Your votes on climate resolutions at Big Oil in May

Climate resolutions in 2021

<table>
<thead>
<tr>
<th>Company</th>
<th>AGM date</th>
<th>Emission Reduction Targets</th>
<th>Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>equinor</td>
<td>11 May</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>ConocoPhillips</td>
<td>11 May</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>BP</td>
<td>12 May</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Shell</td>
<td>12 May</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Chevron</td>
<td>10 May</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

2021 AGM Investor Briefing

Follow This
Table of Contents

**Company:** Equinor ................................................................. 3
**Company:** ConocoPhillips ......................................................... 4
**Company:** BP ........................................................................... 5
**Company:** Phillips 66 ................................................................. 7
**Company:** Shell ......................................................................... 8
**Company:** Chevron .................................................................... 10
**Company:** Total .......................................................................... 11
Company: Equinor

Date of the AGM: 11 May

Climate resolution: ‘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.’ full text (Resolution 8 in the Notice of Meeting)

Board’s voting recommendation and rationale: Against “the company’s climate strategy is supporting a sustainable and balanced transition to a low carbon society.”

CA100+ Company Benchmark:
- Paris-consistent long-, medium, and short-term emission reduction target (2.3), (3.3), (4.3): No
- Paris-consistent investments (6.1b): No

Equinor’s climate ambitions:
2030: “Carbon-neutral global operations” (Scope 1 and 2)
2050: “Net-zero emissions by 2050” for “Scope 1 and 2 GHG emissions” and “Scope 3 GHG emissions from use of sold products (equity production)” (ambitions, no targets, Sustainability Report 2020, page 19)
**Company:** ConocoPhillips

**Date of the AGM:** 11 May

**Climate proposal:** “Shareholders request the company [...] emission reduction targets covering the greenhouse gas (GHG) emissions of the company’s operations as well as their energy products (Scope 1, 2, and 3).’ [full text]

**Board’s voting recommendation and rationale:** Against, “ConocoPhillips does not control […] how [energy] products are made, marketed and used.” ([item 5, page 120](link))

**CA100+ Company Benchmark:**

- Paris-consistent long-, medium, and short-term emission reduction target (2.3), (3.3), (4.3): No
- Paris-consistent investments (6.1b): No

**ConocoPhillips’ climate policies**

- Scope 1 and 2: Net-Zero by 2050, 35 - 45% reduction in GHG intensity by 2030 ([link](link))
- Scope 3: No targets. ‘[…]we have no control over how the raw materials we produce are transformed into other products or consumed’ ([link](link))
Company: BP

Date of the AGM: 12 May

Climate resolution: ‘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.’ full text

Board’s voting recommendation and rationale: Against, BP claims to have a “Paris-consistent strategy” by cutting “the lifecycle carbon intensity of the products it sells by 50% by 2050 or sooner (includes Scope 3)” (AGM notice of meeting, director's response to resolution 13, page 24)

Cooperation between Follow This and BP

In March 2020, BP and Follow This agreed to withdraw the climate resolution for BP’s 2020 AGM and work towards a climate resolution for BP’s 2021 AGM, as announced in a joint press release. Confidential meetings with BP (and with supporting investors) led to the 2021 shareholder resolution.

The Follow This climate resolution supports BP to set Paris-consistent emissions reduction targets, and invest accordingly.

BP wanted a resolution that supported its current climate ambitions, while Follow This maintained its ask for Paris-consistent targets.

Discrepancies

These are the most significant discrepancies between BP’s ambitions and Paris-consistent targets requested by Follow This:

- BP’s “net-zero by 2050” ambition only covers their own production, its overall emissions will only halve by 2050 #
- BP’s current ambition is to increase overall emissions by 2030*
# produced and traded emissions; the overall emissions of an oil major are typically two to three times the emissions of its own production

* Although BP will cut production, BP expects to grow its overall emissions (produced and traded) by 2030: “We do expect the absolute level of emissions associated with our marketed products to grow out to 2030, even as the carbon intensity covered by Aim 3 falls,” said Giulia Chierchia, EVP, Strategy and Sustainability (slides and script).

**CA100+ Company Benchmark:**

- Paris-consistent long-, medium, and short-term emission reduction target (2.3), (3.3), (4.3): No
- Paris-consistent investments (6.1b): No
Company: Phillips 66
Date of the AGM: 12 May
Climate proposal: “Shareholders request the Company to set and publish emissions reduction targets covering the greenhouse gas (GHG) emissions of the Company’s operations and energy products.” full text
Board's voting recommendation and rationale: Against, Phillips66 claims that “implementing the proposal […] is unnecessary” (item 5, page 68)
CA100+ Company Benchmark:
- Paris-consistent long-, medium, and short-term emission reduction target (2.3), (3.3), (4.3): No
- Paris-consistent investments (6.1b): No
Phillips66 climate policies:
Scope 1 and 2: Disclosed, but no targets set. (2020 Sustainability Report, page 40)
Scope 3: The company does not have any targets for Scope 3 (as far as we are concerned).
Company: Shell

Date of the AGM: 18 May

Climate resolution: ‘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.’ full text or (resolution 21, page 6 of the Notice of Meeting)

Board’s voting recommendation and rationale: Against, “unnecessary given the Company is now providing an advisory vote on its own resolution” (Notice of Meeting, page 7).

Shell’s climate policies:

- Shell’s medium-term target of a 20% reduction in carbon intensity, will not deliver enough absolute emission reductions (25-45%) by 2030 to achieve the Paris goals.
- Shell doesn’t plan to shift investments substantially away from fossil fuels to renewables, and plans to increase natural gas production.

CA100+ Company Benchmark:

- Paris-consistent long-, medium, and short-term emission reduction target (2.3), (3.3), (4.3): No
- Paris-consistent investments (6.1b): No

Shell’s own ‘advisory vote’ resolution: “That the Shell Energy Transition Strategy, which is published on the Shell website (www.shell.com/agm), be approved.” Resolution 20 in the Notice of Meeting.

Follow This voting advice on Shell’s own resolution: Against, as long as Shell’s energy transition strategy is not aligned with the goals of Paris, shareholders should
vote against. If Shell’s targets were Paris-consistent, shareholders would have needed one resolution. In that case we would have withdrawn our resolution and supported Shell’s. We should avoid giving Shell a shareholder mandate to continue with their current plan for the next 3 years at all cost.

**Remark for Shell:** the cut-off date for the CA100+ benchmark was January 22. Shell announced its new targets on February 11. Nevertheless, these new targets might only change the assessment of the long-term target (2.3) to a ‘yes’. The three other crucial assessments; short-term and medium-term targets and investments (3.3, 4.3 and 5.2); will remain marked with a steadfast ‘no’.
Company: Chevron

Date of the AGM: 26 May

Climate proposal: ‘Shareholders request the Company to substantially reduce the greenhouse gas (GHG) emissions of their energy products (Scope 3) in the medium- and long-term future’ full text

Board’s voting recommendation and rationale: Against, “Chevron’s actions […] are appropriate.” (item 4, page 82)

CA100+ Company Benchmark:

- Paris-consistent long-, medium, and short-term emission reduction target (2.3), (3.3), (4.3): No
- Paris-consistent investments (6.1b): No

Chevron’s climate policies

- Scope 1 and 2: intensity target of “40% reduction in oil carbon intensity” and “26% reduction in gas carbon intensity” by 2028 relative to 2016. (2021 climate resilience report, Exhibit 38 and 39, page 40)
- Scope 3: No targets. Chevron claims to address “Scope 3 emissions by: (1) supporting a price on carbon […]; (2) transparently reporting Scope 3 emissions […]; and (3) enabling customers to lower their emissions […].” (2021 climate resilience report, page 42)
Company: Total

Date of the AGM: 28 May

Climate resolution: No climate resolution

Total's own ‘advisory vote’ resolution: “[T]he shareholders... hereby issue a favorable opinion on the Company's ambition and targets.” (resolution 14 in the Notice of Meeting)

Follow This voting advice: As long as Total's energy transition strategy is not aligned with the goals of Paris, shareholders should vote against.

CA100+ Company Benchmark:

- Paris-consistent long-, medium, and short-term emission reduction target (2.3), (3.3), (4.3): No
- Paris-consistent investments (6.1b): No

Total's climate policies:

- Scope 1 and 2: 40% net reduction target by 2030 relative to 2015. (2020 Universal Registration Document §1.2.2 p15)
- Scope 3: specific reduction targets limited to Europe, absolute reduction promised in 2030 as compared to 2015 – no figure given (2020 Universal Registration Document §1.2.2 p16)