

FACTSHEET CLIMATE VOTING

Shell, BP, Equinor and ExxonMobil

VOTING RATIONALE

A key aspect of our active ownership policy is voting at the annual general meetings of shareholders (AGMs) of the companies we invest in. AGMs offer us a platform to express our convictions on climate change and stimulate companies to align their activities to the goals of the Paris Agreement.

BACKGROUND

In 2017 and 2018, we voted for the climate resolution proposed by Follow This at Shell's AGM. The resolution was calling on the company to set short and long term targets and also to include indirect (Scope 3) emissions. We welcome the significant progress Shell has made since. We also voted in favour of similar climate shareholder resolutions at the AGMs of Equinor and BP. Furthermore, we voted against management at the AGM of ExxonMobil.

ENGAGEMENT THEME

- × Climate change strategy

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VOTING OBJECTIVES

Vote in line with our climate policy and encourage large oil and gas companies to align their activities with the goals of the Paris Agreement.

DEVELOPMENT



MILESTONE



VOTING RESULTS

- × In 2017 and 2018, we voted at Shell's AGM in favour of a shareholder resolution from Follow This, which encouraged the company to step up its climate change strategy and to set long, medium and short term carbon reduction targets which included its scope 3 emissions (for the energy products it sells). Shell has shown good progress on its climate strategy since.
- × Similar shareholder resolutions on climate change were at the AGM agenda of other large oil and gas companies in 2019: Equinor, BP and originally also ExxonMobil. We voted in favour of these resolutions at the AGMs of Equinor and BP as they are in line with our climate change policy and this was consistent with how we voted at Shell.
- × ExxonMobil removed a similar shareholder resolution from its AGM in 2019 even though it was in accordance with the other climate resolutions. As ExxonMobil's actions were in contrast with our view on climate change and with how we expect companies to deal with climate change, we voted against all board nominations to signal that it shows a lack of climate ambition.

SUBSEQUENT STEPS

- × We continue our dialogue with the oil and gas companies, directly and via the Climate Action 100+ initiative, to stimulate the companies in the energy transition towards a low carbon economy.

SDG



COMPANY

Royal Dutch Shell, BP, Equinor and ExxonMobil.

COUNTRY

United Kingdom, Netherlands, Norway, US

SECTOR

Oil and gas

MARKET CAP

Large cap

ISSUE

Being amongst the largest global greenhouse gas (GHG) emitters, the major oil and gas companies have an important role to play in the energy transition.

MATERIALITY

Potential violation of environmental standards such as UN Global Compact Principle 7 - "Businesses should support a precautionary approach to environmental challenges", and Principle 8 - "Undertake initiatives to promote greater environmental responsibility".