

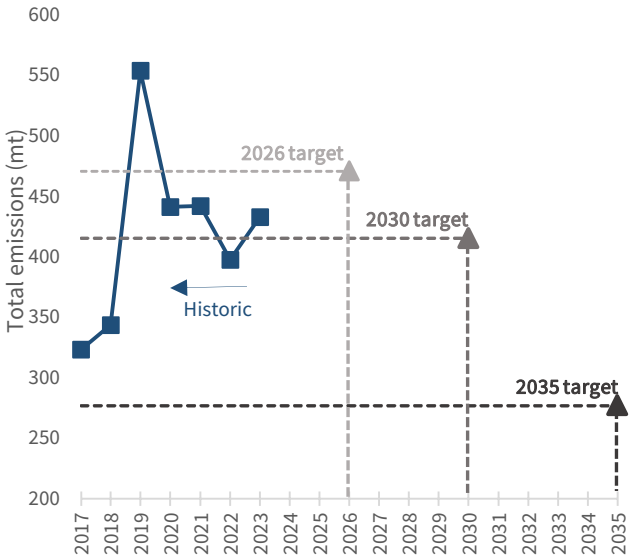
Glencore: A chance for fixed income engagement

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Glencore, a Swiss-based commodity producer and trading company, is one of the world's largest producers of seaborne thermal and steelmaking coal.[1] This makes its transition trajectory essential to global decarbonisation.

In recent months, there has been significant news on the company relevant to fixed income investors:

Figure 1. Historic and targeted emissions for Glencore. Source: Glencore.



- **Glencore's Climate Action Transition Plan was approved by shareholders**, on the second time of asking. It includes targets to 2026/2030/2035. However, there is little specific information on how these goals will be achieved.
- **Glencore's acquisition of Elk Valley Resources (EVR), and its four Canadian steelmaking coal mines, has been approved by the Canadian government.** This diversifies Glencore's commodity mix away from thermal coal, but represents an overall increase in production and emissions.
- **Glencore has halted plans to spin-off its coal business into a separate entity.** This retains responsibility within Glencore, and some decommissioning will be needed to achieve the emissions reduction targets. However, the decision was driven by investor desire to retain the cash-generative assets, and so the overall future strategy seems conflicted.
- Investor pressure has been increasing on Glencore following an **announcement by Legal & General Investment Management (LGIM) that it would divest from the company and the release of ESMA sustainability fund naming rules.** Exclusions raise the cost-of-debt for in-scope issuers,[2] offering a lever for influence to fixed income investors.

Shareholder influence has been material in these recent strategic decisions. Glencore is a frequent bond issuer, meaning debt investors have an opportunity to engage on more specific coal decommissioning commitments. This engagement could ensure Glencore achieves its future emissions reduction targets, while also protecting investors from stranded asset risks, if coal demand follows a projected decline.

[1] "Steelmaking and thermal coal", Glencore, accessed 20 Aug 2024.
[2] "Does ESG Negative Screening Work?", Eccles, Rajgopal and Xie, SSRN working paper, 11 Aug 2022.

Introduction

Glencore (ticker GLENLN), headquartered in Switzerland and listed in London, is one of largest producer and trader of commodities in the world.[3]

Table 1 shows a breakdown of Glencore's businesses by EBITDA. Its marketing (trading) business contributes 23%, but its income from industrial (commodity production) is greater.

Table 1. Glencore's 2023 EBITDA breakdown. Source: Glencore.

Segment	EBITDA (USD bn)	Proportion
Marketing	**3.9**	**23%**
Industrial	**13.2**	**77%**
Industrial Segment Breakdown		
Coal	8.0	47%
Copper	4.0	23%
Zinc	1.0	6%
Other	0.2	1%
Nickel	0.0	0%
Total (Group)	**17.1**	**100%**

Coal is the company's largest business. Glencore operates 20 thermal and coking coal mining complexes across Australia, Colombia, and South Africa.[4] These yielded 113.6 million tonnes of coal in 2023,[5] making up 47% of Glencore's EBITDA, a total of $8bn.

Coal is the dirtiest fossil fuel, "*typically [producing] more CO_2 and local air pollution per unit of energy*" than any other.[6] It is reportedly responsible for over 0.3°C of the 1°C increase in global temperatures over pre-industrial levels.[7] Glencore's total 2023 reported emissions are 433Mt, which include Scope 1, Scope 2 (market-based) and Scope 3 for its industrial businesses.[8] In 2022 it was estimated that coal production contributed approximately 90% of its emissions.[9] These figures make it clear that managing the coal business is key to Glencore's decarbonisation strategy.

With this in mind, we analyse the implications of the recent news flow.

1) Climate Action Transition Plan

Glencore's initial Climate Action Transition Plan (CATP) 2022 was voted against by 30% of shareholders, triggering a mandatory consultation period.[10] In 2024 a revised strategy was presented at the AGM (details shown in Table 2 overleaf).

The new plan has limited changes. While the 2026 and 2035 emissions reduction targets are unchanged, an interim 2030 target has been introduced. The plan has been criticised both for a lack of disclosure on forward coal production, and because the 2035 emissions targets are not aligned with the International Energy Agency's (IEA), an autonomous intergovernmental organisation, Net Zero Emissions (NZE) pathway.[11]

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[3] "Who we are", Glencore, accessed 15 Aug 2024.
[4] This excludes Elk Valley mines. "World Map", Glencore, accessed 19 Aug 2024.
[5] P9 "2023 annual report", Glencore, accessed 15 Aug 2024.
[6] "Fossil fuels", Our World In Data, Jan 2024.
[7] "Fossil fuels and climate change: the facts", ClientEarth, 18 Feb 2022.
[8] Glencore reported that Scope 3 emissions associated with third-party volumes traded by their marketing business are not included as part of their emissions reporting. It reasoned that its activities do not generate additional Scope 3 emissions, "which in the ordinary course are associated with the transformation or use of the product by third parties". P2 of "2024-2026 Climate Action Transition Plan", Glencore, 29 Mar 2024.
[9] This report also estimates that inclusion of Scope 3 emissions from its trading business would increase Glencore's total carbon footprint approximately 3.9x, "Analysis of Glencore's forward coal emissions profile", ACCR, Feb 2023.
[10] "Glencore shareholders push back against climate strategy", FT, 26 May 2023.
[11] "Analysis: Glencore's 2024-2026 Climate Action Transition Plan", ACCR, 18 Apr 2024.

Table 2. Glencore's 2022 Climate Plan vs 2024-2026 Transition Plan. Source: Glencore.

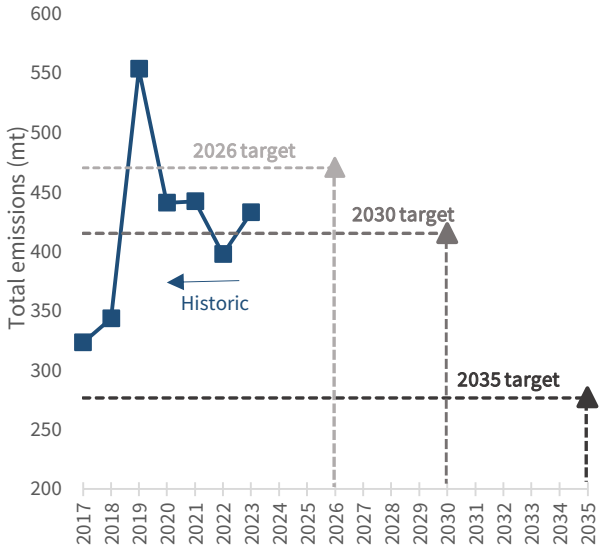
Category	2020 Sustainability Target	2022 Climate Plan	2024-2026 Transition Plan
Achieve Net Zero	By 2050	By 2050	By 2050
Scope 1 , 2 and 3 (Base Year : 2019) emission reduction			
By 2026	n.a.	- 15%	-15%
By 2030	n.a.	n.a.	-25%
By 2035	-40%	-50%	-50%

Despite these concerns, the plan was accepted by 90% of shareholders at the most recent AGM.[12]

Impact on sustainability

Glencore's historic emissions have been volatile (as shown in Figure 2). They increased significantly leading up to the 2019 baseline date. Subsequently the baseline has been subject to restatements to reflect industrial asset portfolio changes from acquisitions and divestments,[13,14] and emissions have fallen significantly since. We note Glencore's Scope 3 emissions policy commits to a restatement on any M&A activity or methodology change which results in a change of more than 5% of total emissions.[15]

Figure 2. Historic and targeted emissions for Glencore. Source: Glencore.



The company's targeted 15% reduction by 2026 was met in 2020, and 2023 reporting suggests it needs only a reduction of 4.1% to achieve its 2030 target. However, the 2030 and 2035 targets will require additional progress.

To achieve them, Glencore plans to reduce thermal coal production and avoid progressing with new greenfield thermal coal investments. It also plans to retire at least 12 coal mines by 2035.[16] Five were closed before 2023, one closure is scheduled for 2024, and an additional six for 2035.

Our analysis (full details are shown in Table 4 in the Appendix) shows that all these mines were at or nearing the end of their reserve life. This means their closures were not meaningfully accelerated. The overall environmental impact of their shuttering is dependent on Glencore's forward-looking decisions on how to reshape its business.

Its near-term strategy is clear. Aside from the Elk Valley Resources acquisition, it has allocated 20% of CAPEX between 2020-2023 to coal, and projects an annual expenditure of $5.7bn with 60%

[12] "Results of 2024 AGM", Glencore, 29 May 2024.
[13] P23 "2019 Glencore Sustainability Report", Glencore, 12 May 2020.
[14] P60 "Climate Report 2022", Glencore, 23 Mar 2023.
[15] "Scope 3 emissions calculation methodology", Glencore, 1 May 2024.
[16] P25 "2024 – 2026 Climate Action Transition Plan", Glencore, 20 Mar 2024

dedicated to fleet renewals, including new equipment, major overhauls, and lease additions.[17] Glencore's own projection is for production to remain flat through to 2026, excluding EVR.[18]

In summary, Glencore's CATP is underwhelming. The short-term targets have been virtually achieved since 2020, and the longer-term targets could require coal decommissioning that is inconsistent with Glencore's current commercial strategy. The 2035 targets have also been criticised for not being in compliance with the IEA NZE pathway.[11] **However, having a committed target, and shareholders prepared to hold the company to account, should increase transparency. This represents a small achievement.**

Impact on debt

The CATP does not include information on the amount of capital required to achieve the company's 2035 emissions targets. Nor is there data on how Glencore plans to finance its aspiration to increase production of copper and nickel, which it considers essential transition-enabling commodities.

Summary

Approval of Glencore's second CATP is a positive move forward in terms of transparency, although the near-terms targets will likely be achieved without any reduction in coal production, and the longer-term targets look to require substantial decommissioning which Glencore has neither provided specific details on, nor been transparent about the funding requirements for.

New bond issuance would present an opportunity for investors to request firm decommissioning plans.

2) Elk Valley Resources

In November 2023, Glencore announced an agreement to acquire 77% of Elk Valley Resources (EVR), an operator of four steelmaking coal mines in British Colombia. This represents a full coal divestment by the original holders, Teck Resources, a Canadian metals and mining company. The remaining stakes were to be bought by Nippon Steel (20%) and POSCO (3%).[19,20,21]

In July 2024, the Canadian government approved the transaction,[22] confirming Glencore's expanded production of metallurgical coal, also known as met or coking coal, which is a grade of coal used in steel production. Even though emissions per tonne for met coal are nearly three times higher than thermal coal,[23] transitioning steel production to other methods has been slow, and

[17] P15 " 2023 Preliminary Results Presentation", Glencore, 12 Feb 2024.
[18] 2023 production of 113.6Mt, projected production for 2024/2025/2026 of 105-115Mt excluding Elk Valley. P17, "2023 Preliminary Results", Glencore, Jan 2024.
[19] For an analysis of Nippon Steel's green bonds please see "Nippon Steel green bonds: A bare minimum strategy", AFII, 9 Jan 2024.
[20] For our earlier work on POSCO's transition please see "POSCO plays Blast and loose with its decarbonisation commitment", AFII, 23 May 2024.
[21] "Teck Resources to sell coal business to Glencore, Nippon and Posco", Mining Technology, 14 Nov 2023.
[22] "Canada approves Glencore takeover of Teck coal unit, with conditions", Reuters, 5 Jul 2024.
[23] "Putting coal mine emissions under the microscope", Wood Mackenzie, 29 Apr 2021.

steel demand is growing due to renewable technologies,[24] so some miners are investing in this commodity.[25]

Impact on sustainability

This acquisition is cited as a strategic shift towards greater metallurgical coal production, but is also simply a net investment in coal by Glencore.[26]

In 2023 Teck produced 23.7mt in Elk Valley,[27] which in turn was responsible for 70,000 kt CO_2e of Scope 3 emissions.[28] This is equivalent to 17% of Glencore's 2023 emissions. Therefore, the acquisition represents a significant absolute increase in production and emissions.

The transaction also has extended operational timelines, with most mines projected to remain active until around 2060. This exceeds the IEA's NZE pathway for metallurgical coal,[29] and is potentially at odds with Glencore's CATP.

This acquisition increases Glencore's coal output and expands production in steelmaking coal, which some believe may persist longer than the market for thermal coal. It seems inconsistent with Glencore's CATP without accelerated decommissioning of thermal coal.

Impact on debt

Objectively, the decision to invest in metallurgical coal has risks. The price of coking coal performed very strongly in 2023, prior to the price of this transaction being agreed.[30] Its performance in 2024 has been more mixed.[31]

Ongoing projections for metallurgical coal demand are also falling. In Mar 2024 the Australian government reported that world trade was declining,[32] and Glencore's representation of forecasted demand, based on data by Wood Mackenzie, has been criticised for being misleading.[32]

The EVR mines in particular have ongoing environmental concerns, related to historic water pollution. Teck has so far spent C$1.2bn tackling selenium pollution around the mines. Remaining remediation liabilities will be assumed by the new owner.[33]

The EVR acquisition is being financed using cash on balance sheet generated from other divestments, including from the sale of its grain-trading subsidiary Viterra to publicly listed

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[24] "Green Steel Demand is Rising Faster Than Production Can Ramp Up", BloombergNEF, 26 Jun 2023.
[25] "Miners' bets on the future of coal are diverging", Reuters, 23 Feb 2023.
[26] For reference in 2023 Glencore produced 113.6mt of coal, of which 11.6mt was described as steelmaking or semi-soft coal in its annual report. P294 "2023 Annual Report", Glencore, accessed 21 Aug 2024.
[27] "Teck Announces 2023 Product And 2024 Guidance Update", Teck, 15 Jan 2024.
[28] This is 'use of coal product sold', p27 of "2023 Sustainability Report", Teck, accessed 15 Aug 2024.
[29] "Investor Bulletin: Glencore's Teck deal invites investor scrutiny", ACCR, 22 November 2023.
[30] "Metallurgical coal is the commodity world's quiet performer", Reuters, 22 Feb 2024.
[31] Australian coking coal futures (ticker IACQ) are down 28% YTD compared to Newcastle monthly (ticker XW1) which is up 3% YTD, data from Bloomberg.
[32] "Don't believe the spin: Coal is no longer essential to produce steel", IEEFA, 28 Mar 2024.
[33] This is a further reason there was criticism for Glencore's spin-off plan, as these liabilities would be transferred to a standalone company which could isolate Glencore, as analysed in "Glencore's plan for Teck coal-spin-off a risk for British Colombia taxpayers", IEEFA, 20 Jun 2024.

agriculture company Bunge.[34] This expenditure potentially reduces liquidity for bondholders. However, Glencore's retention of cash generating coal assets may allay any concerns.[35]

In summary, there are financial risks to the EVR acquisition, and the longer-term outlook for metallurgical coal may be volatile.

Summary

Glencore's acquisition of four Canadian metallurgical coal assets has recently been approved by the Canadian government. This represents an expansion of Glencore's production, and therefore appears inconsistent with its planned emissions trajectory. Furthermore, the demand outlook for coking coal (used in steelmaking) is uncertain, so this expansion may present financial risks.

3) Coal Inc

Glencore had been planning to combine the EVR assets with its existing coal business and demerge them into a standalone company.[36]

Alongside its H1 2024 report in August, Glencore announced that it no longer plans to list the coal business as a separate entity, primarily due to shareholder pressure.[37] As the most cash-generative part of Glencore's business, its investors appear to want to retain control.

Impact on sustainability

Despite profitability being the reported motivation for keeping coal assets within Glencore, it is also likely to be positive from a sustainability perspective.

Much of the rhetoric around coal decommissioning is anti-divestment. Disposing of an asset does not necessarily lead to decarbonisation even if it is reported as such by the seller.[38] Moreover, transferring ownership to new parties can also shift sustainability commitments.[39]

Seen through this lens, Glencore's decision to retain its coal business and ensure adherence to its CATP objectives can be considered positive from a sustainability point of view. **Ongoing investor engagement with Glencore can support the decommissioning of these assets.**

Impact on debt

The exact structure of the initial proposed demerger / spin-off was not disclosed, but the expectation is that general corporate purpose debt would have stayed with Glencore Metals Inc. The loss of such a significant portion of Glencore's cash-generative asset base in a demerger could potentially have increased leverage for debtholders. However, if the assets were spun off, with an IPO to follow, then the resulting incoming cash would have been a de-risking event. We assume the demerger would not have resulted in unfavourable terms for Glencore investors, and so rather than focus on the specifics of the cancelled transaction, we will consider the rhetoric associated with the change in strategy.

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[34] For an analysis of this transaction please see "Bunge-Viterra merger: an ESG analysis", AFII, 14 Jun 2023.
[35] "Cash is King: Why Glencore kept faith with coal", FT, 8 Aug 2024.
[36] "Acquisition of a 77% interest in Teck's steelmaking coal business for US$6.93bn", Glencore, 14 Nov 2023.
[37] "Investors push Glencore to scrap spin-off of heavily polluting coal division", The Guardian, 7 Aug 2024.
[38] "Running down coal mines beats selling them for real-world carbon impact", Fidelity, 5 Jul 2022.
[39] "Glencore's coal spin-off plan: Responsible investors are right to be concerned", IEEFA, 15 May 2024.

The shareholders that wanted to retain the assets cited their cash generative capacity and desire to return capital to investors as motivations. Returning cash to shareholders increases leverage for debt investors, and given the historical influence of these shareholders, this may be likely.[37]

More generally, the outlook for coal demand is poor. The IEA predicted its peak in 2023, followed by a fall and plateau to 2026.[40]

While retaining assets to support debt may seem positive, it is against the backdrop of shareholders expecting dividends, and a potentially worsening medium-to-long term outlook of the coal business. **This leads us to conclude that debt investors need to act as a counterweight to shareholders, to balance calls for continuing coal expansion.**

Summary

Glencore had intended to combine the EVR acquisition with its existing coal interests and spin them off into a standalone listed entity. Due to shareholder pressure, Glencore changed its strategy and will now retain this business. While the rhetoric for this decision emphasises the profitability of coal, it is also potentially positive from a sustainability point of view to keep the assets and set them on a responsible transition pathway. Debt investors can use engagement to push for more details on the decommissioning strategies.

4) Divestment and exclusions

In May 2024, Legal & General Investment Management (LGIM) divested its exposures to Glencore over its thermal coal activity.[41] This adds to significant existing exclusions from other investors triggered by Glencore's breaching of certain thermal coal revenue thresholds (summarised in Table 3 in the Appendix).

In addition, in May 2024 the European Securities and Markets Authority (ESMA) released its new rules on sustainable fund naming, specifically requiring that Paris Aligned Benchmark (PAB) exclusions apply to funds using environmental, impact, or sustainability-related terms.[42] These exclusions encompass entities that generate more than 1% of their revenue from coal. If any of these funds didn't already exclude Glencore, they would now be required to do so unless they changed their names.

Impact on sustainability

The impact of divestment on companies is contested. For equity investors, given divestment ends engagement, it is believed not to be successful.[43] In fixed income, however, it has been shown to drive cost-of-capital wider, and so may be a lever for behaviour change.[2]

In the case of Glencore, the company's equity investors appear to exert a strong influence. Its CATP was reconsidered due to shareholder concerns, as was its plan to demerge its coal business. **High-profile divestments and stricter fund naming rules keep the pressure on coal as an unsustainable investment and should influence Glencore's longer-term refinancing opportunities.**

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[40] "Coal 2023", IEA, Dec 2023.
[41] "L&G investment business to sell Glencore stake over thermal coal ", Reuters, 26 Jun 2024.
[42] "ESMA's Guidelines on ESG Funds' Names: A New Approach to ESG Fund Regulation", Oxford Law Blog, 31 May 2024.
[43] "Discussing Divestment: developing an approach when pursuing sustainability outcomes in listed equities", UN PRI, accessed 16 Aug 2024.

Impact on debt

Each incremental divestment reduces the investor population, and so theoretically increases the yield on Glencore debt. At the point at which its ability to refinance is affected, it could lead to actual credit concerns.

It is estimated that nearly 30% of European SFDR Article 8 or 9 funds need to apply the abovementioned fossil-fuel exclusions.[44] However, sustainable funds are still a small portion of the total market. Though they make up almost 60% of the EU fund universe,[45] they are estimated to comprise just 7.2% of the global market as of end 2023.[46]

It is further estimated that 60% of ESG funds and 12.6% of all assets under management (AUM) have exclusion policies.[47] Therefore it is likely the majority of these funds were not invested in Glencore anyway. Still, the rule change does prevent a growing section of the market from providing capital to Glencore.

The recent news is unlikely to have a material impact on Glencore's investor base, as its coal activity already barred its securities from inclusion in many funds labelled as 'sustainable'. **Nevertheless, exclusions do reduce the investor base, and so must be strictly negative for bond spreads.**

Summary

Glencore's thermal coal exposure means it was already subject to significant exclusions. However, LGIM's recent divestment announcement has still received attention. Exclusions have the potential to raise cost-of-debt, and at some point may impact the ability of entities to refinance. They can therefore be a lever of influence for investors.

Glencore's bonds

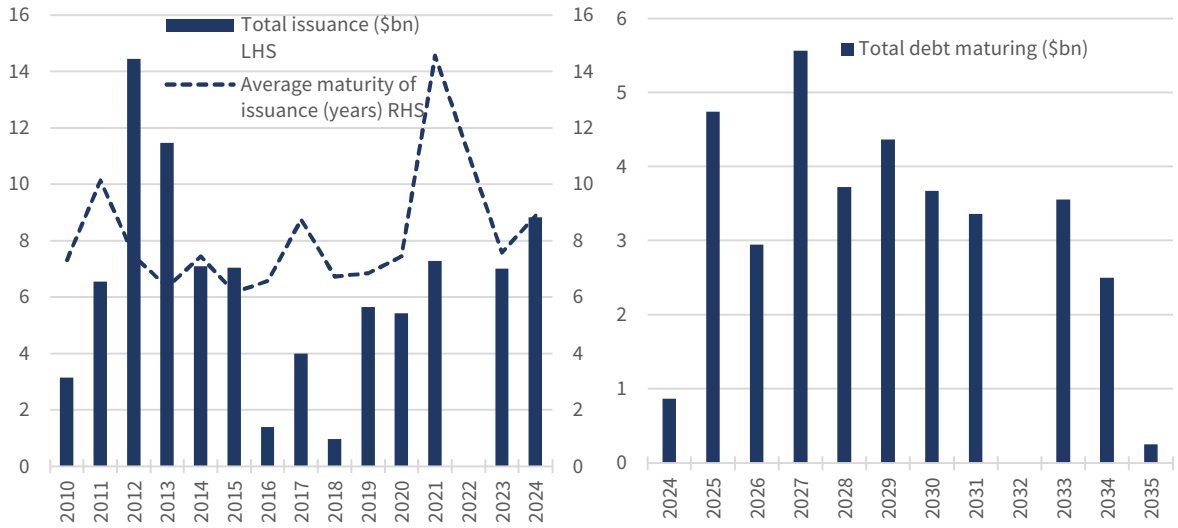
Glencore is a frequent issuer in the debt markets. Figure 3 LHS (overleaf) shows issuance since 2010 totalling over $90bn across 126 securities. Just under $18bn of its debt (43% of debt outstanding) will mature in the next five years, and so it is reasonable to expect Glencore to seek funding from fixed income investors in the near term.

The primary market, in which issuers seek new capital from investors, presents a powerful opportunity for engagement, as the yield paid for capital will directly impact the profitability of the issuer.

Glencore is a frequent issuer in debt markets, with multiple debt maturities in the next few years. Primary market issuance is an opportunity for debt investors to engage Glencore on a more specific decommissioning commitment.

[44] "Identity Check – ESMA's New Name Guidelines for ESG and Sustainability Related Funds", MSCI, 5 Jun 2024.
[45] "Article 8 Funds Suffered Their Highest Quarterly Outflows in Q4 2023", Morningstar, 30 Jan 2024.
[46] "Sustainable Funds Outperformed Peers in 2023", Morgan Stanley, 29 Feb 2024.
[47] "Investors tentatively welcome Glencore and BHP progress as MSCI drops red flags", Responsible Investor, 5 Apr 2024.

Figure 3. GLENLN issuance since 2010 (LHS) and maturity profile (RHS). Source: Bloomberg, accessed 19 Aug 2024.



Conclusions

There has been much news of interest to Glencore investors in recent months.

From a sustainability point of view, there are some potential positives. An improved Climate Action Transition Plan has been approved by shareholders, with emissions reduction targets to 2035 (albeit not aligned with IEA NZE pathways).

The decision not to demerge its coal assets, including metallurgical coal mines in Canada which are in the process of being acquired, should support decommissioning to achieve the company's targets. However, in the near-term coal production projections are unchanged.

From a debtholder point of view, the recent developments increase risk. It can be argued that debt investors care more about the long-term health of a company, whereas equity investors (as is reported in Glencore's case), are focused on cash generation that can be paid in dividends.

Independent projections suggest a lowering of the demand curve for coal which will impact Glencore's profitability. While decommissioning requires capital, it can prevent assets becoming stranded.[48]

Furthermore, an increase in divestment reduces Glencore's investor base and may widen its cost of capital.

Overall, Glencore equity holders can claim recent successes, potentially to the detriment of debt investors. As Glencore is a frequent issuer in debt markets, this presents an opportunity for fixed income investors to make funding contingent on committed decommissioning plans, which should both reduce risk to stranded coal assets and improve the pace of Glencore's decarbonisation.

[48] "Half world's fossil fuel assets could become worthless by 2036 in net zero transition", The Guardian, 4 Nov 2021.

Appendix 1 – Glencore investor exclusions

Table 3 gives details of the Glencore exclusions we have been able to identify.

Table 3. Investors that excluded Glencore based on coal-related criteria. Source: Financial Exclusions tracker, KLP, Novethic, and IPE

Year	Coal-related criteria (only)	Investors	Detailed Exclusions Criteria/Coal policy
2024	Revenue	Legal & General Investment Management	**>20% revenue** from thermal coal
2023	Revenue	CZ groep	**>5% revenue** from thermal coal
2023	Revenue	AP Pension	**>5% revenue** from thermal coal
2023	Revenue	Pædagogernes Pensionskasse (PBU)	**>5% revenue** from thermal coal
2023	Revenue	Pensioenfonds Rail & Openbaar Vervoer	**>1% revenue** from thermal Coal
2023	Revenue/Operations	Government Pension Fund Global (GFPG)	**>30% revenue or operations** from thermal coal and ethical issues
2023	Operations	DeNederlandscheBank (DNB)	**>1% revenue** from thermal Coal
2023	Operations	Pensioenfonds Horeca & Catering (PH&C)	Coal Practices
2023	Operations	Pensioenfonds van de Metalektro (PME)	Coal
2023	Operations	Stichting Mediahuis Nederland Pensioenfonds (Mhpf)	Coal Practices
2022	Revenue	Menzies	**>1% revenue** from thermal Coal
2022	Operations	Danske Bank	Extensive Coal Operations
2022	Operations	Industriens Pension	Thermal Coal Extraction
2022	Operations	P+ Pension Fund for Academics	Coal Practices
2022	Operations	SPP/Storebrand Sweden	Fossil Fuel Products
2022	Asset	Pensionskassernes Administration (PKA)	**> 20% coal-based asset**
2020	Production	Norwegian sovereign wealth fund	**> than 20 mtpa of coal production**

Appendix 2 – Details of Glencore mines

Between 2019 and 2023, Glencore closed five coal mines which represented an estimated 28.3 million tonnes of coal per annum (mtpa).[49]

Our analysis of these five coal mines (shown in Table 4 overleaf), reveals that all were either suspended, in care and maintenance before their closure, or nearing the end of their reserve life. The additional mines earmarked for closure also seem to be close to the end of their productive lives.

Glencore reported that the closure of these five coal mines led to a 22% reduction in overall Scope 1, 2, and 3 emissions in 2023 compared to its restated 2019 baseline.[50] This reduction enabled Glencore to meet its short-term 2026 emissions target three years ahead of schedule, suggesting that the target may not have been particularly ambitious and was relatively straightforward to achieve.

Moreover, the Australasian Centre for Corporate Responsibility (ACCR) has challenged this reduction, contending that it is based on an inflated baseline year, which does not accurately reflect the company's operations and significantly deviates from the Net Zero Emissions (NZE) pathway for coal emissions.[51]

[49] P14, "2024-2026 Climate Action Transition Plan", Glencore, 29 Mar 2024.
[50] P25, "2024-2026 Climate Action Transition Plan", Glencore, 29 Mar 2024.
[51] "Analysis: Glencore's 2024-2026 Climate Action Transition Plan", Australasian Centre for Corporate Responsibility (ACCR), 18 Apr 2024.

Table 4. Coal mine details. Source: Glencore, Global Energy Monitor, Wood Mackenzie and Financial Times.

Coal Mines	Production (Mtpa)	Reserve Life end	Status	Year of closure	Note
Calenturitas	11.0	2026	Retired	2021	A suspended mine since the pandemic. Glencore relinquished the mining contracts back to the Colombian government in February 2021
La Jagua	6.2	2029	Retired	2021	Been on care and maintenance since March 2020
Hlagisa1	1.8	n.a	Retired	2022	n.a
Newlands	4.3	n.a	Retired	2023	Came to the end of its mine life
Liddell	5.0	n.a	Retired	2023	All remaining reserves have now been depleted after 100 years of operation
Integra	1.2	2023	Operating	2024	Coal Reserves for Integra operations are sufficient to support the planned mine life of 1 year
Cerrejón	19.7	2033	Operating	2035	Reserve life until 2033
Clermont	10.5	2027	Operating	2035	Reserve life until 2027
Oaky Creek/North	5.8	2030	Operating	2035	Reserve life until 2030
Mangoola	7.7	2029	Operating	2035	Reserve life until 2029
Impunzi	4.8	2031	Operating	2035	Reserve life until 2031
Wonderfontein	2.5	2030	Operating	2035	Reserve life until 2030
Total Retired Capacity	**28.3**				
Total Operating Capacity	**52.1**				

Note: Glencore's ownership of each of the listed coal mines may vary.

In summary, Glencore's short-term coal strategy seems inconsistent with the longer-term emission reduction targets to 2030 and 2035, which reduces the impact of its Climate Transition Action Plan.

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