



FONDO PENSIONE NAZIONALE A CAPITALIZZAZIONE
PER I LAVORATORI DELLE FERROVIE DELLO STATO

EUROFER

Data : 17/12/2020

Prot. : 77694/2020



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Royal Dutch Shell plc
PO Box 162
2501 AN The Hague
The Netherlands

Alla cortese attenzione di:

Mr Andreas Bork, Senior Investor Relations Officer, Socially Responsible Investors

RE: Dialogue on ESG matters regarding your company

Dear Mr. Bork,

Fondo Pensione EUROFER is the pension fund for employees of the Italian State Railways, established in March 2002 as a non-profit organization with the goal of ensuring the associated workers their standard of living during retirement, thanks to an additional contribution pension plan, complementary to the public one.

As of December 31st, 2019, over 75,000 active workers from 117 companies were members of the fund with assets under management of €1,153,779,296 a portion of which is invested in shares of your Company.

EUROFER integrates the principles of sustainability and ESG (i.e. environmental social and governance) in its investment strategies, coupled with investment principles of a typical pension fund, which require a non-speculative investment approach, a long-term time horizon, a low portfolio turnover, and a stable relationship with its members. All investments (both equity and debt) of EUROFER follow a social responsibility policy.

With this letter, we bring to your attention specific ESG aspects with the aim of creating a positive, constructive and long-term dialogue, specifically on reports regarding **your policy and business plans with targets in line with Paris Goals**

EUROFER, in line with a similar request from some investor networks, invites your company to define and publish targets in line with the Paris climate agreement goal of limiting global warming to well below 2 ° C. above pre-industrial levels.

These targets must cover the greenhouse gas (GHG) emissions of the company's operations and the use of its energy products (Scope 1, 2 and 3), must be short, medium and long term and must be reviewed regularly according to the best science available.

Your company should base these goals on quantitative metrics such as GHG intensity metrics (GHG emissions per unit of energy) or other quantitative metrics that the company deems suitable to align its goals with a path to contain the rise in temperature global well below 2° Celsius.

The company's annual reporting should include information on plans and progress to achieve these goals (at reasonable cost and preserving confidential information).

1

The oil and gas industry can make a decisive contribution to whether or not to achieve the goal of the Paris Agreement on climate change. Therefore, oil and gas companies need the support of their shareholders to change course: firstly to align their goals with the Paris climate agreement, and secondly to invest accordingly in the energy transition to net zero emissions strategy.

EUROFER interprets this support as part of its fiduciary duty. A growing international consensus has emerged among financial institutions that climate-related risks are a source of financial risk, and therefore achieving the Paris targets is essential for risk management and responsible management of the economy. Institutional investors predict that they cannot achieve an acceptable return on capital in a world economy devastated by devastating climate change.

The reduction of absolute emissions from the use of energy products (Scope 3) is essential for achieving the goal of the Paris Agreement on climate change, and therefore your company should include them and set targets for all emissions (Scope 1, 2 and 3) that are aligned with a target well below 2 ° C throughout the energy sector.

In 2017, following significant shareholder support for a similar resolution on climate targets, Royal Dutch Shell plc first issued a statement in the industry that it intends to include Scope 3 emissions in its ambition to halve the carbon intensity of energy products by 2050. However, halving the intensity of emissions in a growing energy system will not lead to the level of absolute emission reductions necessary to achieve the Paris Agreement goal, so it is not a path aligned with the 'containment target well below 2 ° C'.

Furthermore, this ambition has not translated into an adequate modification of investments in sources other than oil and gas. On the contrary - according to the consultancy Rystad Energy - Shell's medium-term investments aim to increase oil and gas production by 38% by 2030. Every fossil fuel company needs visible and unambiguous support from shareholders to (1) truly align its goals with the Paris Agreement and (2) invest accordingly.

EUROFER believes the Royal Dutch Shell could thrive in the energy transition and therefore we encourages you to set goals that are inspiring for society, employees, shareholders and the energy sector, enabling the company to meet growing energy demand and reducing at the same time GHG emissions at levels compatible with the international consensus represented by the Paris Agreement on the climate.

We hope that you will consider our requests as a stimulus to obtain greater consensus from all your stakeholders.

We await a kind reply to our requests and are ready to carefully analyze any further documentation regarding the points highlighted.

Sincerely,


Avv. Antonella D'Andrea, Presidente

