

Tronox Holdings

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Effective disclosure and ambitious target setting for carbon emissions are essential to address and mitigate the environmental and climate impact of Tronox's operations, which is a decisive factor to ensure the sustainable long-term benefits for all stakeholders.

Engagement rationale

Van Lanschot Kempen aims to directly engage with the top 50% most carbon-intensive companies in its investment funds to address ESG issues and contribute to the transition needed to move to a more sustainable economy and society.

Background

Tronox is one of the largest vertically integrated manufacturers of TiO2 pigment and zircon. The company operates a global network of mineral sand mines and processing facilities. We have been in close contact with Tronox' board on its GHG emissions reduction journey and other ESG-related topics since our initial investment in the company in 2022.

Theme for engagement

Carbon – Own Operations

Development

Engagement closed successfully

Milestone



Engagement objectives

- 1. **Reporting:** Disclosure of scope 3 emissions, inclusion of scope 3 reduction targets and more detail on projects and investments required to achieve scope 1+2 emissions reduction goals.
- 2. **Verification:** External verification of emissions data and alignment of the carbon reduction target framework with the SBTi.
- 3. **Remuneration:** Further integration of ESG goals, including the carbon emission reduction targets, in both the long- and short-term remuneration framework.

Engagement results

- 1. **Reporting:** Upstream scope 3 emissions and reduction targets published. Tronox is working with key suppliers to further enhance the current target framework. Disclosure of projects and investments required to meet scope 1 and 2 reduction goals included in sustainability reporting.
- 2. **Verification:** Tronox has completed a limited assurance review for the majority of its ESG metrics, including disclosed emissions. The company plans to adhere to the SBTi once sector-specific guidelines are released in the coming years.
- 3. **Remuneration:** Carbon intensity is incorporated into the short-term remuneration framework with a 5% weighting. Although we would prefer a minimum weight of 10%, this is not anticipated at present.

Company

Tronox is one of the world's largest manufacturers of titanium dioxide pigment (TiO2) and zircon for the paints & coatings, plastics and paper industry.

Country

United States

Sector

Materials: Chemicals

Market cap

Small Cap: USD 2.4bn

Materiality

Environmental topics represent the majority of Tronox' risks from a materiality perspective. Mitigating and counteracting the adverse effects of the company's activities on the environment and climate is a decisive factor for the enduring prosperity of all stakeholders.

Engagement initiated

2022

Latest update

October 2024

Kempen Fund

Kempen Global Small Cap Fund

