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Shell: investor campaigners strike blow on tar sands

11% of votes decline to support management



by **Daniel Brooksbank** | May 18th, 2010

Shareholders have fired another warning shot across the bows of an oil major with just under 11% of shareholder votes at today's annual general meeting of oil giant Shell refusing to back management over the controversial Canadian tar sands issue.

The FairPensions charity had led a 142-strong investor coalition backing a special resolution calling on the company to report on the financial, social and environmental risks associated with tar sands extraction.

The group called it a "a significant result for a shareholder resolution focused on environmental and social risk". A similar proposal at BP's AGM last month saw more than 15% of the share register decline to back company management.

FairPensions' campaigns director Duncan Exley said the resolution had its desired effect of getting investors to take notice of the issue and pressurise the company. "It's really in the hands of the investors now," he told RI. "The argument that there are unexplained risks in tar sands is now won."

Exley pointed out that Shell released little information on tar sands before the resolution. After it was filed, the company held a road show for 50% its investors by value on the issue.

At least one prominent advocate of responsible investing, Dutch asset manager Robeco, voted against the resolution and with the company, but said it would continue to engage on the matter with Shell, Exley said.

Shell has said that the operations are strictly regulated and that it reports regularly on its environmental progress to regulators, Aboriginal neighbours and other stakeholders. It also has taken steps to "predict, manage, mitigate and monitor the environmental, socio-economic and cultural effects" of the projects.

There were 5.42% of votes in favour for the FairPensions resolution, 5.56% abstentions and 89.02% against.