



# 2021 Royal Dutch Shell Resolution



**Annual General Meeting:**  
**Lead Filers: Follow This**

May 18, 2021  
Co Filer : ACCR



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**Note: Shell has also introduced an additional resolution "The Shell Energy Transition Strategy, which is published on the Shell website ([www.shell.com/agm](http://www.shell.com/agm)), be approved" (resolution 20).**

**We recommend that investors vote against that resolution because it fails to meet key tests. See links for further info, and see below for full text of Follow This resolution:**

<https://www.accr.org.au/research/first-read-royal-dutch-shell-energy-transition-report/>

<https://reclaimfinance.org/site/en/2021/04/13/open-letter-to-investors-engaging-shell-on-climate-strategy/>

## Shareholder Resolution (21)

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**\*This has been listed as Resolution 21 at Shell's AGM**

Shareholders support the company to set and publish targets that are consistent with the goal of the Paris Climate Agreement: to limit global warming to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C.

These quantitative targets should cover the short-, medium-, and long-term greenhouse gas (GHG) emissions of the company's operations and the use of its energy products (Scope 1, 2, and 3).

Shareholders request that the company report on the strategy and underlying policies for reaching these targets and on the progress made, at least on an annual basis, at reasonable cost and omitting proprietary information.

Nothing in this resolution shall limit the company's powers to set and vary their strategy or take any action which they believe in good faith would best contribute to reaching these targets.

You have our support.

## Supporting Statement

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

### **Fiduciary Duty**

We, the shareholders, understand this support to be part of our fiduciary duty to protect all assets in the



global economy from devastating climate change.

A growing international consensus has emerged among financial institutions that climate-related risks are a source of financial risk, and therefore achieving the goal of Paris is essential to risk management and responsible stewardship of the economy.

### **Ambitions and Targets**

We, the shareholders, therefore welcomed the company's climate ambitions and targets. We especially welcomed you crossing the Rubicon on Scope 3 by including the GHG emissions of the use of your energy products (Scope 3). Reducing absolute emissions from the use of energy products is essential to achieving the goal of the Paris Climate Agreement.

We thank the shareholders that supported this crucial step by voting for climate targets resolutions in previous years.

Shareholders support you to advance these ambitions to Paris-consistent short-, medium-, and longterm emissions reduction targets and invest accordingly.

### **Increasing Number of Investors Insists on Targets**

Backing from investors that insist on Paris-consistent targets for all emissions continues to gain momentum; in 2020, an unprecedented number of shareholders voted for climate targets resolutions.

At the annual general meetings of Equinor, Shell, and Total, the companies' boards rejected the Follow This climate *targets* resolution by claiming their non-committal climate ambitions were sufficient. In each case, a significant minority of shareholders voted for the Follow This climate targets resolution. At Shell, this minority rose from 5.5% in 2018 to 14.4% in 2020; at Equinor, as a share of non-government votes, from 12% in 2019 to 27% in 2020; and the very first climate targets resolution filed at Total received 17% of all shareholder votes in 2020.

Evidently, a growing group of investors across the energy sector unites behind visible and unambiguous support for Paris-consistent targets for all emissions.

### **Absolute Emissions Reductions**

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

To reach the goal of the Paris Climate Agreement, the Intergovernmental Panel on Climate Change (IPCC) special report *Global Warming of 1.5°C* (2018) suggests that global absolute net energy related emissions should be reduced substantially by 2030 and be close to net zero by 2050, compared to 2010 levels (page 119, table 2.4).

To allow maximum flexibility, the company may use whatever metric they deem best suited to set Paris-consistent emissions reductions targets, for example a relative GHG intensity metric (GHG emissions per unit



of energy). Whatever metric is chosen (relative or absolute), the targets must be proven to lead to absolute emissions reductions compliant with the Paris Climate Agreement.

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 consistent with the global intergovernmental consensus specified by the Paris Climate Agreement.

You have our support.

For more information, visit: <https://www.criticalclimatevotes.com/shell>