



CADWALADER  
**CLIMATE**  
Connecting Climate Change and the Law

## Increased Investor Pressure for More Ambitious Climate Pledges Ahead of AGMs

April 25, 2023



**By Jason Halper**  
Partner and Co-Chair | Global Litigation

In early April, the climate activist shareholder group, Follow This, filed [shareholder resolutions](#) seeking stronger energy transition strategies from several oil “super-majors.” The resolutions have been filed in advance of BP, Chevron, and Shell’s annual general meetings (AGMs), due to be held in April and May, and call for the companies to set more ambitious targets covering Scope 3 emissions and large-scale reductions in “absolute emissions by 2030” to pursue efforts to limit global temperature increase to 1.5°C. Follow This states that the “strategy for how to achieve this target is entirely up to the board[s]” but emphasized that a Paris-aligned aim for 2030 was necessary to achieve net zero by 2050 goals.

In a related initiative, Follow This and 17 other investors representing assets under management of approximately EUR 1.1 trillion, filed a [climate resolution](#) in connection with the AGM of TotalEnergies scheduled for May 26, which seeks to require the company to align its 2030 Scope 3 emissions reduction targets with the Paris Climate Agreement.

[Follow This](#) is a Dutch NGO activist group of shareholders in oil and gas companies. The group coordinates climate-related shareholder resolutions pushing for big oil companies to take leadership in the energy transition to reach Paris-aligned net-zero goals.

BP’s board has criticized the resolution as being “unclear,” and “simplistic,” and on the ground that it “encroach[es] on the board’s responsibility and accountability for the company’s strategy.” BP also recommended that shareholders vote against the resolution in the [upcoming AGM](#). Shell issued a [similar response](#).

**Taking the Temperature: The Follow This shareholder resolutions initiative, targeting the climate pledges of oil “super majors,” are reflective of a broader trend of substantial climate-focused shareholder activity. Typically, their expressed concerns focus on either or both the potential impact of climate change on enterprise value and the companies’**

impacts on the environment, with a particular emphasis on ending new oil and gas projects and increased investment in renewable sources of energy.

We have reported on [investors exerting pressure](#) against European banks financing new oil and gas fields and [UK pension schemes threatening](#) to vote against chairs of oil companies failing to meet climate pledges. There is similar activity in the U.S. with, for example, [New York City pension funds](#) seeking disclosure from financial institutions of their absolute greenhouse gas emissions targets for 2030. In January, institutional investors and an NGO [filed a shareholder resolution](#) seeking details of the “specific plan” for the commodities multinational, Glencore PLC, “to align thermal coal production with emissions reductions commitments.” And in March, climate advocacy groups [sued a global bank](#) in France over fossil fuel financing.