# Shell faces shareholder revolt over gas and climate transparency at AGM



At its recent annual general meeting, Shell faced a significant challenge from its shareholders, with over 20% supporting a resolution demanding increased transparency regarding the company's commitment to climate goals amid rising gas production. This development underscores a growing tension between energy firms' operational strategies and global climate objectives.

The resolution, backed by notable pension funds such as the Brunel Pension Partnership and the Greater Manchester Pension Fund, along with over 100 individual investors, required Shell to clarify the alignment of its liquefied natural gas (LNG) production forecasts and sales targets with its stated climate commitments. While the resolution was non-binding, a dissent rate surpassing 20% is traditionally viewed as a strong signal of shareholder dissatisfaction, prompting potential accountability for the company’s climate policies.

During the nearly three-hour meeting held near Heathrow Airport, Shell's chair, Sir Andrew Mackenzie, defended the company's strategy of refocusing on fossil fuels, specifically highlighting the necessity of LNG in replacing coal in Asia to ensure energy security. He asserted that the demand for LNG is projected to remain robust well into the future, necessitating continued investment in fossil fuels to align with market demands.

In response to questions regarding emissions targets, Shell's CEO, Wael Sawan, emphasized the company's extensive disclosure practices regarding LNG, urging shareholders to refrain from supporting such resolutions, which he claimed undermined the board's ability to drive strategic decision-making. His comments reflect a broader concern within the corporate realm—balancing shareholders’ demands for profitability with growing calls for sustainable practices in the face of climate change.

Activists and shareholders alike expressed discontent with Shell’s approach, highlighting the contradiction between its growth in gas production and its pledges to achieve net-zero emissions by 2050. Jackie Garton of ShareAction commented that the voting outcome sends a strong message that shareholders cannot accept the company's trajectory if it conflicts with environmental commitments. Similarly, Mark van Baal from the activist group Follow This indicated that shareholders are increasingly concerned about the long-term viability of a business model heavily reliant on fossil fuels.

The AGM also sparked protests outside Shell’s global headquarters in London, demonstrating rising public dissent against fossil fuel practices. Organisations such as Amnesty International and Greenpeace UK supported the protests, condemning legal injunctions that seemed to restrict environmental demonstrations at the hotel where the AGM was held. Critics accused Shell of using the injunction as a shield against scrutiny, with accusations of stifling legitimate environmental concerns.

In light of these internal and external pressures, Shell is now tasked with critically evaluating its operations and articulating a coherent response that reconciles shareholder interests with a responsible approach to climate change. The outcome of this shareholder vote signifies that the expectations for transparency and responsibility continue to intensify, reflecting wider societal concerns about environmental sustainability and the roles that major energy companies play in addressing these challenges.

As the landscape of energy production evolves, the relationship between shareholders and corporations like Shell may increasingly depend on a mutual understanding of how to navigate the intricate balance between profitability and environmental responsibility. A commitment to transparency and sustainability may not only determine corporate success but also influence public trust and the future of energy systems globally.

### Reference Map

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## Bibliography

1. <https://www.independent.co.uk/news/business/shell-suffers-investor-revolt-over-gas-production-impact-on-climate-plans-b2754607.html> - Please view link - unable to able to access data