



Shareholders support the company to set and publish targets that are aligned with the goal of the Paris Climate Agreement to limit global warming to well below 2°C above pre-industrial levels.

These targets need to cover the greenhouse gas (GHG) emissions of the company's operations and the use of its energy products (Scope 1, 2, and 3), to be short-, medium-, and long-term, and to be reviewed regularly in accordance with best available science.

We request that the company base these targets on quantitative metrics such as GHG intensity metrics (GHG emissions per unit of energy) or other quantitative metrics that the company deems suitable to align their targets with a well-below-2°C pathway.

Shareholders request that annual reporting include information about plans and progress to achieve these targets (at reasonable cost and omitting proprietary information).

You have our support.

Supporting Statement

The oil and gas industry can make or break the goal of the Paris Climate Agreement. Therefore, oil and gas companies need the support of their shareholders to change course: first, to align their targets with the Paris Climate Agreement, and second, to invest accordingly in the energy transition to a net-zero emissions energy system.

Fiduciary duty

We, the shareholders, understand this support to be part of our fiduciary duty. A growing international consensus has emerged among financial institutions that climate-related risks are a source of financial risk, and therefore achieving the goals of Paris is essential to risk management and responsible stewardship of the economy. Institutional investors foresee that they cannot make a decent return on capital in a world economy disrupted by devastating climate change.

Scope 3

Reducing absolute emissions from the use of energy products (Scope 3) is



crucial to achieving the goal of the Paris Climate Agreement, and we therefore support you to include these in your targets. This climate targets resolution reflects our belief that we need targets for all emissions (Scope 1, 2, and 3) that are truly aligned with a well-below-2°C pathway across the whole energy sector.

Emissions reductions

The goal of the Paris Climate Agreement is to limit global warming to well below 2°C above pre-industrial levels, to aim for a global net-zero emissions energy system, and to pursue efforts to limit the temperature increase to 1.5°C.

- 2°C: the median pathway of the IPCC Lower-2°C pathway group (*) suggests an absolute emissions reduction of CO₂ from fossil fuels and industry (net) of approximately 70% by 2050, relative to 2016.
- 1.5°C: in 2018, the IPCC emphasized that climate-related risks are significantly higher at 2°C than at 1.5°C, and that limiting warming to 1.5°C would require CO₂ emissions to reach net zero by 2050. (**)

According to these IPCC pathways: to reach the goal of the Paris Climate Agreement, absolute net energy-related emissions should be reduced by approximately 70% (2°C) to 100% (1.5°C) by 2050, relative to 2016.

(*) 54 pathways limiting peak warming to below 2°C during the entire 21st century with greater than 66% likelihood (IPCC special report Global Warming of 1.5°C, 2018)

(**) IPCC special report Global Warming of 1.5°C, 2018

Climate targets

In 2017, following significant shareholder support for a similar climate targets resolution, Royal Dutch Shell plc made an industry-leading statement by including Scope 3 in their ambition to halve the carbon intensity of their energy products by 2050.

However, halving the carbon intensity in a growing energy system will not lead to a level of absolute emissions reduction necessary to actually achieve the goal of the Paris Climate Agreement, and is therefore not on a well-below-2°C pathway.



Moreover, this ambition has not resulted in an adequate change in investments beyond oil and gas. On the contrary – according to consultancy Rystad Energy – Shell’s medium-term investments aim to increase oil and gas production by 38% by 2030.

Therefore, this resolution reflects our belief that every fossil fuel company needs visible and unambiguous shareholder support to (1) truly align its targets with the Paris Climate Agreement and (2) invest accordingly.

We believe that the company could lead and thrive in the energy transition. We therefore encourage you to set targets that are inspirational for society, employees, shareholders, and the energy sector, allowing the company to meet an increasing demand for energy while reducing GHG emissions to levels compatible with the global intergovernmental consensus specified by the Paris Climate Agreement.

You have our support.