which can be found [here](#). This assessment does not include an analysis of the company's actual climate policy engagement, which can be found on InfluenceMap's online profile of Glencore [here](#).

The table below provides a breakdown of Glencore’s performance against each of the seven assessment criteria, using the traffic-light assessment framework summarized below.

Key	Explanation
	Has broadly met investor expectations in this area.
	Has made some progress on investor expectations in this area, but with significant deficiencies.
	Has fallen short of investor expectations in this area.

Disclosure & Transparency	Policy Alignment Process
Corporate climate positions	Identify & Assess
Industry group climate positions	Monitor & Review
Alignment assessment method	Act
Framework for misalignment	

## Glencore’s Company Scorecard

The tables below highlight, for each indicator, the criteria for companies to meet investor expectations, Glencore’s assessment, and examples of better practice by companies to date.

While InfluenceMap did not find an example of best practice across the entire industry association review process, some companies have demonstrated better practice under specific metrics under the 'Disclosure & Transparency' and 'Policy Alignment Process' assessments.

### Disclosure & Transparency

Corporate climate policy positions and influencing activities	
<p><b>To meet investor expectations under this indicator:</b> The company has to disclose a detailed and clearly referenced breakdown of its own climate policy positions and influencing activities beyond ‘top-line’ climate statements. This includes descriptions of the company’s positions and policy engagement activities on specific items of regulation and legislation which are material to the company’s operations, business sector, and/or the region(s) in which it operates.</p>	
<b>Glencore</b>	<p>Glencore’s 2022 review forms part of its 2022 Climate Report (pp.52-57). Elsewhere in its Climate Report, Glencore disclosed a breakdown of its own climate policy positions and influencing activities on specific climate-related policies. These include disclosures on the Australian Safeguard Mechanism (SGM) reforms, the Australian gas price cap, the EU Emissions Trading System (ETS), and the EU Carbon Border Adjustment Mechanism (CBAM).</p> <p>However, Glencore has omitted evidence of negative climate policy engagement from its 2022 review. For example, in a <i>November 2022 submission</i> on the New South Wales’s Environmental Protection Authority’s Draft Climate Change Policy and Action Plan, Glencore opposed the proposal to develop sector-wide emissions standards for industry.</p>
<b>Best Practice</b>	<p><i>Shell</i> has disclosed case studies of its direct climate policy engagement in the EU and US. These case studies include Shell's positions on, and engagement with, specific items of EU and US regulation and legislation. The 2022 review also includes clear references to additional resources on Shell's corporate website, including advocacy updates on specific government policy consultations and links to public submissions via the EU Transparency Register and the US Lobbying Disclosure Act.</p>

**Industry association climate policy positions and influencing activities**

**To meet investor expectations under this indicator:** The company has to disclose a detailed and accurate account of the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, including descriptions of positions and policy engagement activities on specific items of regulation and legislation beyond 'top-line' statements.

<p><b>Glencore</b></p>	<p>Glencore has disclosed detailed climate policy positions and influencing activities of each industry association assessed in its 2022 review. These include positions on the Australian SGM reforms, Australian climate targets, Queensland coal royalties, the EU CBAM, EU ETS, EU Energy and Environmental State Aid Guidelines, the South African Carbon Tax Act, and the South African Clean Fuels 2 regulation.</p> <p>Glencore has however omitted key instances of negative engagement with climate-related regulations by its industry associations, including by the Australian Industry Greenhouse Network, Confindustria, and Cefic (see Identify &amp; Assess for further details).</p>
<p><b>Best Practice</b></p>	<p>No companies have met investor expectations in this area, although <i>BASF</i> and <i>Shell</i> exhibit current leading practice. Both companies have disclosed a detailed account of all key industry associations' climate policy positions, and a summary of their influencing activities. However, they appear to overlook detailed negative lobbying by a number of industry associations identified by InfluenceMap's database.</p>

**Alignment assessment method**

**To meet investor expectations under this indicator:** The company has to: (1) disclose a clear and detailed framework for assessing alignment with its industry associations across all relevant areas of policy engagement; (2) consistently apply this framework across *all* industry associations; and (3) provide a clear and detailed explanation behind each evaluation.

<p><b>Glencore</b></p>	<p>Glencore has not disclosed a clear framework for assessing alignment with its industry associations. The company states that it assesses the alignment of its associations against Glencore's climate change position and the goals of the Paris Agreement. However, Glencore has not disclosed a breakdown of the criteria for assessing associations as aligned, partially aligned, or misaligned. Further, it is not clear how the methodology has been applied to each industry association, leaving ambiguity regarding how individual evaluations have been made.</p>
<p><b>Best Practice</b></p>	<p><i>BASF</i> has also disclosed a clear explanation of its alignment assessment method along with a clear and detailed explanation of how it has been applied to each industry association. The company also provided specific alignment indicators for EU climate policy such as the EU ETS to assess the alignment of key European industry associations.</p>

**Framework for addressing misalignment**

**To meet investor expectations under this indicator:** The company must disclose a clear and detailed framework for addressing misalignments with its industry associations including escalation steps and clear deadlines for industry associations which do not amend misaligned practices.

<p><b>Glencore</b></p>	<p>Glencore has disclosed a clear framework to address potential cases of misalignment, with clear escalation steps. The company states that in cases of misalignment, Glencore will engage with the association’s executive team to understand the views that drove the adoption of a position. Glencore also states that the company generally tries to take a leadership role to shape the association’s direction and influence its positions, and that if differences cannot be reconciled, the company would look to terminate its membership. However, the company did not include deadlines for associations that do not amend misaligned practices.</p>
<p><b>Best Practice</b></p>	<p><i>BHP</i> has disclosed clear and detailed steps for addressing potential misalignment, including an escalation strategy and clear timelines attached. The company states it will communicate material differences, request that the industry association develop a position or refrain from advocacy in certain areas, and review the membership if there has been no action within 12 months.</p>

## Policy Alignment Process

Identify & Assess	
<p><b>To meet investor expectations under this indicator:</b> The company has to identify all cases of misalignment with its industry associations and the Paris Agreement in line with InfluenceMap’s <i>database</i> on corporate lobbying.</p>	
<p><b>Glencore</b></p>	<p>Glencore assessed 8 associations in its review. The company found all 8 associations to be aligned, stating that Glencore has “not identified material misalignment between our positions on climate change and the advocacy activities taken by our industry organisations”.</p> <p>InfluenceMap analysis indicates that Glencore has at least 7 memberships to industry associations misaligned with the Paris Agreement (<i>Minerals Council of Australia (MCA)</i>, <i>NSW Minerals Council</i>, <i>Queensland Resources Council (QRC)</i>, <i>Eurometaux</i>, <i>Confederation of Italian Industry (Confindustria)</i>, <i>German Chemical Industry Association (VCI)</i>, <i>Chamber of Minerals and Energy of Western Australia (CME)</i>) and at least 4 memberships to industry associations potentially misaligned with the Paris Agreement (<i>South African Petroleum Industry Association (SAPIA)</i>, <i>Australian Industry Greenhouse Network</i>, <i>Minerals Council South Africa</i>, <i>European Chemical Industry Council (Cefic)</i>).</p> <p>Glencore did not include Australian Industry Greenhouse Network, Confindustria, or Cefic in its 2022 review, despite InfluenceMap analysis finds that these industry associations have engaged negatively on climate-related policies. For example:</p> <ul style="list-style-type: none"> <li>■ <i>Australian Industry Greenhouse Network (AIGN)</i>: In a <i>September 2022 submission</i> on the Australian SGM reforms, AIGN appeared to support declining baselines but suggested they should recognize trade competitiveness. It also supported the use of high integrity international offsets and assistance for emissions-intensive trade-exposed businesses. AIGN also appeared <i>unsupportive</i> of Victoria’s 2035 greenhouse gas emission (GHG) target on comments on the legislation in June 2022.</li> <li>■ <i>Confederation of Italian Industry (Confindustria)</i>: Since March 2022, Confindustria press releases and statements have consistently <i>advocated for</i> a temporary suspension of the EU ETS. Further, the association <i>opposed</i> the EU’s proposed Standards for Light Duty Vehicles in a February 2022 press release. The association’s President Carlo Bonomi <i>welcomed</i> the potential watering down of the regulation in its final stages in a March 2023 statement.</li> <li>■ <i>European Chemical Industry Council (Cefic)</i>: In a September 2022 position paper, the association <i>opposed</i> several elements of the Industrial Emissions Directive (IED), rejecting the introduction of GHG emissions reductions regulation as suggesting the IED’s overlaps with the EU ETS. In a May 2022 position paper, the association <i>supported</i> the RePowerEU proposal with major exceptions, including advocating for the proposal to support fossil gas pipeline expansion and new liquified natural gas infrastructure.</li> </ul>
<p><b>Best Practice</b></p>	<p><i>Enel</i> is the only company to meet investor expectations in this area, identifying all cases of misalignment with its industry associations and the Paris Agreement in line with InfluenceMap’s database, although the company does not disclose additional details of why they are not fully aligned. InfluenceMap analysis indicates that most companies have missed key cases of misalignment with industry associations lobbying counter to the goals of the Paris Agreement.</p>




Monitor & Review	
<p><b>To meet investor expectations under this indicator:</b> The company has to publish a review of industry associations on an annual basis, commit to do so at least once a year, or commit to disclose regular updates on its review and alignment process. Updates should accurately report on relevant material and on-going lobbying activities of potentially misaligned industry associations, as well as the company’s alignment and engagement with the industry association concerning these activities.</p>	
<b>Glencore</b>	Glencore has published an annual review of its industry associations since 2019.
<b>Best Practice</b>	<i>Shell</i> publishes detailed assessments of its industry association memberships at two-year intervals, with detailed updates on misaligned industry associations each year. Shell has published two full reviews of its industry associations (2019, 2021) and two review updates (2020, 2022). The review updates include actions taken within each industry association, key changes to the associations’ climate positions, and detailed next steps. Shell has committed to publish its next update in 2023.

Act	
<p><b>To meet investor expectations under this indicator:</b> The company has to show evidence of action to address all cases of misalignment with its industry associations and the Paris Agreement, in line with InfluenceMap’s <i>database</i> on corporate lobbying. The investor expectations outlined by <i>PRI</i>, <i>IIGCC</i> and <i>Ceres</i> include several steps companies can take to address misalignment. Steps should include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.</p>	
<b>Glencore</b>	Glencore has shown no evidence of addressing cases of misalignment between its industry associations and the Paris Agreement. Therefore, the company does not appear to have addressed key cases of material and potential misalignment with the Paris Agreement identified by InfluenceMap’s database (see Identify & Assess).
<b>Best Practice</b>	No companies have met investor expectations in this area by showing evidence of action to address all cases of misalignment identified by InfluenceMap’s database, although some companies have made more progress. <i>Total</i> announced in January 2021 that it had decided not to renew its membership to the American Petroleum Institute due to divergences on climate positions. <i>BHP</i> suspended its membership to Queensland Resources Council in 2020 following its ‘Vote Greens Last’ advertising campaign and outlined detailed actions to be taken at four "partly aligned" industry associations. <i>Chevron</i> has not left any industry associations but has disclosed its engagement on specific climate change policy issues with seven industry associations, including details of the results of this engagement. Similarly, <i>Glencore</i> has disclosed that it has not financially contributed to advocacy campaigns against the Build Back Better Act by the Business Roundtable and US Chamber, and has publicly advocated a supportive position to ensure its stance is differentiated from them.

# Appendix: InfluenceMap’s Methodology for Assessing Corporate Climate Policy Engagement Disclosures

## Scoring Disclosures and Policy Alignment Process



InfluenceMap assesses corporate performance against seven assessment criteria, using the traffic-light framework summarized below. A ‘Green’ scores 2 points, a ‘Yellow’ scores 1 point, and a ‘Red’ scores 0 points. This total is converted into a percentage from 0 to 100, calculated using the total number of points available (14). As such, only certain scores within the 0 to 100 range are possible under this methodology.

Key	Score Explanation
	Has broadly met investor expectations in this area.
	Has made some progress on investor expectations in this area, but with significant deficiencies.
	Has fallen short of investor expectations in this area.

## Assessing Disclosures

Since BHP’s 2017 industry association review, around 60 major global corporates have delivered similar, specific disclosures on their industry association links in response to investor pressure. This positive momentum is undermined, however, if the resulting disclosures are of poor quality.

In its *‘Investor Expectations on Corporate Climate Lobbying’* report, the PRI highlights the need for disclosure on the company’s positions and activities on climate change policy engagement, as well as the positions and activities of the industry groups it supports. The PRI further requests information on the governance processes and actions taken to ensure alignment between these activities and the company’s stated climate goals. *IIGCC* and *Ceres* articulate similar expectations, also requiring companies to disclose a material impact assessment of lobbying by an organization that opposes their public position. InfluenceMap uses the following assessment criteria to test the clarity, accuracy and scope of information provided by companies against four key issues.

Disclosure Item	Score	InfluenceMap’s Assessment Criteria
<b>Corporate climate policy positions and influencing activities</b>		The company has disclosed a detailed and clearly referenced breakdown of its own climate policy positions and influencing activities beyond ‘top-line’ climate statements. This includes descriptions of the company’s positions and policy engagement activities on specific items of regulation and legislation which are material to the company’s operations, business sector, and/or the region(s) in which it operates.
		The company has disclosed a breakdown of its own climate policy positions and influencing activities. However, the company’s description of its positions and policy engagement activities on specific items of regulation and legislation lacks detail, and/or the company has not disclosed its position and engagement activities on key items of

		regulation and legislation which are material to its operations, business sector, and/or the region(s) in which it operates.
		The company has made no attempt to disclose its climate policy positions and influencing activities, or the company's disclosure is limited to a brief overview of its 'top-line' climate statements and operational commitments without reference to specific items of regulation and legislation.
Industry association climate policy positions and influencing activities		The company has disclosed a detailed and accurate account of the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, including descriptions of positions and policy engagement activities on specific items of regulation and legislation beyond 'top-line' statements.
		The company has disclosed an account of the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, beyond 'top-line' statements. However, the disclosure lacks detail on positions and policy engagement activities on specific items of regulation and legislation, and/or does not disclose evidence of negative climate lobbying by one or more of its industry associations.
		The company has not disclosed the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, and/or the company's disclosure is limited to a brief overview of 'top-line' climate statements without reference to specific items of regulation and legislation.
Alignment assessment method		The company has: (1) disclosed a clear and detailed framework for assessing alignment with its industry associations across all relevant areas of policy engagement; (2) consistently applied this framework across <i>all</i> industry associations; and (3) provided a clear and detailed explanation behind each evaluation.
		The company has disclosed a framework for assessing alignment with its industry associations but the disclosure lacks detail regarding <i>one</i> of the above steps (1-3).
		The company has not disclosed a framework for assessing alignment with industry associations, or it has disclosed a framework but the disclosure lacks detail regarding <i>more than one</i> of the above steps (1-3).
Framework for addressing misalignment		The company has disclosed a clear and detailed framework for addressing misalignments with its industry associations including escalation steps and clear deadlines for industry associations which do not amend misaligned practices.
		The company has disclosed a clear and detailed framework for addressing misalignments with its industry associations including escalation steps, but there is no clear deadlines for industry associations which do not amend misaligned practices
		The company has not disclosed a framework for addressing misalignments with its industry associations, or the company has disclosed a framework but the steps are ambiguous and lack sufficient detail.

## Assessing Policy Alignment Process

As well as transparent disclosures on industry group links and lobbying activities, the investor expectations communicated by IIGCC, CERES and the UN PRI also set out the need for robust processes to ensure alignment between the company's stated policy positions and the positions and lobbying activities of their industry groups. These processes consist of the following three elements:



Alignment Process	Score	InfluenceMap’s Assessment Criteria
Identify & Assess	Green	The company has identified all cases of misalignment with its industry associations and the Paris Agreement in line with InfluenceMap’s <i>database</i> on corporate lobbying.
	Yellow	The company has not identified key cases of misalignment with the Paris Agreement in line with InfluenceMap’s <i>database</i> on corporate lobbying. Companies are scored in this category if they miss up to three cases of “potential” misalignment (industry associations with Organization Scores 51-75 in InfluenceMap’s database).
	Red	The company has not identified key cases of misalignment with the Paris Agreement in line with InfluenceMap’s <i>database</i> on corporate lobbying. Companies are scored in this category if they miss one case of misalignment (industry associations with Organization Scores 0-50) or more than three cases of “potential” misalignment (industry associations with Organization Scores 51-75 in InfluenceMap’s database).
Monitor & Review	Green	The company has published a review of industry associations on an annual basis, has committed to do so at least once a year, or is/has committed to disclose regular updates on its review and alignment process. Updates should accurately report on relevant material and on-going lobbying activities of potentially misaligned industry associations, as well as the company’s alignment and engagement with the industry association concerning these activities.
	Yellow	The company has committed to publish an update to its review of industry associations but not an annual basis or not specified a timeframe.
	Red	The company has not committed to any follow-up processes as part of its review of industry associations.
Act	Green	The company has shown evidence of action to address all cases of misalignment with its industry associations and the Paris Agreement, in line with InfluenceMap’s <i>database</i> on corporate lobbying. The investor expectations outlined by <i>PRI</i> , <i>IIGCC</i> and <i>Ceres</i> include several steps companies can take to address misalignment. Steps should include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.
	Yellow	The company has shown some evidence of action to address cases of misalignment with its industry associations and the Paris Agreement, but has not addressed key cases of misalignment or “potential” misalignment identified by InfluenceMap’s <i>database</i> on corporate lobbying, i.e. industry associations with Organization Scores 0-75 in InfluenceMap’s database. The investor expectations outlined by <i>PRI</i> , <i>IIGCC</i> and <i>Ceres</i> include several steps companies can take to address misalignment. Steps should include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.
	Red	The company has shown no or limited evidence of action to address cases of misalignment with its industry associations and the Paris Agreement, missing key cases of misalignment or potential misalignment identified in InfluenceMap’s <i>database</i> on corporate lobbying, i.e. industry associations with Organization Scores 0-75. The investor expectations outlined by <i>PRI</i> , <i>IIGCC</i> and <i>Ceres</i> include several steps companies can take to address misalignment. Action will be scored under this category if it does not include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.

To assist this assessment, InfluenceMap will be applying its database on corporate and industry group climate change lobbying. This tracks in real-time the detailed climate policy lobbying of around 450 companies and 250 industry associations globally, allowing like-for-like comparisons of organizations’ positions on climate policy that are compared to a benchmark of Paris-aligned climate policy. This system can track the evolution of corporate and industry group climate lobbying positions over time.