

50 institutional investors co-file supportive but stretching shareholder resolutions at BP and Shell 'Aiming for A' investor initiative moves into next phase

The £160bn 'Aiming for A' investor coalition today confirms that it has co-filed supportive but stretching shareholder resolutions at BP and Shell for their AGMs in April and May respectively.

The coalition built by charity fund manager CCLA has moved into the shareholder resolution phase of this capital stewardship initiative focusing on the low carbon transition. To date the coalition, which includes the Local Authority Pension Fund Forum (LAPFF) and the largest members of the Church Investors Group (CIG), has been focusing on engaging with ten FTSE100 extractives and utilities companies. Including asking questions at their AGMs since the autumn of 2013.

Today's resolutions reflect the need to balance the short- and longer-term aspects of shareholder value creation and investment risk concerns. The full co-filing group includes over 50 institutional investors – including UK churches, charities and local authority pension funds, as well as overseas investors from three continents. They were joined by over 40 clients of 'Aiming for A' coalition member Rathbone Greenbank Investments, with individual supporters of ShareAction and the Ecumenical Council for Corporate Responsibility (ECCR) taking the total number of co-filers well above the necessary 100. Eight of the co-filing pension funds have assets >\$15bn: three AP Funds (Sweden), Connecticut (US), Ilmarinen (Finland), Greater Manchester (UK), West Midlands (UK) and West Yorkshire (UK). The co-filing group is being assisted by ClientEarth and ShareAction as part of their routine programme work.

"Active engagement by shareholders on climate change is becoming a permanent part of the governance landscape. Investors are interested in the longer-term strategic options for the oil and gas majors", said **Kieran Quinn, Chair of both LAPFF and co-filer Greater Manchester Pension Fund.**

"In general, the Swedish AP Funds encourage energy companies to strengthen their reporting on climate issues, since institutional investors are increasingly assessing the financial implications of climate change" said **John Howchin, Secretary-General, Ethical Council of the AP Funds.**

Dawn Turner, Head of Pension Fund Management, Environment Agency Pension Fund (EAPF)

added "It was an easy decision for EAPF to co-file. By asking BP and Shell to report effectively on climate related risk in their routine annual reporting, this will provide all shareholders with the information to assess how these companies are managing risk and protecting shareholder value. Transparency forms the core of our Strategy to Reduce Climate Risk - see www.eapf.org.uk".

Rathbone Greenbank and CCLA are leading the engagement with Shell and BP respectively.

Matt Crossman, Ethical Research & Corporate Engagement, Rathbone Greenbank Investments

said, "We've chosen BP and Shell for our first shareholder resolutions because they have the highest carbon footprints in the FTSE100 and will play a key role in the multi-decade energy transition".

The 'Aiming for A' coalition believes that shareholder resolutions could play a high profile positive stewardship role. **Helen Wildsmith, Head of Ethical & Responsible Investment at CCLA,** added "Climate change and associated public policy uncertainty create material risks for investors. We think supportive but stretching shareholder resolutions could help focus attention on this increasingly complex capital allocation challenge for companies, investors and policy makers"

There is considerable interest in these shareholder resolutions in the wider investment community.

Stephanie Pfeifer, Chief Executive, Institutional Investors Group on Climate Change (IIGCC)

added: "These resolutions demonstrate that an increasing number of investors are focusing on fossil fuel company responses to shifting energy demand, technology and policy dynamics. Investors around the world are stepping up their engagement with companies this year to ensure that business strategies are sustainable in the long-term. An energy transition is under way and investors will be asking companies how they are measuring and acting on the risks this will present".

Stephanie Maier, Head of Responsible Investment Strategy & Research at Aviva Investors

said: "The economic and financial case for future policy changes addressing climate change is clear. This will necessarily impact the profitability of more carbon intensive energy assets over time. We are therefore in favour of lower carbon intensity capex plans in the energy sector. These Shareholder Resolutions are in line with this aim, focusing on strategic resilience and asking key questions. We will be speaking with BP and Shell before deciding how to vote and look forward to that discussion."

NOTES FOR EDITORS:

See below for the **shareholder resolutions**. The supporting statements and **co-filing group** can be found at: www.churchinvestorsgroup.org.uk and www.lapfforum.org

The co-filing group is very grateful to **ShareAction (shareaction.org)**, **ClientEarth (www.clientearth.org)**, and their funders for their support during the complex UK co-filing process.

BP special resolution – strategic resilience for 2035 and beyond

That in order to address our interest in the longer term success of the Company, given the recognised risks and opportunities associated with climate change, we as shareholders of the Company direct that routine annual reporting from 2016 includes further information about:

- ongoing operational emissions management;
- asset portfolio resilience to the International Energy Agency's (IEA's) scenarios;
- low-carbon energy research and development (R&D) and investment strategies;

- relevant strategic key performance indicators (KPIs) and executive incentives;
- and public policy positions relating to climate change.

This additional ongoing annual reporting could build on the disclosures already made to CDP (formerly the Carbon Disclosure Project) and/or those already made within the Company's Energy Outlook, Sustainability Review and Annual Report.

The **Shell** resolution is identical but refers to the "Company's Scenarios, Sustainability Report and Annual Report" in the final sentence.

About 'Aiming for A'

'Aiming for A' was launched by CCLA in 2012. CIG members involved are: the **Central Finance Board of the Methodist Church**, the **Church of England National Investing Bodies**, and the **Joseph Rowntree Charitable Trust**. The other two partners are the Local Authority Pension Fund Forum and Rathbone Greenbank Investments See www.responsibleinvestor.com/home/article/why_were_aiming_for_a/

The '**A**' within '**Aiming for A**' refers to the best A-E CDP (formerly the Carbon Disclosure Project) Performance Band. Within the performance banding methodology considerable weight is given to operational emissions management, alongside strategic and governance issues like those covered in the resolutions. All ten companies the 'Aiming for A' coalition is engaging with have now (2014) reached A (2), A- (1) or B (7). See also www.cdp.net/en-US/Programmes/Pages/CDP-Investors.aspx

About CCLA (leading the BP engagement) CCLA is one of the UK's largest charity fund managers. For over 50 years they have provided competitive and attractive investment management services that help their clients achieve their aims. CCLA's products and services have a strong long-term performance record, are fairly priced, managed responsibly and in a manner consistent with the ethics of their clients. CCLA's staff understand the particular needs and challenges of charities and public sector organisations. CCLA's ownership ensures stability and independence. CCLA Investment Management Limited and CCLA Fund Managers Limited are authorised and regulated by the Financial Conduct Authority.

About Rathbone Greenbank Investments

(leading the Shell engagement) Rathbone Greenbank provides personalised and professional investment management services for investors who want to ensure their investments take full account of their environmental, social and ethical concerns. Importantly, we only manage ethical and responsible investment portfolios. Understanding and interpreting environmental, social and ethical issues is integral to our business. We work with private individuals, trusts, charities, pension funds, and their professional advisers, managing over £695 million in assets* for more than 1,200 clients. Our team has been at the forefront of ethical and responsible investment since 1992, and launched one of the UK's first tailored ethical portfolio services. See www.rathbonegreenbank.com Note*As at 30 September 2014

About the Local Authority Pension Fund Forum (LAPFF)

The Local Authority Pension Fund Forum (LAPFF), established in 1991, is an association of 61 UK public sector pension funds with combined assets of approximately £150 billion. It exists to "promote the long-term investment interests of local authority pension funds, and to maximise their influence as shareholders to promote corporate responsibility and high standards of corporate governance amongst the companies in which they invest." PIRC Ltd is the Research and Engagement partner to the Forum. See www.lapfforum.org

About the Church Investors Group (CIG)

The Church Investors Group (CIG) has nearly 60 members primarily connected with the Churches of Britain and Ireland with combined assets of £15 billion. Members believe it will serve to increase the witness and influence of the Church in society if their investment portfolios reflect the moral stance and teachings of the Christian faith. Visit www.churchinvestorsgroup.org.uk for further information and to download 'Being Good Stewards: Church Investors and Corporate Engagement'.

CIG has three international partners: CIG South Africa, Interfaith Center on Corporate Responsibility (ICCR) and SHARE. The latter two organisations have kindly helped find co-filers in North America.

Press contact:

Matter&Co: Sarah Gilbert



+44 (0) 7854 712 318



+44 (0) 7854 712 318



sarahgilbert@matterandco.com