

Proposal from shareholders and response from the board of directors

Item 9 for Equinor's annual general meeting 14 May 2020

Proposal from shareholder to set short-, medium-, and long-term net carbon intensity targets (including Scope 1, 2 and 3)

A shareholder has proposed the following:

"Shareholders support Equinor to set and publish targets that are aligned with the goal of the Paris Climate Agreement to limit global warming to well below 2°C above pre-industrial levels.

We support Equinor's ambition to reduce the net carbon intensity (CO₂ per unit of energy) – and therefore the greenhouse gas (GHG) emissions – of their operations and the use of their energy products (Scopes 1, 2, and 3).

We support the company to advance this ambition to short-, medium-, and long-term targets that are aligned with a well-below-2°C pathway, and to review these regularly in accordance with the best available science.

Shareholders request that annual reporting include information about plans and progress to achieve these targets (at reasonable cost and omitting proprietary information).

You have our support."

Supporting statement

Equinor's climate ambition

On 6 February 2020, Equinor set the ambition to reduce the net carbon intensity, and therefore GHG emissions, from initial production to final consumption, of energy produced (covering Scopes 1, 2, and 3). We thank the investors that voted for a similar climate resolution supporting such a step in 2019.

Scope 3

Reducing absolute emissions from the use of energy products (Scope 3) is crucial to achieving the goal of the Paris Climate Agreement, and we therefore support you to include these in your targets. This climate targets resolution reflects our belief that we need targets for all emissions (Scopes 1, 2, and 3) that are truly aligned with a well-below-2°C pathway across the whole energy sector.

Therefore, we especially welcome Equinor's ground-breaking step to include the emissions of its products (Scope 3) in its new ambition.

Moreover, we welcome Equinor's belief that "The ambition is expected to be met primarily through significant growth in renewables and changes in the scale and composition of the oil and gas portfolio" and Equinor's aim "to reach carbon neutral global operations by 2030." (Equinor's climate roadmap, 6 February 2020)

The oil and gas industry can make or break the goal of the Paris Climate Agreement. Therefore, oil and gas companies need the support of their shareholders to change course: (1) to set targets for all emissions, including Scope 3, (2) to align these targets with the goal of the Paris Climate Agreement, and (3) to invest accordingly in the energy transition to a net-zero-emissions energy system.

Fiduciary duty

We, the shareholders, understand this support to be part of our 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 goals of Paris is essential to risk management and responsible stewardship of the economy. Institutional investors foresee that they cannot make a decent return on capital in a world economy disrupted by devastating climate change.

Emissions reductions

The goal of the Paris Climate Agreement is to limit global warming to well below 2°C above pre-industrial levels, to aim for a global net-zero-emissions energy system, and to pursue efforts to limit the temperature increase to 1.5°C.

To reach that goal, the IPCC special report *Global Warming of 1.5°C* (2018) indicates that absolute net energy-related emissions should be reduced by approximately 70% * (2°C) to 100% ** (1.5°C) by 2050 relative to 2016.

* 2°C: the median pathway of the IPCC Lower-2°C pathway group (54 pathways limiting peak warming to below 2°C during the entire 21st century with greater than 66% likelihood) indicates an absolute emissions reduction of CO₂ from fossil fuels and industry (net) of approximately 70% by 2050, relative to 2016 (IPCC special report *Global Warming of 1.5°C*, 2018).

** 1.5°C: the IPCC emphasized that climate-related risks are significantly higher at 2°C than at 1.5°C and that limiting warming to 1.5°C would require CO₂ emissions to reach net zero by 2050 (IPCC special report *Global Warming of 1.5°C*, 2018)

Equinor's ambition

Equinor's ambition is to reduce their net carbon intensity by at least 50% by 2050. However, halving the carbon intensity in a growing energy system will not lead to a level of absolute emissions reduction necessary to actually achieve the goal of the Paris Climate Agreement and is therefore not on a well-below-2°C pathway.

With an expected growth of energy demand of around 40%, the net carbon intensity of energy products (CO₂ per unit of energy) should be reduced by approximately 80% (2°C) to 100% (1.5°C) by 2050.

With this climate resolution, shareholders support Equinor's first crucial step to include the reduction of the emissions of its products (Scope 3) in its ambition and support Equinor to take the next steps: advance this ambition to short-, medium-, and long-term targets that are aligned with a well-below-2°C pathway and invest accordingly.

We believe that Equinor could lead and thrive in the energy transition. We therefore encourage you to set targets that are inspirational for society, employees, shareholders, and the energy sector, allowing the company to meet an increasing demand for energy while reducing GHG emissions to levels compatible with the global intergovernmental consensus specified by the Paris Climate Agreement.

You have our support.

Item 10 for Equinor's annual general meeting 14 May 2020

Proposal from shareholder to stop all exploration activity and test drilling for fossil energy resources

A shareholder has proposed the following:

1. *Equinor stops all exploration activity and test drilling for fossil energy resources.*
2. *Equinor aims to become a leading producer of renewable energy.*
3. *Equinor withdraws from its projects abroad.*
4. *Equinor presents a plan for termination of oil and gas production."*

Equinor is the Norwegian people's oil company. Norwegian citizens currently own 67 percent of the shares, slightly more than 70 percent including the National Insurance Fund's shares. Our interests are to be protected by the Norwegian government and the Ministry of Petroleum and Energy. It seems to me, as a shareholder and citizen, as it is the interests of the oil industry that are being protected, not the citizens and future generations.

The Grandparents' Climate Campaign is therefore involved through third-party intervention for Natur og Ungdom (Nature and Youth) and Greenpeace, who have sued the Norwegian State for violation of Article 112 of the Norwegian Constitution on the Right to the Environment by allocating exploration licences in the Arctic Sea. Our Earth is being struck by ever more serious climate-related disasters. Also the Intergovernmental Panel on Climate Change makes it clear that our dependency on fossil energy sources has caused a deadly global warming that is gradually growing worse, and that we are now facing both a climate crisis and a natural crisis.

Development of new renewable energy sources is now escalating rapidly. Equinor currently has the economic muscles to become a leader in this development, while phasing out fossil energy production. This will help create many new industrial jobs that Norway needs, both at Equinor and in the supply industry.

Rather than de-escalate the activity on the Norwegian continental shelf, Equinor is planning to electrify parts of the Norwegian oil production to reduce domestic climate emissions in compliance with the Paris Agreement. Equinor should instead help reduce emissions by de-escalate the oil and exploration activity rather than using valuable renewable energy to reduce the emissions. The largest emissions are generated during the combustion of Norwegian oil and gas abroad. When also other countries are reducing their emissions, we are not guaranteed to find an economically profitable market for our oil and gas.

As a shareholder I react strongly to Equinor's projects overseas. The investments in tar sand in Alberta, Canada, caused huge pollution problems for the indigenous population and strongly affected their health and natural environment. Equinor has invested NOK 800 billion of the Norwegian citizens' assets in investments abroad. Overall, the company has not made any money on these enormous investments. Norway cannot be proud of the huge pollution problems and the global warming these projects cause.

These days we experience a global pandemic caused by the new coronavirus that there are no vaccines against or immunity against in the population. The result is a dramatic reduction of air traffic and other travelling, and a sharp decline on the global stock exchanges. This may contribute to lasting reduced demand for fossil energy. Rather than waiting for better times for the oil industry, which are not likely to come, Equinor should present a plan for rapid termination of oil and gas production.

Item 11 for Equinor's annual general meeting 14 May 2020

Proposal from shareholder to consider the health effects of global warming due to fossil energy in the company's further strategy

A shareholder has proposed the following resolution:

- "- The health effects of global warming due to fossil energy is to be considered in the company's further strategy.*
- The exploration for more oil will be terminated, both in Norway and abroad.*
- Accelerated phase-out of oil/gas production and sale, alongside a multiple increase in investments in renewable energy.*
- Reduction of greenhouse gas emissions generated by Equinor's operations in Norway and abroad as soon as possible, as required to limit global warming to well below 2°C according to the Intergovernmental Panel on Climate Change."*

Justification:

Medical doctors have an ethical obligation to raise the alarm when a major health hazard is looming. According to the world's most prestigious medical journal, The Lancet, global warming is the greatest threat to global public health in the 21st century. The climate crisis is a health crisis.

If other countries act as Norway does, and all energy companies as Equinor, the world will, according to the best current scientific estimates, be heading for a minimum global temperature rise of 3°C. This will result in an increase of heat strokes, malnutrition, starvation, diarrheal disease and other infections. This will disastrously halt or even reverse the progress in global health achieved in recent decades.

Rising oceans, flooding, drought, rising temperatures and cyclones will make large parts of the Earth uninhabitable. Several hundred million people will be forced to flee their homes. All countries, including Norway, will be affected by the health consequences caused by climate change.

As a rich country with large global greenhouse gas emissions, Norway has a special moral and economic responsibility to lead the way on climate change. Equinor contributes to Norway's largest greenhouse gas emissions. Consequently, the company has a special responsibility to steer the energy market in a more health-promoting, more sustainable and more profitable direction.

Equinor is on the right track, with some good projects and plans. Low production emission is a step in the right direction, but still only represents a small percentage of the greenhouse gas emissions generated outside Norway by the company's fossil energy production. I would like to remind you of the Urgenda climate case in the Netherlands, where the court ruling required the government to take active steps against global climate damage. Equinor is well positioned for such action, financially as well as in terms of knowledge and experience.

This is urgent, not just in light of the health threat, but also as regards the company's economy. The demand for fossil energy is declining. There is an increasing risk of litigation. Suffice it to remind you of the US tobacco companies who were sentenced to pay many billions of USD in damages to claimants. Not because they produced products that were harmful to health, but because they continued after they became aware of the health risks this involved.

Good climate actions are also good health actions. According to the World Health Organization, the health benefits of reducing global warming would alone far outweigh the costs of meeting the goals of the Paris Agreement.

Some 1000 Norwegian medical doctors recently presented a proclamation to the Norwegian parliament on the health hazards associated with climate change. I would like to remind the government representatives present – who last year voted against all shareholder proposals addressing climate change – that the State is us, the people. Climate change currently tops the list of concerns among Norwegians, according to a recent pre-coronavirus public opinion poll. This concern is shared by many Equinor shareholders and employees. The company will from now on not be able to argue that it did not know. Without a significant change of course Equinor risks a crushing judgment of history.

Item 12 for Equinor's annual general meeting 14 May 2020

Proposal from shareholders to refrain from oil and gas exploration and production activities in certain areas

Two shareholders have proposed the following resolution:

"Equinor must abstain from exploration and drilling in frontier areas, immature areas, and in areas with high biodiversity importance. These activities are not in the best long-term interest of its shareholders."

To reach the goals in the Paris agreement, the global carbon emissions needs to be halved by 2030. In 2019 Equinor set an all-time-high production record. In 2020 they expect a yearly production increase by 7% in 2020, and exploration activity of around USD 1.4 billion. Equinor's increased focus on reduced emissions from production is positive, but does not change the fact that more than 90 percent of the emissions comes from the end use, not the production.

Equinor has stated their support for the Paris agreement, and through the report Energy Perspectives 2019, they concluded that current climate action is far from enough to keep the global warming under two degrees. Increased production of oil and gas is not in line with global targets of reducing carbon emissions.

Climate change and nature degradation are two leading reasons for the current global nature crisis as documented in WWF's Living Planet Report 2018. Oil and gas exploration, production and its related infrastructure contributes to loss and degradation. These arise e.g. from oil spills, local pollution, fragmentation through infrastructure, and noise of seismic operations.

To reduce the climate risk that includes financial, reputational, physical and liability risk, the shareholders ask Equinor to abstain from exploration and drilling in frontier areas, immature areas, or in areas with high biodiversity importance.

Definitions:

Frontier areas, as defined here: New areas with no previous history of production. An example of this is areas where there is no history of offshore petroleum production and the region supports a complex and pristine marine wilderness environment of significant ecological value.

Immature areas, as defined here: Areas with lack of existing infrastructure and/or about which there is little knowledge about the geology and/ or with greater extent of technical challenges. An example of this is the northern and eastern part of the opened areas of the Barents Sea.

Areas with high biodiversity importance, as defined here (VME, EBSA):

VME: <http://www.fao.org/in-action/vulnerable-marine-ecosystems/definitions/en/>

EBSA: <https://www.cbd.int/ebsa/>

Item 13 for Equinor's annual general meeting 14 May 2020

Proposal from shareholder to stop all oil and gas activities outside the Norwegian continental shelf

A shareholder has proposed the following resolution:

1. *Equinor will stop all oil and gas activities outside the Norwegian continental shelf as soon as possible and sell its rights to other market players.*
2. *Equinor will be split up in two companies, one for oil and gas activities on the Norwegian continental shelf, and one for global renewable energy.*
3. *Equinor will stop all drilling on the Norwegian continental shelf.*
4. *In addition, the Norwegian State will reduce its risks relating to ownership in Equinor by divesting its ownership stake as soon as possible."*

An example of how item 2 can be done is found in Denmark. DONG was a national oil and gas and energy company. The company was split into two parts, the oil and gas business was sold to other market players and a new company (Ørsted A/S) was established, focusing on renewable energy in Europe and electricity production in Denmark.

As an Equinor shareholder I wish to protect the value of my shares and reduce the Norwegian State's risks relating to Equinor's global oil and gas operations. At the same time Norway must meet its obligations with regard to keeping global warming below 2°C.

The market situation for oil and gas activities is now as follows:

1. The share prices of oil and gas companies keep declining, whereas shares in companies in the renewable energy sector are sharply increasing.
2. Equinor's oil and gas operations overseas have generated great losses and write-offs for the company. Equinor is now active in many countries with a high risk of corruption.
3. There is much more oil and gas in the existing global reservoirs than can be extracted if the UN's 2°C target is to be met. So, new drilling projects in the Norwegian sector must be stopped.
4. It is highly likely that the price of oil will keep declining and Equinor may end up with stranded assets that will have a substantial effect on the value of the company and, not least, the Norwegian State's revenues after granting governmental subsidies for new reservoir drilling.
5. The costs of oil and gas production in the Norwegian sector are much higher than, say, in Saudi Arabia or Russia, which are both likely to continue producing as long as there is a demand.
6. Equinor's oil and gas products sold generate some 300 million tonnes of CO₂ emissions per year. This is 7.5 times Norway's onshore emission.
7. Equinor's activities within sustainability, Scope 1, 2 and 3, are not impressive. One model is Microsoft, who aims to recover all CO₂ emissions from the atmosphere that they and their suppliers have generated since 1975, by 2050. This is a hopeless activity for Equinor, as the company generates some 300 million tonnes of CO₂ emissions per year through oil and gas sales.

There are Norwegian plans to again start CO₂ absorption and transportation from onshore industrial plants for injection (CCS) into Equinor's oil wells in the Norwegian sector. This is an extremely costly process that has no future until the CO₂ quota price is over NOK 2,000 per tonne of CO₂. It is currently at about NOK 250 per tonne of CO₂ in the EU quota system. By way of comparison, USD 30 per barrel corresponds to about NOK 2,300 per tonne of oil, about the same as the costs of CCS from Norway into Equinor's wells (cf. governmental report no. D014a, 2016). This clearly shows how hopeless the CCS process is economically.

All of this is not new, in and of itself, and many people have discussed and written about this, including Norsk Klimastiftelse (the Norwegian Climate Foundation, memo no. 1/2020).

Item 14 for Equinor's annual general meeting 14 May 2020

Proposal from shareholder regarding new direction for the company including phasing out of all exploration activities within two years

A shareholder has proposed the following resolution:

"The board will present a strategy for real business transformation to sustainable energy production, thus reducing shareholder risk and ensuring shareholder value. The strategy is assumed to be based on the following intermediate objectives:

- 1. Full phasing out of all exploration activity and exploratory drilling for fossil energy resources by 2022.*
- 2. Full focus on renewable energy development and production offshore and onshore, aiming at full energy balance by 2030.*
- 3. Start of fossil-based energy production phase-out now, aiming at full phase-out by 2040.*

The strategy, including environmental impact assessment, to be presented to the 2021 annual general meeting."

The winter of 2020 was the mildest in Norway in 120 years, and the ice is quickly melting at both poles. The global average temperature in 2019 was one of the highest ever measured. As you know, the strong heating is mainly driven by increased human-induced climate change due to increased emission of the greenhouse gas CO₂ from the combustion of fossil fuels such as oil and gas. Equinor is one of the world's biggest producers of oil and gas. While the alarm has been raised among investors and insurance companies, Equinor has, according to the company's new climate roadmap, no plans to reduce its equity production of oil and gas in the years ahead, quite the contrary. Exploration and test drilling will continue like before.

Equinor, however, deserves credit for declaring in the climate roadmap that the company will increase its focus on renewable energy and other measures to reduce the company's own carbon intensity from produced energy by at least 50 % by 2020. This, however, is too little, too late.

Equinor's steady course for continued oil and gas production is not sustainable, neither for the company, nor for the next generations. When the Central Bank of Norway recommends the Norwegian State to withdraw Government Pension Fund investments from small-sized oil companies, Equinor should listen. As a responsible energy company Equinor must reduce the risk by altering the course, thus ensuring the company's future and shareholder values. Increased focus on renewable energy should not come in addition to, but rather replace oil and gas. The planned multi-billion USD investments in exploration activity and test drilling must be replaced by investments in the production of renewable energy. Equinor should set an example for other oil companies and lead the way out of fossil fuel dependency.

The board's response to proposals from shareholders related to climate change, environment and the energy transition, item 9-14 at Equinor ASA's annual general meeting 14 May 2020

Climate change represents one of the greatest challenges of our time and Equinor strongly supports the ambitions of the Paris Agreement.

The company has therefore – as an integrated part of the company's strategy work – updated and established a new and holistic Climate Roadmap to ensure a competitive and resilient business model in the energy transition, fit for long term value creation and in support of a net zero society in 2050.

In short, Equinor's new Climate Roadmap and ambitions cover the following:

- Reduce the net carbon intensity (an intensity metric which take GHG emissions and energy into account) from initial production to final consumption, of the energy produced with at least 50% by 2050. In addition to the below, further development of new businesses such as carbon capture, utilisation and storage (CCUS) and hydrogen will be important to reach such ambition. Equinor may also use recognised offset mechanisms and natural sinks (forest protection) as a supplement.
- Grow renewable energy capacity tenfold by 2026, and become a global offshore wind major.
- Reduce absolute emissions from operated offshore fields and onshore plants in Norway by 40% by 2030, 70% by 2040 and to near zero by 2050.
- Reduce CO₂-emissions per barrel oil and gas produced to below 8 kg by 2025 from operated fields.
- Carbon neutral operations globally by 2030.
- Eliminate routine flaring before 2030 and maintain methane emissions near zero.
- Continue to apply an internal price on CO₂-emission of at least USD 55 per tonne in investment decisions.
- Continue to embed climate in Equinor's performance and reward framework, and use voice to drive change.
- Continued support to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

These are short-, mid- and long-term ambitions to reduce Equinor's own greenhouse gas emissions in line with the emitter pays principle and to shape our portfolio in line with the Paris Agreement. The Climate Roadmap describes the pathway – including necessary investments – to ensure competitiveness and drive change towards a low carbon future in line with the Paris Agreement.

Equinor will produce less oil in a low carbon future, but value creation from hydrocarbons will still be high, and renewables will give significant new opportunities to create attractive returns and growth.

Equinor's strategy remains clear; always safe, high value and low carbon. The company operates in accordance with laws, regulations and permits and addresses health and safety issues for all employees. We are committed to preventing harm to the environment. We take a precautionary approach and work according to corporate requirements and risk-based local good practices to manage our environmental performance. Safe and responsible operations are essential for our license to operate and an enabler of long-term value creation.

The board emphasises the importance of complying with the principles of good corporate governance. The board is of the opinion that the company's climate strategy, as described above, is supporting a sustainable and balanced transition to a low carbon society.

Consequently, the board of directors recommends the annual general meeting to vote against the proposals from the shareholders.

Equinor wishes to use this opportunity to thank the shareholders for this important engagement as the company strongly believes in a collaborative and transparent approach consistent with the goals of the Paris Agreement.