



## Shareholder Resolution at the 2023 AGM of BP plc (“the company”)

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### **Shareholder resolution**

Shareholders support the company to align its existing 2030 reduction aims covering the greenhouse gas (GHG) emissions of the use of its energy products (Scope 3) 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.

The strategy for how to achieve these aims is entirely up to the board.

You have our support.

### **Supporting Statement**

Whereas the world has declared to drive down greenhouse gas (GHG) emissions this decade, the energy transition from fossil fuels to renewables presents great opportunities for an integrated energy multinational.

We believe that BP could lead and thrive in the energy transition by meeting the increasing demand for energy services while reducing GHG emissions to levels consistent with the global intergovernmental consensus specified by the Paris Accord.

Because the company’s existing aims covering Scope 3 do not equate to Paris-aligned targets for all BP’s Scope 3 emissions by 2030, we support the company to advance these aims.

We, the shareholders, understand this support to be part of our fiduciary duty to secure the long-term interest of the company and to protect all our assets in the global economy from devastating climate change; limiting global warming is essential to risk management and responsible stewardship of the economy.

Backing from investors that are determined to achieve the goal of Paris gained momentum since 2016, when 2.7% voted in favour of the Follow This climate resolution. In 2022, 15% voted in favour at BP, and up to 39% at other oil majors; this includes the support of the ten largest investors in the Netherlands who voted in favour of Follow This climate resolutions.<sup>1</sup>

### **Energy and climate crises**

The current energy crisis and the climate crisis can be addressed simultaneously by investing the windfall profits from high oil and gas prices in other energy sources.<sup>2</sup> Diversification of the energy supply would foster energy security by reducing dependency on oil and gas fields tied up in geo-political conflict and reduce emissions to address the climate crisis simultaneously.

### **BP**

BP has the experience, capital, and global power to scale the energy transition.



In 2020, we welcomed BP's crucial step of setting aims covering the emissions of the use of its energy products (Scope 3).<sup>3</sup> Aims at time of filing this resolution:

- Aim 2 (covering part of Scope 3): a decrease in the absolute emissions of the use of the energy products (Scope 3) extracted by BP of 35-40% by 2030 and 100% by 2050
- Aim 3 (covering Scope 1, 2, and 3): a decrease in the carbon intensity of all energy products BP sells of 15-20% by 2030 and 100% by 2050.<sup>4</sup>

### **Scope 3 in 2030**

Setting Paris-aligned targets covering all Scope 3 emissions is paramount, because they account for over 90% of BP's total Scope 1, 2, and 3 emissions.<sup>5</sup> A target for 2030 is also paramount; the Intergovernmental Panel on Climate Change (IPCC) stated that "unless there are immediate, rapid and large-scale reductions in greenhouse gas emissions, limiting warming to close to 1.5°C or even 2°C will be beyond reach."<sup>6</sup>

A net zero by 2050 aim is insufficient without a Paris-aligned aim for 2030; BP doubled its Aim 3 for 2050 from 50% to 100% without corresponding changes to Aim 3 for 2030.

Therefore, policymakers and institutional investors insist on emissions reductions by 2030.

Changes in demand are as critical as changes in supply, but customers can only change sufficiently when key system players like BP offer alternatives at scale.<sup>7</sup>

### **Large-scale reductions in absolute emissions by 2030**

The company's current aims will not lead to large-scale (net) reductions in absolute emissions by 2030 for the following reasons:

First, BPs' total Scope 3 emissions are approximately three times as high as the Scope 3 emissions covered under Aim 2, because BP also sells third-party fossil fuels next to the fossil fuels BP itself extracts.<sup>8</sup>

Second, an intensity target (Aim 3) does not necessarily lead to absolute emission reductions.

BP's sustainability Report 2020 confirms this by stating: "We anticipate that the absolute level of emissions associated with our marketed products will grow up to 2030, even as the carbon intensity covered by aim 3 falls."<sup>9</sup>

Further, according to Global Climate Insights (GCI) BP's forecasted GHG emissions are not Paris-aligned.<sup>10</sup>

Therefore, this resolution supports BP to advance its 2030 aims covering Scope 3 to align with the Paris Climate Agreement.

The company may use whatever target(s) and metric(s) it deems best, as long as they lead to large-scale reductions in all (net) absolute GHG emissions in line with the Paris Climate Agreement by 2030.



## **Best interest of company and investors**

A global integrated energy company like BP can decrease emissions without ultimately shrinking business. It is in the company's best interest to pursue the opportunities the energy transition presents; this will also pre-empt risks of policy interventions, litigation, liability for the costs of climate change, disruptive innovation, and stranded assets. According to Carbon Tracker, two thirds of fossil fuel reserves must remain in the ground to stay within 1.5°C.<sup>11</sup>

Therefore, it is in the best interest of investors to support BP to align its 2030 Scope 3 aims with Paris. Advancing these aims will allow BP to invest accordingly to drive down emissions, thereby safeguarding the long-term future of the company and the global economy.

You have our support.

Sources available at [www.follow-this.org/BP-resolution-2023-sources/](http://www.follow-this.org/BP-resolution-2023-sources/)