

Call for Evidence - Feedback Form

Questions on Section 1: Introduction to the TPT

1. Do you agree with the proposed definition of a transition plan? If not, why, and what alternative definition would you suggest? (Character Limit: 4000)
Broadly, we agree with the high-level definition of a transition plan, and we are supportive of the proposed level of flexibility provided by the definition. We believe the proposed definition reflects the need to avoid a 'one size fits all' approach to support the diversity of sectors and companies that are developing transition plans.
2. From your perspective, who are the key users of transition plans? (Character Limit: 4000)
Governments to ensure alignment with NDCs, investors to assess and compare organisational carbon footprints and, increasingly, downstream value-chain partners (customers) who use this information to assess, project and manage their upstream scope 3 emissions.
3. From your perspective, what are the key use cases for transition plans? (Character Limit: 4000)
A transition plan enables interested stakeholders to assess whether decarbonisation targets and ambitions and transition plans are credible. For the global transition to take place, stakeholders need sufficient and relevant information to evaluate whether a corporate's targets can and will be delivered and then to hold that corporate to account – a transition plan provides this level of detail.
4. How should the TPT select which sectors to develop tailored transition plan templates for?
Following that logic, what financial sub-sectors and real economy sectors should the TPT prioritise? In what order should these be addressed? (Character Limit: 4000)
The speed at which a company can credibly decarbonise is very much sector, corporate and product specific. As such, we believe that tailored transition plan templates for individual sectors will not facilitate the comparability of credible transition plans. Instead, the focus should be on enabling the assessment of the credibility of individual company's decarbonisation targets and ambitions and transition plans in terms of ambition, implementation and achievability.
5. Given the mandate set out in the TPT's Terms of Reference, to what extent, and how, should the TPT consider issues beyond a firm's contribution to an economy-wide decarbonisation? (Character Limit: 4000)
It is critical that a corporate's contribution to an economy-wide decarbonisation is assessed in the context of its sector- and corporate-specific socio-economic and environmental responsibilities. It should also be recognised that countries' NDCs are tailored to the needs and abilities of that country and its stage of economic development. Internationally active companies need to reflect national diverse approaches to transition in their transition plans.
6. Which of these issues are a 'must-have' that need to be addressed in all transition plans, and which are 'desirable', which add depth or breadth but are not central to a transition plan? (Character Limit: 4000)
7. Do you envisage any tensions between entity-level decarbonisation and economy-wide decarbonisation goals? If so, can you provide examples and any suggestions as to how the UK TPT may address these in its guidance. (Character Limit: 4000)
Transition plans should allow entities to set out and explain their planned reduction trajectories, rather than focusing purely on decarbonisation targets that may present an overly simplistic picture. As an example, the drive to increase the electrification of vehicles will result in increased

demand for transition metals. This in turn will increase production levels, which, given limited short-term abatement opportunities and/or technical solutions, will result in emission increases or, at a minimum, constrain the transition-metal producer's ability to rapidly decarbonise in the near-term. Rapid decarbonisation is not credible in this context. This example highlights that a credible decarbonisation pathway requires assessment of market-dynamics, responsibilities and pressures beyond climate considerations.

8. What other frameworks and processes are you aware of that the TPT should consider as it proceeds? (Character Limit: 4000)

For Glencore, we are supportive of the TCFD, ISSB Exposure Draft Climate-Related Disclosures Standard and Climate Action 100+ Net Zero Company Benchmark. We note that today, the Science-Based Targets methodology does not apply to diversified mining companies.

Questions on Section 2: The Sector-Neutral Framework

9. Where would you prefer for companies to disclose information on their transition plans? Please explain your reasoning, including on how the suggested location relates to the intended audience. (Character Limit: 4000)

Currently, Glencore reports on its climate-related approach and performance in its Annual and Sustainability Reports, as well as in a standalone annual Climate Report. As different companies take different approaches to disclosure, we recommend that the TPT takes a flexible approach to the location of information on their transition plans to avoid duplication of content and/or the size of the annual report growing.

10. How prescriptive should the Sector-Neutral Framework be, recognising the need to balance flexibility in how firms disclose transition plans with more prescriptive templates that seek to facilitate comparability of firms' transition plans? (Character Limit: 4000)

We are supportive of flexible approach for the Sector-Neutral Framework. A flexible approach will support companies demonstrating that their decarbonisation targets and ambitions and transition plans are credible in the context of company- or sector-specific market, economic, social, and other environmental responsibilities and considerations.

We would like the Sector-Neutral Framework to consider how it can facilitate the assessment of the appropriateness of measurement tools, governance structures, abatement measures, and risk assessments put in place to deliver on decarbonisation targets and ambitions. Meaningful comparison will be supported by reference to methodology and measurement, level of oversight, engagement, use of mitigation vs adaptation measures vs offsets, and other elements of transition planning, implementation and delivery.

11. Should the TPT seek to standardise the data and metrics used to communicate ambition and measure progress in transition plans? If so, what are the standards for data and metrics that you would recommend including in the Sector-Neutral Framework and in supplementary sectoral guidance? (Character Limit: 4000)

We are supportive of a flexible approach to the data and metrics used to by corporates to communicate their ambitions and to measure the progress of their transition plans. We feel that by not being prescriptive, the current proposal supports company- and sector specific disclosure. We are supportive of avoiding defining the scope of emissions for disclosure (for example, targets and transition plans could include just Scope 1 or just Scope 2, or both, and value chain emissions are referenced in the context of engagement activities). Similarly on timing, while short-term and medium-term targets are required, unlike other frameworks, this definition does not define short- and medium-term timeframes, which better reflects the non-linear pathway of emission reduction. Other than reference to the GHG Protocol, there is no prescriptive

methodological requirements, this enables companies to utilise the methodology most appropriate for their business.

12. Question for small and medium-sized enterprises: what specific challenges do you foresee for SMEs seeking to prepare or use transition plans? How can the guidance and framework prepared by the TPT address these concerns? (Character Limit: 4000)
Not relevant for Glenore
13. Question for preparers only: if your firm does not already disclose information of the type outlined in this Call for Evidence, what are the reasons for that? For example, are there concerns about legal or possible market risks arising from disclosure? How could the work planned by the TPT address these concerns? (Character Limit: 4000)
Not relevant for Glenore – see our standalone Climate Report
14. Transition plans provide an opportunity to ensure the benefits of the climate transition are widely felt by UK households and consumers. How can the guidance developed by the TPT balance the need to minimise costs whilst encouraging companies to develop strategies to maximise benefits for all? (Character Limit: 4000)
15. Do you agree with the principles proposed in the Call for Evidence? Why or why not? (Character Limit: 4000)
The principle on alignment with low- or no-overshoot scenario for net zero by 2050 is critical. It is positive that the TPT recognises that there may be challenges for internationally active firms in meeting Principle 1 and acknowledges that different jurisdictions will have different economy-wide transition pathways. We would like the Framework to recognise the likelihood of non-linear emission reduction trajectories for companies with a global presence that also need to incorporate the individual approaches taken by country specific NDCs into their transition plans.
16. Are there any principles that you would add to the list outlined in the Call for Evidence? Why? (Character Limit: 4000)
We recommend that credibility is defined and added to the guiding principles. The Framework should consider defining what makes a transition plan credible and add credibility to the principles. Without referencing credibility, the Framework risks that transition plans will be assessed and compared based on ambition alone.
17. Which of the principles outlined in the Call for Evidence would you regard as ‘must-haves’ or as ‘desirable’? (Character Limit: 4000)
18. Principle 1 notes that a transition plan should cover the whole organisation. There may be challenges for internationally active firms in meeting Principle 1, given that different jurisdictions will have different economy-wide transition pathways.

How can the TPT design its standard and guidance in a way that accommodates credible transition plans consistent with the broader strategy of a firm, but reflect differences between approaches taken in different jurisdictions? (Character Limit: 4000)

It is good that the TPT recognises the challenges for internationally active firms in delivering an economy-wide net zero transition. For many sectors, the emissions reduction trajectory is not linear and may depend on the development of government policies and technologies that do not currently exist. In addition, different countries are identifying and establishing different

pathways to the transition and internationally active firms need to align with national economic transition plans to enable an orderly transition.

19. Do you agree with the elements proposed in the Call for Evidence? Why or why not? (Character Limit: 4000)
20. Are there any elements that you would add to the list proposed in the Call for Evidence? Why? (Character Limit: 4000)
We recommend that the principles of just transition are more consistently reflected throughout the Call for Evidence, given the criticality of this topic.
21. Which of the elements outlined in the Call for Evidence would you regard as 'must-haves' or as 'desirable' for credible transition plans? In which instances should an entity assess materiality to determine whether an element is considered must-have and/or what level of disclosure detail is required? (Character Limit: 4000)
22. Are there elements where you see substantial barriers to implementation? If so, which ones and why? Are you able to suggest alternatives which are both credible and practical? (Character Limit: 4000)

Further Feedback

23. Please share any other feedback or comments you may have on the work of the TPT and the Sector-Neutral Framework. (Character Limit: 4000)

Overall, we believe that what the TPT sets out to do would be a useful addition to existing frameworks as its rationale and objective specifically aims to help stakeholders assess the credibility of transition plans.

We recommend caution on mandated need for third-party verification as the Science Based Targets Initiative (SBTi) methodologies are, by their own admission not applicable, for diversified companies, as they rely on intensity measures that are too complex to be applied across multiple commodities.

Please provide details on the timeline for implementation. We understand that the framework will be finalised in early 2023 and that the TPT has a two-year mandate (to 29 February 2024). Will the final framework be incorporated into the Companies' Act and become a mandatory disclosure requirement? When will companies be required to start disclosing details of the transition plans? Finally, third-party verification of targets and transition plans cannot be a requirement until appropriate sector-specific pathways have been defined that consider a sector or company's responsibilities beyond decarbonisation; including verification that strategies support just transition objectives. None of the benchmarks currently available do this.