

Shell warns Trump, but refuses to commit to Paris Climate Agreement itself, Shell AGM on Tuesday

Dear redactie,

- Today Shell CEO Ben van Beurden warns Donald Trump not to pull out of the Paris Climate Agreement, in the [Financial Times](#) (or [FD](#) in Dutch).
- Meanwhile Shell advises its own shareholders to vote against shareholder resolution #21 that requests Shell to commit itself to the Paris Climate Agreement, in the [Notice of Meeting of the AGM](#) (page 6, 7 and 8).
- Tomorrow, at Shell's AGM, shareholders will vote about this green resolution ([Guardian](#)).

Follow This is a movement of green shareholders in Shell that supports Shell to take the lead in energy transition. Follow This does so by gathering shareholders to support the resolution "Shareholders support Shell in taking the lead in energy transition" ([complete text via this link](#)).

The green Shell resolution (resolution 21) states in summary: "Shareholders support Shell to take leadership in the energy transition to a net-zero-emission energy system and therefore request Shell to set targets for reducing greenhouse gas (GHG) emissions aligned with the Paris Climate Agreement."

With best regards on behalf of the Follow This team,

Naomi Montenegro Navarro, Stasja Olejniczak & Mark van Baal

===== ADDITIONAL INFORMATION =====

Institutional investors face green dilemma at Shell AGM

Investors in Shell will decide whether they mean business about climate change, as they cast their votes for [Resolution #21](#), which requests Shell to commit to the Paris Climate Agreement.

Growing support for green Shell-resolution

Institutional investors and a proxy advisor express support for a shareholder resolution that asks Shell to commit to the Paris Climate Agreement. Other Dutch shareholders are likely to follow.

VEB joins supporters of Follow This's green Shell resolution

The Dutch investors' association VEB supports Follow This's resolution. "The position of the VEB shows that participating in the energy transition is much more than a legal or moral obligation; it is simply good for the value of the shares that shareholders own."

The Swiss **Ethos Foundation**, representing more than 220 Swiss pension funds and institutional investors, has also urged Shell shareholders to vote for the resolution.

ECGS, the main independent proxy firm in continental Europe as a joint-venture of several independent proxy firms, has decided to recommend that investors vote *for* Follow This's shareholder proposal at Shell.

Institutional investors

Actiam (€56bn), Blue Sky Group (€20.5bn), and Ecofi Investissements (€9.5bn) have already expressed their support. Blue Sky Group explains its vote for the resolution by referring to the Principles for Responsible Investment (PRI, the world's leading proponent of responsible investment). The Dutch institutional investor MN (€114bn) called the resolution a "fair ask".

Institutional Investors

Institutional investors who are member of Eumedion, the representative of Dutch institutional investors whose clientele include an estimated quarter of Shell shareholders (*) could vote for the resolution as well, because the wording of the shareholder resolution conforms seamlessly to the most recent *position statement* of Eumedion concerning the Paris Agreement.

Position Statement of Eumedion

Eumedion writes in this position statement that “participants of Eumedion urge companies to provide an overview of the efforts to help deliver the goals of the Paris Agreement.” The shareholder resolution of Follow This states: “Shareholders support Shell to take leadership in the energy transition and therefore set targets that are in line with the Paris Climate Agreement.” Eumedion provided feedback on drafts of the Resolution.

(*) Members of Eumedion, including foreign investors such as BlackRock, represent according to Eumedion a quarter of the Dutch stock market.

VBDO

The Dutch Association of Investors for Sustainable Development (VBDO) also expressed support for the green Shell resolution of Follow This.

Shell’s AGM is on Tuesday May 23rd in Scheveningen, Netherlands.

Support of large investors

Follow This expects many shareholders to vote for the resolution because the text of the resolution fully supports their investment policies concerning sustainability and transparency about the contributions that companies make to the Paris climate agreement. “With input from large shareholders, our resolution team has written a carefully formulated text that everyone who believes in change can vote for, without shareholders sitting in the driver’s seat.”

Shell’s response to resolution 21

Shell’s most important objection is that the resolution deprives the company of flexibility, writes the board in its response in the [agenda for the upcoming shareholders’ meeting](#).

In fact, the resolution only asks Shell to set a strategic goal and then gives the company broad flexibility in setting and achieving targets that will lead to a net-zero emissions world. The resolution is agnostic concerning business models and technology. For example, Shell’s ambition to replace coal with natural gas can easily be incorporated in emission reduction targets.

Force for good

Had Shell recommended voting for the resolution, the company would have bound itself unambiguously to the Paris Climate Agreement. Shell’s CEO Ben van Beurden wants Shell to be seen once again as a “force for good,” a company that makes a positive contribution to society. “We believe that Shell can be a force for good,” says Mark van Baal. “Shell needs the support of its shareholders in order to take on that role. That support is what we are organising.”

We continue to applaud all the positive steps that Shell is taking in the energy transition, such as setting up their New Energies Division, through which the company invests in biofuels, hydrogen, and wind power.

Faith in Shell

Shell writes that they have ‘a clear strategy, resilient in a 2°C world’. Shareholders have the right to know the details of this strategy. Shell claims that they are ‘unique in having a broader set of

business options ... than any other company in our sector.' Follow This agrees with this; apparently we have more faith in Shell than Shell has in themselves."

Business opportunities

Follow This again highlights to Shell management the business opportunities offered by the energy transition. "It is becoming increasingly expensive to get oil out of the ground, while the costs of alternatives such as solar panels and wind turbines are dropping exponentially. In many places in the world, for example the North Sea, renewables can compete with fossil fuels without subsidies."