Your votes on climate resolutions at Big Oil in May matter.
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Voting Overview Climate Targets Resolutions

Investors have increasingly supported climate resolutions calling for emission reduction targets (Scope 1, 2, and 3) in recent years, leading to, albeit insufficient, progress on Big Oil's climate goals; specifically, five oil majors have reluctantly set Scope 3 targets after investors voted in favour of the Follow This climate resolutions.

![Graph showing votes for climate resolutions for Shell, Equinor, BP, and Total, with percentages increasing from 2016 to 2021.]

<table>
<thead>
<tr>
<th>Climate Proposals US 2021</th>
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<tbody>
<tr>
<td>AGM date</td>
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<tr>
<td>ConocoPhillips</td>
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<td>Phillips 66</td>
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<td>Chevron</td>
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Investor support for Follow This climate proposals in the US
UK and USA voting overview 2021

Investors tended to vote differently for each company although none of the companies had emission reduction targets in line with Paris.

### Climate Resolutions 2021

<table>
<thead>
<tr>
<th>Investor</th>
<th>Total Assets</th>
<th>Shell</th>
<th>BP</th>
<th>Equinor</th>
<th>Chevron</th>
<th>Conoco Phillips</th>
<th>P66</th>
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<tbody>
<tr>
<td>Engel &amp; Völkers</td>
<td>£ 1.15 billion</td>
<td>✔</td>
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<tr>
<td>M&amp;G</td>
<td>£ 836.8 billion</td>
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<td>Schroders</td>
<td>£ 700.4 billion</td>
<td>✔</td>
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<td>Aviva Investors</td>
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<td>HSBC</td>
<td>£ 466.7 billion</td>
<td>☒</td>
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<tr>
<td>M&amp;G</td>
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<td>Aberdeen</td>
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<tr>
<td>AON</td>
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<td>$134.2 billion</td>
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### Climate Resolutions 2021

<table>
<thead>
<tr>
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<th>Equinor</th>
<th>Chevron</th>
<th>Conoco Phillips</th>
<th>P66</th>
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<tbody>
<tr>
<td>BlackRock</td>
<td>$9,463 billion</td>
<td>☒</td>
<td>☒</td>
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<tr>
<td>Vanguard</td>
<td>$7,200 billion</td>
<td>❌</td>
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<tr>
<td>Fidelity</td>
<td>$4,200 billion</td>
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<td>☒</td>
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<td>✔</td>
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<tr>
<td>State Street SPDR</td>
<td>$3,500 billion</td>
<td>☒</td>
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<td>JPMorgan</td>
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<tr>
<td>Capital Group</td>
<td>$2,600 billion</td>
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<td>BNY Mellon</td>
<td>$2,300 billion</td>
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<td>PIMCO</td>
<td>$2,200 billion</td>
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<tr>
<td>PGIM</td>
<td>$2,100 billion</td>
<td>☒</td>
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<tr>
<td>$1.545 billion</td>
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Analysis of voting behaviour shows two kind of voting rationales: Group A insists on science-based target and votes FOR all climate resolutions at Big Oil; group B settles for company-issued targets and votes AGAINST at companies with climate disclosures. Group A is growing - for example, to 30% at Shell in 2021.

Increasing support and joint statement Dutch investors

Dutch investors increasingly supported climate target resolutions over the past years. Recently, a group of Dutch investors issued a joint statement urging oil and gas companies to take climate action. The group consists of Achmea Investment Management, ACTIAM, Aegon, Van Lanschot Kempen, MN Services (for PMT), NN Investment Partners and PGGM Investments, with combined assets under management of EUR 1.48 trillion. Later, Blue Sky Group joined the statement.

In their statement they list three objectives and eight corresponding actions they expect oil and gas companies to meet before 2024. They call on fellow investors to use their voting rights to accelerate the pace of the transition in all carbon intensive companies.

The full text of the investor statement can be found here.
Company: Valero
Date of AGM: 28 April

Resolution has not passed

Climate resolution (read here the entire resolution, p. 92): “Resolved - Shareholders request Valero issue a report within a year, and annually thereafter, at reasonable expense and excluding confidential information, that discloses near- and long-term GHG gas reduction targets aligned with the Paris Agreement’s goal of maintaining global temperature rise at 1.5 degrees Celsius, and a plan to achieve them. Reporting should cover the company’s full range of operational and supply chain emissions.”

Board’s voting recommendation and rationale: Against. Valero states “We believe that this proposal seeks a pro forma commitment that does not reflect an understanding of the resilience of our assets, the leading-edge strategy that Valero has developed to compete in a low-carbon world, and the robust reporting on our strategy and progress that we already disclose.” (Proxy Statement, page 92)

CA100+ Company Benchmark:
- Long-, medium-, and short-term emission reduction target aligned with the goal of limiting global warming to 1.5°C (Criteria: 2.3, 3.3 and 4.3): NO
- Capital expenditure plans aligned with 1.5°C (Criteria 6.1b): NO

Valero’s climate targets:
- No 2030 target, 2035 target:
  - Scope 1 and 2: reduce and offset 100% of their global refining
  - Scope 3: No targets
- 2050: No targets

The resolution was filed by Mercy Investment Services:
- Mercy Investment Services filed an exempt solicitation statement soliciting proxies and urging shareholders to vote for the climate resolution (Read the full text here):
As long-term investors in Valero Energy ("Valero" or "the Company"), we are concerned that the Company is not adequately managing the risk that climate change poses to its core business of refining and selling fossil fuels. Without targets to ensure that it is reducing not only its operational emissions but also the emissions associated with its products, investors have no way to evaluate if Valero is taking advantage of opportunities to expand investments in innovative, lower-emission alternatives and managing its long-term climate risk. Accordingly, investors are encouraged to vote "FOR" this proposal.” (p. 1)
Company: Occidental Petroleum
Date of AGM: 6 May

Climate resolution (read here the entire resolution): “RESOLVED - 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. You have our support.”

Board’s voting recommendation and rationale: Against. Occidental claims that they have “already set and disclosed quantitative short-, medium- and long-term goals for Occidental’s Scope 1, 2, and 3 emissions that align with the goals of the Paris Agreement.” (2022 Proxy Statement, page 78). Oxy outlined their reasoning in a no-action letter sent to the SEC, available here. The SEC denied their request, stating “the Company’s public disclosures do not substantially implement the Proposal” and requiring the company to put the proposal to a vote.

Follow This’ response to board rationale: Rebuttal of Follow This handed in to the SEC - “The Company has not demonstrated that their targets are aligned with the goals of the Paris [...]. Even if the company’s emissions do not increase, the target provided by the Company falls short of Paris alignment.” Read the full (accepted) rebuttal.

CA100+ Company Benchmark:
- Medium-, and short-term emission reduction target aligned with the goal of limiting global warming to 1.5°C (Criteria: 3.3 and 4.3): NO; Long-term (criteria 2.3): YES
- Capital expenditure plans aligned with 1.5°C (Criteria 6.1b): NO
Occidental’s climate targets:
- **No 2030 target, 2032 target:** “Facilitate 25 million metric tons per year of geologic storage or utilization of captured CO2 in our value chain by 2032 or other means of recognized climate mitigation technologically feasible in that time period.”
- **2050:** Net-zero for all emissions (before 2040: net-zero in operations and energy use)

Rationale for a vote in favour:
- Occidental has been a front-runner in the oil industry regarding their climate strategy. However, their medium-term target makes no assurance as to where their overall emissions will be in the medium term. A vote in favour of our resolution would indicate to the company that shareholders need a certain and clear commitment to Paris alignment.
- The SEC did not concur with Occidental’s claim that the request was “already implemented”. Read [here](#) the SEC decision.
- Follow This filed an exempt solicitation, explaining why investors are advised to vote in favour, while responding to Occidental’s negative voting advice (available [here](#)):

“As shareholders in Occidental Petroleum ("Occidental" or "the Company"), we are concerned that the company is failing to address the risks posed by climate change to its business operations of fossil fuel extraction, refining and marketing. In absence of a commitment to an overall absolute emission reduction target in the short- and medium-term in line with the reductions required to meet the goals of the Paris Climate Agreement, shareholders in Occidental are unable to determine whether Occidental is on a Paris-aligned pathway, thereby sufficiently addressing climate-related risk. As such, shareholders are encouraged to vote “FOR” this proposal.”
Company: ConocoPhillips 
Date of AGM: 10 May

Climate resolution (read here the entire resolution): RESOLVED – “Shareholders request the Company to set and publish short-, medium- and long-term targets to reduce the greenhouse gas (GHG) of the Company’s operations and energy products (Scope 1, 2, and 3) 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. You have our support.”

Board’s voting recommendation and rationale: Against. ConocoPhillips claims that during engagement “Stockholders overwhelmingly did not express an expectation for ConocoPhillips to set a scope 3 target as set forth in the climate resolution” (proxy statement, page 16).

Follow This’ response to board rationale: In 2021, a majority of shareholders (58%) voted in favour of a climate resolution requesting emission reductions targets for Scope 1, 2, and 3. This showed that stockholders would like to see the Company set Scope 3 targets. Unlike Chevron and Phillips66, who responded to a majority vote by setting (insufficient) Scope 3 targets, ConocoPhillips fails to take responsibility for its Scope 3 emissions. See a more detailed response in our exempt solicitation below.

CA100+ Company Benchmark:
- Long-, medium-, and short-term emission reduction target aligned with the goal of limiting global warming to 1.5°C (Criteria: 2.3, 3.3, and 4.3): NO
- Capital expenditure plans aligned with 1.5°C (Criteria 6.1b): NO

ConocoPhillips climate targets:
- 2030:
  - Scope 1 and 2: 40% GHG emissions intensity reduction target for gross operated intensity and 50% for net equity intensity
  - Scope 3: No targets
- 2050: Net-zero ambition for operational GHG emissions (Scope 1 and 2), no Scope 3 target
Rationale for a vote in favour:

- Despite receiving a majority vote for our resolution at their 2021 AGM, ConocoPhillips has yet to set a target to reduce the emissions of their products, relying on their status as an exploration and production company. While the situation of its integrated and downstream counterparts differs, it cannot be relied upon as a categorical exemption from taking action. Indeed, other E&P companies, for example Equinor, have set Scope 3 ambitions. A vote in favour would indicate to the company that shareholders will not settle for inaction and require the company to set a policy which reflects the urgency of the situation.

- Follow This has filed *an exempt solicitation*, explaining why investors are advised to vote in favour, while responding to ConocoPhillips’s negative voting advice (read [here](#) the entire letter):

> “As shareholders in ConocoPhillips (“ConocoPhillips” or “the Company”), we are concerned that the company is failing to address the risks posed by climate change to its business operations of fossil fuel exploration, production, and marketing. In absence of Paris-consistent targets to reduce both the emissions of its operations (Scope 1 and 2) and products (Scope 3), shareholders in ConocoPhillips are unable to determine if ConocoPhillips is addressing the risks and opportunities to expand investments in new, low-carbon alternatives, thereby addressing the risks for the Company, its shareholders, and the global economy. As such, shareholders are encouraged to vote “FOR” this proposal.” (p. 1)
Company: Phillips 66
Date of AGM: 11 May

Climate resolution (read [here](#) the entire resolution): “RESOLVED - 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 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. You have our support.”

Board’s voting recommendation and rationale: Against. P66 claims that “The Company already has set meaningful medium- and long-term targets in the past twelve months and will report progress against those targets. Adopting this proposal and setting goals with no clear path to achieving them will not achieve a faster energy transition.” ([Proxy Statement, page 95](#)).

Follow This’ response to board rationale: The emission reductions targets of Phillips66, regarding Scope 1, 2, and 3, are not aligned with the necessary reductions indicated by the Paris Agreement. Moreover, in contrast to most peers, the company has yet to set any long-term emission target. See details below.

**CA100+ Company Benchmark:**
- Long-, medium-, and short-term emission reduction target aligned with the goal of limiting global warming to 1.5°C (Criteria: 2.3, 3.3, and 4.3): **NO**
- Capital expenditure plans aligned with 1.5°C (Criteria 6.1b): **NO**

**Phillips 66’ climate targets:**
- 2030:
  - **Scope 1 and 2:** 30% emission intensity reduction targets
  - **Scope 3:** 15% GHG emissions intensity reduction target
- 2050: 50% emissions intensity reduction target from its operations (Scope 1 and 2), no Scope 3 target
Rationale for a vote in favour:

- While we recognize the steps Phillips 66 has taken since the majority vote the Follow This resolution received during last year’s AGM, the targets set by the company fall severely short of the resolutions ask for Paris consistent emission reductions in the medium-, and long-term.
- Follow This has filed an exempt solicitation, explaining why investors are advised to vote in favour, while responding to Phillips66’s negative voting advice (read here the entire letter):

“As shareholders in Phillips 66 (“Phillips 66” or “the Company”), we are concerned that the Company is failing to address the risks posed by climate change to its business operations of fossil fuel refining, storing, transporting and marketing. In absence of Paris-consistent targets to reduce both the emissions of its operations (Scope 1 and 2) and products (Scope 3), shareholders in Phillips 66 are unable to determine if Phillips 66 is addressing the risks and opportunities to expand investments in new, low-carbon alternatives, thereby addressing the risks for the Company, its shareholders, and the global economy. As such, shareholders are encouraged to vote “FOR” this proposal.” (p. 1)
Company: Equinor ASA
Date of AGM: 11 May

Climate resolution (read here the entire 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. 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. You have our support.”

Board’s voting recommendation and rationale: Against. Equinor argues that “Several of the ambitions are however dependent on society and hence outside the control of the company – and should therefore not be translated into firm targets” (proxy statement, page 13)

Follow This’ response to board rationale: Energy companies, Equinor included, are responsible for all scopes of their emissions. The IEA and the IPCC have stated clearly that worldwide emissions must come down by approximately 40% by 2030 to reach the goals of Paris. Equinor’s current targets fall short of Paris-alignment and need to be improved. The resolution provides shareholders with an opportunity to support the Company in setting Paris-aligned emissions reduction targets and drive the energy transition.

CA100+ Company Benchmark:
- Long-, medium-, and short-term emission reduction target aligned with the goal of limiting global warming to 1.5°C (Criteria: 2.3, 3.3, and 4.3): NO
- Capital expenditure plans aligned with 1.5°C (Criteria 6.1b): NO

Equinor’s climate ambitions:
- 2030: 20% net carbon intensity ambition (Scope 1, 2, and 3). See their detailed ambition overview here
- 2050: Net-zero emissions ambition for Scope 1, 2, and Scope 3 (emissions from use of sold products (equity production)) (Excl. maritime emissions)
Rationale for a vote in favour:

- Over the past years, Equinor has taken the important steps in setting emission reductions targets for Scope 1, 2, and 3. However, to protect investors’ assets within Equinor and the economy as a whole, the Company needs to align its targets with the goals of the Paris Agreement. Its current targets fall short of Paris-alignment. A vote in favour would encourage Equinor to increase its ambition and assume a leading role in the energy transition.
Company: BP p.l.c.
Date of AGM: 12 May

Climate resolution (read here the entire 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. 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. You have our support.”

Board’s voting recommendation and rationale: Against. BP claims that the resolution “is unclear, generic, disruptive and would create confusion as to board and shareholder accountabilities. Therefore, it threatens long-term value creation.” (Notice of bp Annual General Meeting 2022, page 28).

Follow This’ response to board rationale: BP’s claim is based on the argument that it has set new emission reduction targets. Although investors have welcomed these advancements, the Company has yet to set Paris-aligned targets as it excludes a sufficient Scope 3 target for 2030 as outlined by the CA100+ Company Benchmark.

CA100+ Company Benchmark:
- Long-, medium-, and short-term emission reduction target aligned with the goal of limiting global warming to 1.5°C (Criteria: 2.3, 3.3, and 4.3): NO [Disclaimer: after advancing their long-term targets to net-zero, their long-term target could meet the criteria]
- Capital expenditure plans aligned with 1.5°C (Criteria 6.1b): NO

BP’s climate aims:
- 2030:
  - Scope 1 and 2: 50% absolute emission reductions (Aim 1)
  - Scope 3: 15-20% average emissions (intensity) reduction for marketed energy products (Scope 1, 2, and 3) and 35-40% absolute emission reductions for Scope 3 own production of oil and gas (Aim 2 and 3)
• **2050**: Net-Zero for Scope 1, 2, and 3 (Aim 1, 2, and 3).

**Rationale for a vote in favour:**

• BP claims the resolution “would create confusion”. However, a vote in favour of the resolution provides the Company with an unambiguous shareholder mandate to advance its targets to Paris-consistent emission reductions targets. Doing so would mitigate climate related risks and protect investors’ assets from being stranded.

• In-depth research by Global Climate Insights (GCI) shows no expected emissions reductions by 2030 (p. 36). Moreover, it is forecasted that oil and gas will still account for ~92% of the energy that BP sells versus just 2% in renewables by 2030 (p. 26). GCI indicates that BP’s absolute emission reduction targets cover only ~17% of emissions from products they sell (p. 19).

• BP claims to have “heard clear support for [BP’s] strategy” during “extensive engagement with investors after the vote”. This underlines the need to provide a clear signal by voting.
Company: Shell plc
Date of AGM: 24 May

Climate resolution (read here the entire 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. 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. You have our support.”

Board’s voting recommendation and rationale: Against. Shell states that “The Follow This resolution and accompanying notes propose targets that we believe are unrealistic [...] These estimates include actions by all parts of society. It is unreasonable to require any single company to adopt 2030 targets that go further than even the most progressive pathways to net zero in its sector” (Notice of Annual General Meeting, page 7).

Follow This’ response to board rationale: Shell, in previous years, called the same resolution “unreasonable,” and “unnecessary”; now, they call it “unrealistic”. Requesting Paris-aligned targets should not be seen as unrealistic. Shell’s targets are far from Paris-consistency, and its current trajectory shows an increase in overall emissions by 2030. This is not befitting of a company that truly wants to be part of the solution to the climate crisis.

CA100+ Company Benchmark:
- Long-, Medium-, and short-term emission reduction target aligned with the goal of limiting global warming to 1.5°C (Criteria: 2.3, 3.3, and 4.3): NO [Disclaimer: after advancing their long-term targets to net-zero without the caveat “in step with society” Shell’s long-term target could meet the criteria]
- Capital expenditure plans aligned with 1.5°C (Criteria 6.1b): NO
Shell’s climate targets:

- **2030:**
  - **Scope 1 and 2:** 50% absolute emissions reduction target
  - **Scope 3:** 20% carbon intensity reduction target
- **2050:** Net-Zero for all emissions (Scope 1, 2, and 3).

Rationale for a vote in favour:

- Shell will increase its (net) CO2-emissions by 4% by 2030, according to in-depth research by Global Climate Insights (GCI), published in October 2021 (p. 18). This increase contradicts the needed emissions reductions outlined by the IEA, IPCC, and Dutch Court ruling. Scope 3 emissions entail around 90% of its total emissions; therefore, setting only absolute targets for Scope 1 and 2 by 2030 only is insufficient.
- Shell claims “broad indications of support for Shell’s strategy” in written responses to voting results, required by the UK corporate governance code. Therefore, only engagement combined with voting will send a clear and unambiguous signal to the boards of these companies.
- A vote in favour of the resolution will safeguard the long-term viability of shareholders’ assets and allow Shell to fulfil its intended role as a leader in the energy transition.
Company: Total Energies SE
Date of AGM: 25 May

On the 28th of April TotalEnergies’ board of directors decided not to table the requested shareholder resolution. Response co-filers (11 institutional investors): “As shareholders of TotalEnergies we are deeply concerned by the disregard of our rights after the board of directors of the company decided to not accept our tabled resolution. [...] At the moment, we as co-filers are considering what possible next steps we can take.”

Read the entire response of co-filers below.

Climate resolution (read here the entire resolution): “The management report will contain, in addition to information on the situation of the Company and its operations during the past financial year, and the other elements required by the provisions of the laws and regulations in force, the strategy of the Company as defined by the Board of Directors 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 preindustrial 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). The report will contain the Board’s strategy and underlying policies for reaching these targets and the progress made on the past fiscal year, at reasonable cost and omitting proprietary information.”

Board’s response to the filed climate resolution: “The Board observed that the draft resolution proposed by MN and a group of 10 shareholders was not admissible notably because it encroaches on the public policy competence of the Board of Directors to define the Company’s strategy. The Board can therefore not accept it.”

CA100+ Company Benchmark:
- Medium-, and short-term emission reduction target aligned with the goal of limiting global warming to 1.5°C (Criteria: 3.3 and 4.3): NO, Long-term (Criteria 2.3): YES
- Capital expenditure plans aligned with 1.5°C (Criteria 6.1b): NO
TotalEnergies’s climate ambitions:

- **2030:**
  - **Scope 1 and 2:** 40% absolute emissions reduction target
  - **Scope 3 worldwide:** 20% carbon intensity reduction target
- **2050:** Net-Zero for all emissions (Scope 1, 2, and 3).

This resolution was not filed by Follow This:

- The initiative is led by asset manager MN, who is CA100+ lead investor of TotalEnergies (on behalf of client PMT). The other co-filing investors are Achmea Investment Management, Aegon Asset Management, APG (on behalf of clients bpfBOUW, SPW and PPF APG), BPL Pensioen, DPAM, Edmond de Rothschild Asset Management, Greater Manchester Pension Fund, La Financière de l'Echiquier, PGGM Investments and Van Lanschot Kempen. In total the co-filers represent about 0.8% of TotalEnergies’ shareholder capital. Read here the filing statement of MN.
- Co-filers response to shareholder resolution dismissal:

  “Investors deeply concerned by dismissal of shareholder resolution asking TotalEnergies to align with Paris Agreement

- **On the 28th of April TotalEnergies’ board of directors decided not to table our requested shareholder resolution**
- **We as co-filers of the resolution are considering what next steps to take As shareholders of TotalEnergies we are deeply concerned by the disregard of our rights after the board of directors of the company decided to not accept our proposed climate-related resolution.**

In this resolution, which was filed on April 12 by a group of 11 investors ahead of the Annual General Meeting on May 25, we urge the company to set and publish greenhouse gas emission reduction targets that are consistent with the Paris Climate Agreement.

TotalEnergies rejected the resolution citing French law, which states that shareholders should not determine a company’s strategy. However, we believe we are in accordance with the French law, since:

- **The resolution asks for targets and does not prescribe a strategy for how to achieve them.**
- **An similar resolution was accepted by the TotalEnergies board in 2020.**

At the moment, we as co-filers are considering what possible next steps we can take.

Our group consists of Achmea Investment Management, Aegon Asset Management, APG (on behalf of clients bpfBOUW, SPW and PPF APG), BPL Pensioen, DPAM, Edmond de Rothschild Asset Management, Greater Manchester Pension Fund, La Financière de l'Echiquier, MN (on behalf of client PMT), PGGM Investments and Van Lanschot Kempen.”

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Company: Chevron Corporation
Date of AGM: 25 May

Climate resolution (read here the entire resolution): RESOLVED – “Shareholders request the Company to set and publish medium- and long-term targets to reduce the greenhouse gas (GHG) emissions of the Company’s operations and energy products (Scope 1, 2, and 3) consistent with the goal of the Paris Climate Agreement: to limit global warming to well below 2°C above preindustrial levels and to pursue efforts to limit the temperature increase to 1.5°C. You have our support.”

Board’s voting recommendation and rationale: Against. Chevron states “Most stockholders generally did not favour shrinking Chevron’s traditional oil and gas business or shifting the core business to renewables as ways to reduce Scope 3 emissions” (2022 notice of the Chevron Corporation Annual meeting of stockholders, page 35).

Follow This’ response to board rationale: Last year, 61% of stockholders showed support for a Scope 3 emission reduction target. Although the board responded with a >5% GHG intensity target (Scope 1, 2, and 3), this target is nowhere near Paris-alignment.

CA100+ Company Benchmark:
- Long-, medium-, and short-term emission reduction target aligned with the goal of limiting global warming to 1.5°C (Criteria: 2.3, 3.3, and 4.3): NO
- Capital expenditure plans aligned with 1.5°C (Criteria 6.1b): NO

Chevron’s climate targets:
- 2030: >5% emissions intensity reduction target for Scope 1, 2, and 3
- 2050: Net-zero aspiration for equity upstream Scope 1 and 2 emissions, no Scope 3 target

Rationale for a vote in favour:
- Chevron’s targets are far from Paris-consistency. By adopting Paris-aligned targets, shareholders can mitigate the climate risk to which their assets in
Chevron are exposed. A vote in favour will support Chevron on its journey to becoming a leader in the energy transition.

- Follow This has filed an exempt solicitation, explaining why investors are advised to vote in favour, while responding to Chevron’s negative voting advice (read here the entire letter):

“As shareholders in Chevron Corporation (“Chevron” or “the Company”), we are concerned that the Company is failing to address the risks posed by climate change to its fossil fuel business operations. In absence of Paris-consistent targets to reduce both the emissions of its operations (Scope 1 and 2) and products (Scope 3), shareholders in Chevron are unable to determine if Chevron is addressing the risks and opportunities to expand investments in new, low-carbon alternatives, thereby addressing the risks for the Company, its shareholders and the global economy. As such, shareholders are encouraged to vote “FOR” this proposal.” (p. 1)
Company: Exxon Mobil Corporation
Date of AGM: 25 May

Climate resolution (read here the entire resolution): RESOLVED – “Shareholders request the Company to set and publish medium- and long-term targets to reduce the greenhouse gas (GHG) of the Company’s operations and energy products (Scope 1, 2, and 3) consistent with the goal of the Paris Climate Agreement: to limit global warming to well below 2°C above preindustrial levels and to pursue efforts to limit the temperature increase to 1.5°C. You have our support.”

Board’s voting recommendation and rationale: Against. ExxonMobil claims that the resolution makes “excess reliance on unreliable methodologies and inadequate assumptions intended to characterize a single company’s “Scope 3” emissions.” (Notice of 2022 Annual Meeting and Proxy Statement, page 73)

Follow This’ response to board rationale: Setting and reducing Scope 3 emission reduction targets is crucial as it accounts for around 90% of oil majors’ total emissions. The methodologies for Scope 1, 2 and 3 emissions are used sector-wide; as Exxon’s peers have been able to set Scope 3 targets, it must not be excused from taking responsibility for these emissions. See a more detailed response in our exempt solicitation below.

CA100+ Company Benchmark:
- Long-, medium-, and short-term emission reduction target aligned with the goal of limiting global warming to 1.5°C (Criteria: 2.3, 3.3, and 4.3): NO
- Capital expenditure plans aligned with 1.5°C (Criteria 6.1b): NO

ExxonMobil’s climate ambitions:
- 2030:
  - Scope 1 and 2: 20-30% emissions intensity reduction ambition
  - Scope 3: No targets
- 2050: Net-zero for Scope 1 and 2, no Scope 3 target
Rationale for a vote in favour:

- All companies must take responsibility for their entire emissions portfolios. Any company that fails to address its Scope 3 emissions, runs the risk of losing access to capital and risks falling behind its peers. A vote in favour of the resolution would support Exxon to set Paris-consistent targets, including a Scope 3 target.

- Follow This has filed an exempt solicitation, explaining why investors are advised to vote in favour, while responding to ExxonMobil’s negative voting advice (read here the entire letter):

“As shareholders in ExxonMobil (“Exxon” or “the Company”), we are concerned that the company is failing to address the risks posed by climate change to its business operations of fossil fuel extraction, refining and marketing. In absence of Paris-consistent targets to reduce both the emissions of its operations (Scope 1 and 2) and products (Scope 3), shareholders in Exxon are unable to determine if Exxon is addressing the risks and opportunities to expand investments in new, low-carbon alternatives, thereby addressing the risks for the Company, its shareholders and the global economy. As such, shareholders are encouraged to vote “FOR” this proposal.” (p.1)