

PRESS RELEASE

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Shell sets out detail on delivery of climate change agreement with Climate Action 100+ investors

Shell today has set out initial steps the company will take in delivering commitments on climate change made in a [joint statement](#)¹ with investors participating in [Climate Action 100+](#) initiative. This is a global investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. It involves over 320 investors collectively representing \$33 trillion in assets.

Details outlined by the company in its [annual report](#) published today include²:

- Shell's first three-year emissions reduction target. Effective as of 2019, this is a commitment to deliver a reduction in the company's net carbon footprint (NCF) of 2-3% on a 2016 baseline. This covers scope one, two and three emissions – in effect all emissions, from extraction to end use of products.
- Remuneration going forward of the companies top 150 executives will be immediately linked to delivery of the target.
- A commitment to set a further three-year NCF target in 2020, with an uplift in ambition on its existing commitment.

Through these actions Shell will be taking an important step towards making its business consistent with the Paris Agreement. The details announced also come a year early within the timeframe set out in its joint statement with investors.

Investor engagement for Climate Action 100+ across Europe is delivered with the support of the [Institutional Investors Group on Climate Change](#) (IIGCC).

Stephanie Pfeifer, a member of the global Climate Action 100+ steering committee and CEO, IIGCC explains: "Shell are showing progress in answering the call from investors with \$33 trillion in assets to make their business consistent with the goals of the Paris Agreement. Setting the first interim target early and linking it to executive remuneration demonstrates commitment to deliver on the agreement reached with investors as part of Climate Action 100+. We look forward to further steps from both Shell and others in the sector."

Adam Matthews, Director of Ethics and Engagement, Church of England Pensions Board, one of the investors leading engagement with Shell, explains: "Following last year's joint statement between Climate Action 100+ investors and Shell we are pleased that the company has brought forward their plan to introduce targets covering all their emissions. This is the first tangible outcome of the agreement reached between investors and Shell. The ball is rolling."

Carola van Lamoen, Head of Active Ownership of Robeco, adds: "Today we have an early indication of the company's commitment to the joint statement and their determination to manage the transition to a low carbon economy. It is very welcome and we will continue to engage with the company as it moves forward to set further targets next year."

The agreement reached with Shell in December 2018 was the first announced as part of Climate Action 100+. Others have since followed with Glencore and BP.

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Notes to editor:

1. <https://www.shell.com/media/news-and-media-releases/2018/leading-investors-back-shells-climate-targets.html> & also <https://www.shell.com/media/news-and-media-releases/2018/joint-statement-between-institutional-investors-on-behalf-of-climate-action-and-shell.html>

2. Details outlined are a summary of key points set out in the Shell 2018 Annual Report. Content of relevance is on page 71-82. See link https://reports.shell.com/annual-report/2018/servicepages/downloads/files/download2.php?file=shell_annual_report_2018.pdf

About Climate Action 100+: Climate Action 100+ is an investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. More than 320 investors with more than \$33 trillion in assets collectively under management are engaging companies on improving governance, curbing emissions and strengthening climate-related financial disclosures. The companies include 100 'systemically important emitters', accounting for two-thirds of annual global industrial emissions, alongside more than 60 others with significant opportunity to drive the clean energy transition.

Launched in December 2017, Climate Action 100+ is coordinated by five partner organisations: Asia Investor Group on Climate Change (AIGCC); Ceres; Investor Group on Climate Change (IGCC); Institutional Investors Group on Climate Change (IIGCC) and Principles for Responsible Investment (PRI). These organisations, along with five investor representatives from AustralianSuper, California Public Employees' Retirement System (CalPERS), HSBC Global Asset Management, Ircantec and Manulife Asset Management, form the global Steering Committee for the initiative. Follow us on Twitter: @ActOnClimate100.

About IIGCC: The [Institutional Investors Group on Climate Change](#) (IIGCC) is the European forum for investor collaboration on climate change and the voice of investors taking action for a prosperous, low-carbon future. IIGCC has 170 members, mainly pension funds and asset managers, across 11 countries, with over €23 trillion assets under management. IIGCC's mission is to mobilise capital for the low-carbon transition by collaborating with business, policymakers and fellow investors.

IIGCC works to support and help define the public policies, investment practices and corporate behaviours that address the long-term risks and opportunities associated with climate change. Members consider it a fiduciary duty to ensure stranded asset risk or other losses from climate change are minimised and that opportunities presented by the transition to a low carbon economy – such as renewable energy, new technologies and energy efficiency – are maximised.