

# Proposals from shareholders and response from the board of directors

## THE SHAREHOLDERS PROPOSALS FOR EQUINOR ASA'S ANNUAL GENERAL MEETING 10 MAY 2023

### Item 8 for Equinor's annual general meeting 10 May 2023

#### **Proposal from shareholder that Equinor ban the use of fiberglass rotor blades in all new wind farms, commits to buy into existing hydropower projects and conduct research on other energy sources such as thorium**

Shareholder Roald Skjoldheim has proposed the following resolution:

- «1. Equinor bans the use of fiberglass rotor blades in all new wind farms. And do not replace old fiberglass rotor blades with new ones.
2. Equinor must make a greater commitment to buying into existing hydropower projects, aiming to upgrade the plants nationwide.
3. Equinor should conduct research on other energy sources, such as thorium.»

The shareholder's supporting statement:

Concern for the future of the wind power industry

The demand for energy is ever increasing. We recently passed 8 billion people on this planet. And most of us need electricity or energy. We use electrical energy to heat our homes, we use electrical energy when we cook our food, the fridge needs electricity to keep food cool, etc.

Basically, wind power is a good and smart solution. Until the wind farm reaches its design life, and things need to be replaced. And recycled. This is where things start to get tricky. All metal is treated separately, the oil is treated separately, and the rotor blades... well, the rotor blades... they are garbage. There is currently no effective way to get rid of them. There have been some attempts at doing away with them. In some places, the rotor blades are used for other things. They are often reused in play parks for children, they can be shaped as parking sheds for bicycles, they can end up as "art". In some places, the rotor blades are ground up to dust. And the dust has been mixed with concrete. However, this has more or less stopped. Either because the quality of the concrete turned out to be so poor that the concrete could not be used, or it was stopped because the amount of dust was much greater than what could be mixed into the concrete. In any case, they have now come up with another "ingenious" solution. Simply burying the waste. Let future generations solve our problems. Meanwhile, Mother Nature decomposes the rotor blades. And it is not difficult to imagine particles from the rotor blades finding their way into water and soil. The medical profession in the future is going to be extremely busy because of the mistakes we make today.

Proposals for Equinor's annual general meeting:

#1 – Ban the use of fiberglass rotor blades in all new wind farms. And do not replace old fiberglass rotor blades with new ones.

There must be other materials that are better to use than fiberglass. Glass, which is 100% recyclable into infinity. Hemp, which can be produced without a too big ecological footprint. There are probably better alternatives than this as well. In the worst case, Norway will be the first nation on the planet to ban wind power generation, until the companies behind the wind farms manage to come up with a recyclable solution.

#2 – Since Norway is blessed with high mountains and deep valleys, hydropower is something we have used a lot of in this country. Equinor must make a greater commitment to buying into existing hydropower projects, aiming to upgrade the plants nationwide. If hydropower plants had generated power by means of newer technology, we as a society would have received more electricity. We could almost have stopped looking for other energy sources. Hydropower plants are currently effectively prevented by the country's authorities from supplying us with clean hydropower due to fees and taxes. Therefore, Equinor should invest some of its profits in bringing hydropower projects up to today's standard, enabling them to produce clean electricity at 100% capacity.

#3 – Research on other energy sources

Equinor should conduct research on other energy sources, such as thorium. The Americans have done most of the research work here. In the long term, two thorium reactors should be built, each next to a nuclear reactor. Because you can burn plutonium (the waste from the nuclear reactor) in a thorium reactor. This will be a very lucrative business, as all of the nuclear countries on the planet do not have a very good plan to get rid of their nuclear waste. As of today, it is either stored or used in the arms industry. Norway can live off other nuclear waste as long as there is enough uranium.

## Item 9 for Equinor's annual general meeting 10 May 2023

### **Proposal from shareholders that Equinor identify and manage risks and possibilities regarding climate, and integrate these in the company's strategy**

Shareholders WWF and Greenpeace have proposed the following resolution:

*"Equinor identify and manage risks and possibilities regarding climate, and integrate these in the company's strategy. The company sets targets and implements measures to reduce greenhouse gas emissions over a short- and long-term period in line with the target to limit global warming to 1.5 °C, and report to shareholders on progress against these targets. Targets and measures include the entire supply chain (scope 1, 2 and 3) and entails an absolute reduction in greenhouse gas emissions."*

The shareholders' supporting statement:

Equinor launched a new Energy transition plan in spring 2022, which was meant to lay out how the company will reach its climate targets. However, the Energy transition plan lacks concrete milestones for how the company will achieve net zero by 2050. For example, it does not include a single estimate for how much oil and gas the company is planning to produce in 2030 or 2050. Several shareholders, among them Storebrand, voted against the Energy transition plan at last year's AGM on the basis that it did not include targets on absolute reduction in supply chain emissions.

One of Equinor's climate targets is to reduce net carbon intensity by 20% by 2030, 40% by 2035 and to reach net zero by 2050. The challenge with a carbon intensity goal, instead of a target that shows a pathway for reduction in absolute emissions, is that it is easy for Equinor to reach the target by increasing production of renewable energy, or purchasing quotas and natural carbon sinks, while at the same time continuing to develop new oil and gas projects that go against the 1.5 °C target. The UN High-Level Expert Group on the Net-Zero Emissions Commitments recommends non-state actors to focus on absolute emissions across their whole supply chain, rather than on reducing their carbon intensity.

The fact that Equinor lacks an actual plan for reducing oil and gas production is further evidenced by the projects that the company is planning to develop in coming years. Environmental organisations from across the world are opposing the company's plans to develop Bay Du Nord in Canada, Rosebank in the United Kingdom, the exploration activity along the coast of Argentina, the Bacalhau field in Brazil and the Wisting field in the Barents Sea.

In Autumn 2022 the Minister for Trade and Industry Jan Christian Vestre presented the ownership-report to the Parliament (white paper): The Greener and more active state ownership - The State's direct ownership of companies. In this white paper, the consideration of sustainability in the State's goal as an owner has been clarified and strengthened. For companies that primarily operate in competition with others, which includes Equinor, the State's goal has been altered to the "highest possible return over time in a sustainable manner".

This has been further defined in the following way (s.12.2): By expressing clear expectations of the companies, the State wants to contribute to attaining the State's goal as an owner in a sustainable manner. This requires the companies to balance financial, social and environmental factors without reducing the ability of future generations to meet their own needs.

The undersigned shareholders think it's clear that Equinor's investment plans are not aligned with the State's goal of ensuring the ability of future generations to meet their own needs. This forms the basis for our draft resolution in which we ask Equinor to conform to the guidelines given in the white paper on state ownership and ensure that the company reduces its absolute emissions associated with both production and the wider supply chain in line with the target to limit global warming to 1.5 °C.

## Item 10 for Equinor's annual general meeting 10 May 2023

### **Proposal from shareholder that Equinor stops all exploration and drilling by 2025 and provides financial and technical assistance for the repair of and development of Ukraine's energy infrastructure**

Shareholder Guttorm Grundt has proposed the following resolution:

- "1. Equinor introduces full stop of all exploration drilling for fossil energy resources on the Norwegian continental shelf and abroad by 2025*
- "2. Equinor will provide financial and technical assistance for the repair and development of Ukraine's energy infrastructure with emphasis on energy security and renewable energy worth an average of NOK 15 billion per year in the period 2023-2027."*

The shareholder's supporting statement:

Equinor has never made more money than in 2022. Thanks to the high natural gas prices Equinor makes more money than any other Norwegian company in history. Adjusted earnings after tax totaled as much as NOK 234 billion, and approximately NOK 170 billion of this goes to shareholders, and just over NOK 1 billion in bonuses to a majority of the employees. Parts of the profit are allocated to an increase in new investments in both fossil and renewable energy, but mostly to oil and gas.

The record earnings are not a result of extraordinary efforts by the management and employees, but are driven by artificially high natural gas prices due to the energy crisis in Europe as a consequence of Russia's belligerent invasion of Ukraine. Equinor makes good money from this war, but I would not characterize our Equinor as a war profiteer, as some critics do. But the extraordinarily high revenues can give you certain associations to war profiteering.

In his presentation of the IPCC's sixth and gloomy Synthesis Report, United Nations Secretary-General Antonio Guterres said that "Humanity is on thin ice, and that ice is melting fast." He calls on rich countries to accelerate the goal of zero emissions. "Our world needs climate action on all fronts – everything, everywhere, all at once, and he added: "To reach the net zero emissions targets we must stop all oil and gas exploration and new projects." He made no exception for Equinor.

The World Bank has estimated that the reconstruction of buildings and infrastructure destroyed by Russian warfare will cost about USD 411 billion, or about NOK 4,300 billion over the next few years. The Norwegian government has promised Ukraine to pay NOK 75 billion over the next 5 years, i.e. 17 per thousand of the need, or a little more than a drop in the ocean. That is, 15 billion per year.

As shareholders we are now facing a serious ethical dilemma: Should Equinor let the entire profit created by the Ukraine war go to the acquisition of its own shares and to dividends to shareholders, etc., or should the company let a small, but important, part go to rebuilding Ukraine's destroyed energy infrastructure and new renewable energy? By "matching" the government's support of NOK 15 billion per year, the dividend this year, for example, will only be reduced from NOK 170 billion to NOK 155 billion. It's more than a drop in the ocean, but still one of the fattest dividends in Equinor's history.

Guttorm Grundt  
Shareholder  
Member of the Grandparents' Climate Campaign

## Item 11 for Equinor's annual general meeting 10 May 2023

### Proposal from shareholder that Equinor develops a procedure for greatly improved process for responding to shareholder proposals

Shareholder Even Bakke has proposed the following resolution:

*"The Board of Directors and Group Management shall develop a procedure for a greatly improved process for responding to shareholder proposals submitted at the Annual General Meeting."*

The shareholder's supporting statement:

Why don't the governments and Equinor listen to proposals from Norwegian shareholders?

For many years, Norwegian shareholders have submitted proposals or resolutions for approval by the annual shareholders meeting (AGM), related to international oil and gas exploration, drilling and production, the environment and energy transition. These proposals have been consistently voted down by the representative from the Ministry of Trade and Industry, who represent the State's 67% ownership in Equinor. The vote is based on meetings with Equinor's Board of Directors and Group Management before the annual general meeting. It later emerged that in many cases, Equinor had later carried out what was proposed. An earlier action would have saved Equinor and the Norwegian state large sums of money. Here are some examples:

Proposal: Statoil (Equinor) to divest its tar sands activity in Canada.

Proposal from 2009: Not accepted by the Government's representative based on recommendation by Statoil's (Equinor's) board of directors. The proposal was repeated in 2010, 2011, 2012, 2013, 2014 and 2016, each time voted down by the Government's representative. Statoil sold its tar sands operations in Canada in December 2016 with a loss of more than NOK 4.2 billion.

Proposal: Statoil (Equinor) to develop an energy transition plan.

Proposal from 2015: Not accepted by the Government's representative based on the recommendation of Statoil's (Equinor's) board of directors. The proposal was repeated in 2016, 2017, 2018, 2019, 2020 and 2021. In March 2022, Equinor presented their "Energy transition plan".

Proposal: Equinor will stop drilling in the waters south of Australia.

Proposal from 2019: Not accepted by the Government's representative based on the recommendation of Equinor's board of directors. In February 2020, Equinor pulled out of the area.

Proposal: Equinor to pull out of US onshore oil and gas activities (fracking).

Proposal from 2020: Not accepted by the Government's representative based on the recommendation of Equinor's board of directors. In February 2021, Equinor pulled out of onshore activities and reported financial losses of NOK 200 billion, with no consequences for members of the board of directors or the corporate executive committee.

And the story repeats itself:

In the 2022 AGM, these were, among several proposals, voted down by the Government's representative:

- Proposal from shareholders that Equinor introduce a climate target and emissions plan in line with the 1.5°C target.
- Proposals from shareholders that Equinor declare the Norwegian sector of the Barents Sea as a voluntary exclusion zone and prioritize its offshore activities in the Norwegian sector and rapidly increase its investments in renewable energy.
- Proposal from the shareholder that Equinor's board of directors develop a concrete action plan for quality assurance and anti-corruption.

In the period from 2006 to 2022, Norwegian shareholders have submitted 43 proposals. One proposal was accepted by the AGM in 2015, and 42 have not been adopted. The government itself has not made any proposals during this period. Many of these proposals are largely supported by the Norwegian population and politicians in the Storting.

Why is this:

Equinor's board of directors and corporate executive committee have enormous power because their majority owner, the Norwegian state, which owns 67% of the shares, represented by the Ministry of Trade and Industry, does not have the will or competence to challenge Equinor's board of directors and corporate executive committee when it comes to these proposals.

Furthermore, in contrast to the usual international principles for limited liability corporations, where the AGM chooses the composition of the board of directors, Norway has a very special law stating that for larger corporations, the corporate assembly chooses the composition of the board of directors and not the annual general meeting. The corporate assembly and the nomination committee consists only of Norwegians with limited or no international experience, in a company that declares to be present in 30 countries!

Therefore, shareholders in the AGM cannot elect the composition of the board of directors or challenge its members and the group management with regard to their individual and general performance of duties "according to good governance principles".

Therefore, to improve the company governance, the AGM should elect the composition of the board of directors and not the corporate assembly. Thus, Equinor could benefit from the shareholders' professional knowledge of the Norwegian and the international business environment and trends. Shareholders should also be able to challenge the members of the Board of Directors and Group Management in their handling of critical issues and situations.

The current situation is that Equinor's board of directors and corporate executive committee have sole power.

Even Bakke, Ph.D. Chemical Engineer

Former head of ABB's global environment business.

Member of the Grandparent's Climate Campaign

## Item 12 for Equinor's annual general meeting 10 May 2023

### **Proposal from shareholder that Equinor's ends all plans for activity in the Barents Sea, adjusts up the investments in renewables/low carbon solutions to 50 percent by 2025, implements CCS for Melkøya and invests in rebuilding of Ukraine**

Shareholder Gro Nylander has proposed the following resolution:

1. *Equinor's current activity in the Barents Sea ends. Further plans for this area are shelved.*
2. *Equinor's gross investments in renewables/low-carbon solutions are 50 percent (up from 30) by 2025.*
3. *Equinor implements carbon capture and storage (CCS) for Melkøya. The figures for the company's price calculation are published and compared with alternative calculation methods.*
4. *Equinor invests part of the huge increase in revenues brought about by the war in Ukraine to help rebuild the country."*

The shareholder's supporting statement:

Equinor has long known that the use of fossil energy leads to harmful climate change. Recovering more oil/gas is incompatible with the 1.5°C target. Cf. the UN's Red alert. O & G activity, for example in the Barents Sea, is also vulnerable and unprofitable.

Many shareholders are concerned that the company will face enormous claims for damages in the future. A number of pending lawsuits have been filed against both states and oil companies. Due to the current indisputable climate change, plaintiffs are increasingly gaining ground. Cf. tobacco companies in the U.S. that were ordered to pay billions in damages because they continued after they had knowledge of definite health damage.

Too little, too late Equinor seeks to appear as a green company, as is clear from its advertising campaigns. The company should be commended for what it actually does, including the engagement in wind power. The goal of zero emissions by 2050 and 30 percent gross investment in renewables/low-carbon solutions by 2025 sounds good. But Equinor's investment in renewable energy is still pitiful. Reportedly, over 99 percent of the company's investments in energy were still in fossil energy in 2022.

Shareholders want transparency about CCS price at Melkøya

The company aims to electrify Melkøya with power from shore. A good thought – which unfortunately will be disastrous for Finnmark's energy supply. Carbon capture is getting well developed. Equinor's investment in CCS in Northern Lights is one example. The company considers CCS to be too expensive for Melkøya. With earnings of around three billion daily, the company can afford it. In any case, Equinor's price calculations are far higher than other similar calculations. The shareholders want a reassessment.

Equinor is profiting greatly from the war in Ukraine, for understandable reasons. The company should therefore, in addition to what the Norwegian state does, establish some form of reconstruction fund.

The verdict of history on Equinor may be harsh. The management will – the way they now proceed – presumably be characterized as "climate criminals", because the company steadily continues to produce fossil-based energy, even though all the arrows pointed towards a catastrophic development of living conditions on the planet.



After the war, J.C. Hambro, president of the Storting, characterized the Nygårdsvold government's efforts as follows:

"They did the best they could. That will be their excuse, and that will be their verdict."

Apart from financial results, is Equinor doing the best it can?

Gro Nylander, MD, Dr. PhD

Senior consultant

Member of The Norwegian Grandparents' Climate Campaign

Specialist in Obstetrics, Gynecology, Medical Genetics

Member of the Norwegian Medical Association

Professional literary author

Commander of The Royal Norwegian Order of St. Olav

## Item 13 for Equinor's annual general meeting 10 May 2023

### **Proposal from shareholder that Equinor stops all exploration and test drilling for oil and gas, becomes a leading producer of renewable energy, stops plans for electrification of Melkøya and presents a plan enabling Norway to become net-zero by 2050**

Shareholder Bente Marie Bakke has proposed the following resolution:

On behalf of the Grandparents' Climate Campaign, I submit the following shareholder proposals to Equinor's annual general meeting on 10 May 2023:

- 1. Equinor stops all exploration and test drilling for oil and gas*
- 2. Equinor aims to become a leading producer of renewable energy*
- 3. Equinor stops plans for electrification of Melkøya. Instead, the possibilities for CO2 capture and storage must be explored*
- 4. Equinor presents a step-down plan for oil and gas production, enabling Norway to become net-zero by 2050."*

The shareholder's supporting statement:

Due to growing climate disasters worldwide, I as a grandmother have been worrying for many years about my grandchildren's future living conditions. I have therefore been a member of BKA for 13 years. This concern is not just related to my own grandchildren, but also the children and grandchildren of all of you present here. Whether you are shareholders, members of Equinor's board and corporate executive committee, cabinet ministers, or the state's representative from the Ministry of Trade, Industry and Fisheries, your decisions will determine whether your children and grandchildren can also have a livable future.

According to UN Secretary General Antonio Guterres we must stop all exploration for more oil and gas in order to reach the goals of the Paris agreement. He maintains that the failure of world leaders to address climate change must be regarded as criminal.

The International Energy Agency (IEA) has also stated for several years that there is no room for any new oil and gas fields if we are to avoid the worst consequences of climate change.

In spite of this, the government has this year opened bidding for 47 new exploration areas and submitted another 92 areas for consultation, most of them in the vulnerable Barents Sea. Common to all of them is a long distance to existing infrastructure. In the event of a discovery, the development will be expensive and there will be no revenues until in the 2040s. Moreover, the oil activity in the Barents Sea has been a failure for Norway, both in terms of discoveries and economy. The Office of the Auditor General has also pointed out that oil spill preparedness in the Barents Sea is inadequate.

On 30 March, Minister of Trade and Industry, Jan Christian Vestre, stated at the conference "The Bridge to the Future" that the Government will invest heavily in renewable energy and green industry. We in BKA find this is very positive. But the Minister did not problematize the fact that the oil industry is draining the country of most of our skilled labour. New green businesses are unable to find qualified workers. Equinor must therefore step down its oil-related activities and instead become a leading player in the production of renewable energy and the development of new, green industry.

Equinor plans to greenwash production by electrifying oil platforms to reduce Norwegian greenhouse gas emissions. Unfortunately, it does not help when Norwegian oil and gas are combusted abroad. The plans for electrification of Melkøya represent one such project, powering the plant from shore. This will result in major encroachments on untouched nature and Sami areas, in addition to a severe shortage of electric power for households and businesses in Northern Norway. Instead, the possibilities for carbon capture and storage must be explored. Here Norway can become a leading nation.

Article 112 of the Norwegian Constitution is both a human rights clause and an environmental clause. Although Young Friends of the Earth Norway and Greenpeace lost the climate lawsuit in the Supreme Court, the verdict contains clear guidelines that concern the Norwegian oil industry. The Norwegian National Human Rights Institution (NIM) understands the ruling to mean that future production licences for oil and gas must be balanced against the impact these will have on our ability to reach the 1.5-degree target. Equinor must therefore present a step-down plan for oil and gas production, enabling Norway to become net-zero by 2050, as we have committed to.

For the Grandparents' Climate Campaign

Bente Marie Bakke (sign.)

Member of the National Executive Committee

Former group leader for the Green Party in the local council of Vestby

Former Member of Parliament for the Conservative Party (1981-89)

## Item 14 for Equinor's annual general meeting 10 May 2023

### **Proposal from shareholder that Equinor's management let the results of global warming characterise its further strategy, stops all exploration for more oil and gas, phase out all production and sale of oil and gas, multiplies its investment in renewable energy and CCS and becomes a climate-friendly company**

Shareholder Gro Nylander has proposed the following resolution:

As a medical doctor and a shareholder, on behalf of the Norwegian Health Professionals' Climate Action, I ask Equinor's annual general meeting to please adopt the following proposals:

- *Equinor's management reads up on the suffering and death caused by global warming due to fossil energy, and lets this characterise its further strategy.*
- *Equinor stops all exploration for more oil/gas in Norway and abroad.*
- *Equinor drafts a binding plan for phasing out all production and sale of oil and gas in Norway and abroad as soon as possible.*
- *Equinor multiplies its investments in renewable energy and CCS.*
- *Equinor improves its reputation by implementing this, becoming a forward-looking, climate-friendly company that assumes responsibility for future generations' health and quality of life."*

The shareholder's supporting statement:

The climate crisis is a health crisis. Global health organisations, including the Norwegian Medical Association, have in a joint statement referred to global warming as the greatest current threat to global public health<sup>1</sup> Climate change will undo the progress made in global health over the past decades. Medical doctors have an ethical obligation to raise the alarm about major health hazards.

According to the Norwegian Institute of Public Health, children under the age of five today bear an estimated 88 percent of the burden of disease associated with climate change. This starts in the womb. Pregnant women are also a particularly vulnerable group. In general, extreme weather leads to an increased incidence of lung/cardiovascular disease, asthma and allergies, infections, post-traumatic stress disorders, depression, and anxiety<sup>2</sup>.

If energy companies continue along their current path, the world will, according to today's best scientific estimates, head for a global warming of 3°C, or more. Rising sea levels, floods, droughts, heat, and cyclones will make large parts of the world uninhabitable. Several hundred million people will be forced to flee their homes. The World Health Organization, the World Medical Association and several hundred health organisations therefore demand that all exploration of new fossil fuel deposits be stopped<sup>3</sup>.

As a wealthy country responsible for large global greenhouse gas emissions, Norway has a particular moral and financial responsibility to be at the forefront of the fight against climate change. Equinor, with the Norwegian state as the main shareholder, currently contributes to Norway's largest greenhouse gas emissions. The company has a special responsibility to steer the energy market in a more health-enhancing, more sustainable and more profitable direction.

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1 <https://healthyclimateletter.net/>

2 <https://www.fhi.no/nettpub/hin/miljo/klima-og-helse/>

3 <https://fossilfuel treaty.org/health-letter>

If changes are not made, the company's finances will be affected. The production of renewable energy in Europe is growing. The demand for fossil energy will decrease. Shareholders are concerned about the increasing risk of multi-billion lawsuits and compensation claims against Equinor. US tobacco companies were ordered to pay billions in damages to claimants because they continued pushing their products after they became aware of the health risks posed by tobacco.

The European Court of Human Rights is currently considering several cases involving climate change. Reference is also made to the Urgenda case in the Netherlands, where the court ordered the state to take active action against global climate damage. Equinor is equally at risk for such action and financial penalties, given Equinor's experience and knowledge of the current situation.

Equinor is on the right track, with a number of good projects and plans. Low emissions from production represents a step forward, but this nevertheless accounts for only a small fraction of the greenhouse gas emissions that the company's fossil energy production generates outside Norway. The need for rapid progress in renewable energy should be obvious.

Good climate measures are also good for health and business. According to the World Health Organization, the health benefits of reducing global warming alone will far exceed the costs of reaching the Paris Agreement targets.

Around 1000 Norwegian medical doctors have submitted a petition to the President of the Norwegian parliament (Storting) demanding action on the health threats posed by climate change. I would like to remind the State representative, who has previously voted down all shareholder proposals that dealt with climate, that the state is the people. Concern about climate change is shared by many Equinor shareholders and employees, who expect more from this company than share dividends.

The company cannot defend itself by maintaining that it did not know. Without a rapid change of course, the verdict of history on Equinor will be devastating.

Sincerely,  
Gro Nylander

Gro Nylander, MD, Dr. PhD,  
Specialist in Obstetrics, Gynecology, Medical Genetics  
Member of the Norwegian Medical Association  
Professional literary author  
Member of The Norwegian Grandparents' Climate Campaign  
Commander of The Royal Norwegian Order of St. Olav

## **THE BOARD OF DIRECTORS' RESPONSE TO PROPOSALS FROM SHAREHOLDERS ITEM 8-14 AT EQUINOR ASA'S ANNUAL GENERAL MEETING 10 MAY 2023**

### **The board of directors' response to shareholder's proposal from Roald Skjoldheim item 8 to Equinor ASA's annual general meeting 10 May 2023**

Equinor recognizes that all activities have potential impacts on the natural environment. This applies to offshore wind parks in general and such specific issues as the disposal of rotor blades. To manage our impacts on nature and the environment, alongside complying with applicable laws and regulations, we aim to apply recognized environmental management practices. This includes application of the precautionary approach, best available techniques, the mitigation hierarchy and the ISO 14001 environmental management principles.

Circular economy and recycling opportunities represent key perspectives in an offshore wind project lifecycle and includes specific recycling opportunities such as wind turbine blades and other materials from the decommissioning and removal of offshore facilities. Reference is here made to the recent partnership between Equinor and the circular upstart Gjenkraft AS for recycling of turbine blades as well as the recently announced tender criteria for Sørlige Nordsjø II and Utsira High, both of which include recycling and circularity as qualitative bidding criteria.

Equinor is applying its competitive advantage to create value in new areas of the energy system and to deliver on our net zero ambition. A central element in this effort is our ambition to become a leading global player in offshore wind. At the same time, we recognize the potential in both existing and emerging technologies. Examples of relevant technologies within our current portfolio include battery technologies, solar and wind renewable energy as well as nuclear fusion.

The board thanks for the proposal and emphasises the importance of complying with the principles of good corporate governance, hereunder that the company's strategy is to be determined by the board of directors.

Based on the above, the board of directors recommends that the general meeting votes against the proposal.

## **The board of directors' response to shareholders' proposal from Greenpeace and WWF item 9 to Equinor ASA's annual general meeting 10 May 2023**

The last 12 months have demonstrated the value and significance of energy to society, while the effects of global climate change emphasise the urgent need for action towards achieving the goals of the Paris Agreement. The energy sector must innovate to reduce systemic emissions and create low-carbon energy systems – and must be allowed time to do so. In this context, Equinor is well positioned to provide much needed energy to the market while at the same time reduce emissions from our operations and invest in the necessary systemic change towards net-zero.

The energy transition plan – which was voted in favor of by 97% of the shareholders present at the 2022 AGM – contains short, medium, and long-term ambitions and describes a business model and strategy for Equinor's energy transition compatible with limiting global warming in line with the Paris Agreement while promoting the long-term resilience of the company.

Equinor is reporting progress annually on the energy transition. In 2022, we moved in a positive direction across each of the three main dimensions of the plan: reduction in our operated emissions; allocation of capex share to investments in renewables and low carbon solutions (gross capex); and reduction in the carbon intensity of energy we provide.

Our ambition is to reduce emissions from our own operations by net 50% by 2030 compared to 2015 levels, where at least 90% of this ambition to be realised by absolute reductions. In 2022, we made significant progress towards this ambition driving emissions down to 31 % lower than in 2015, the baseline year. Equinor's ambition is to allocate more than 50% of our annual gross capex to renewables and low carbon solutions by 2030 and more than 30% in 2025. In 2022 we invested 14% of our gross capex into these areas, which is an increase from 11% in 2021.

Our net carbon intensity\* ambition describes how the company plans to deliver energy that has lower emissions over time (including emissions from the use of sold products – scope 3) by reducing 20% by 2030 and 40% by 2035, and eventually net-zero by 2050. In 2022, we saw a slight decrease in NCI due to two factors: an increase in the ratio of gas to oil in our production portfolio as well as a slight decrease in overall oil and gas production. While our ambition shows that we are driving the transition at a faster pace than society, we are dependent on governments, customers, and other key stakeholders accelerating their response to the transition. Equinor cannot operate outside of existing framework conditions with respect to policy and markets.

Equinor believes that intensity-based ambitions represent a more meaningful approach to scope 3 emissions than absolute cuts of the same because our net carbon intensity ambition includes both energy production and emissions. Equinor's strategy in the transition is based on being a continued supplier of reliable energy with a progressively lower GHG footprint over time toward net zero in 2050. Geopolitical developments call for a balanced energy transition. More investments in energy production and infrastructure are needed to ensure security of supply and reduce the cost of energy. In addition, decarbonisation of the energy sector will be required. In the short term, until a market for hydrogen and carbon capture and storage is established, absolute emission targets that include end-user emissions will only be achieved by selling or shutting down profitable oil and gas production, thus shifting indirect emissions from end use to other producers. Such a focus will also fail to incentivise companies like Equinor to accelerate investments in new forms of energy.

The company's strategy is to be determined by the board of directors. The board is of the opinion that the company's energy transition plan is supporting a sustainable and balanced transition to a low carbon society. Therefore, the board is grateful for the support and recognition – expressed by the shareholders last year – to the energy transition plan which will be updated in 2025. Progress will be reported in our Annual Report on a yearly basis.

Based on the above, the board of directors recommends that the general meeting votes against the proposal.



## **The board of directors' response to shareholder's proposal from Guttorm Grundt item 10, shareholder's proposals from Gro Nylander items 12 and 14, and shareholder's proposal from Bente Marie Bakke item 13 to Equinor ASA's annual general meeting 10 May 2023**

The IEA's Net Zero Emissions in 2050 scenario (NZE scenario), which assumes demand levels consistent with a 1.5-degree trajectory, shows global oil demand projected to decline at 2.5% per year from 2021 to around 72 million barrels per day in 2030 and 24mbpd in 2050. The IEA also sees growing demand for natural gas in the short term, including in its NZE scenario, which was developed before the current energy crisis and the attempts to reduce reliance on Russian energy exports.

Equinor has a proud history as a safe and reliable producer of oil and gas. These energy sources will be needed to power the global economy for many years to come. In addition to being primary sources of energy, oil and gas will also be needed as input to low-carbon fuels for hard-to-abate sectors such as blue hydrogen and as feedstocks for non-energy applications such as chemicals.

To meet the needs of society, Equinor will continue to produce oil and gas for the foreseeable future. Our exploration strategy is to maximise value creation over volume. In 2023, at least 80 percent of our exploration resources and investments will be concentrated around existing infrastructure. This is because near-field discoveries can be tied into existing infrastructure without large and costly new developments. Thus, these discoveries are characterized by high profitability, short payback period and low CO<sub>2</sub> emissions from operations.

To earn the right to supply the oil and gas the world demands, we are continuing to improve the industry leading carbon efficiency of our production. Our ambition to reduce net group-wide operated emissions by 50% by 2030, shows that we are focused on bringing down our direct operated emissions in line with reductions necessary for a 1.5-degree pathway. Setting a baseline year that corresponds to the year of the Paris Agreement enables us to show our early action on emissions reduction and to build on our leadership position throughout this decade.

Reaching our 50% reduction ambition for operated scope 1 and 2 emissions will require a focused and coordinated effort across the company on executing and maturing a portfolio of abatement projects, improving energy efficiency of offshore and onshore assets, developing new technologies, and strengthening resilience in the portfolio, including through consolidation. The abatement projects primarily include electrification of offshore assets in Norway, mainly by power from shore but also include looking into other innovations and options such as Hywind Tampen and CCS. Abatement projects (including at Melkøya) are selected, developed and executed in close dialogue with authorities and partners to find the most appropriate and expedient measure and are in Equinor coordinated through our Norway Energy Hub initiative. In addition to reducing CO<sub>2</sub> emissions, we have instituted a renewed focus on improving our industry-leading performance on methane emissions, with increased emphasis on site-level measurement for improved quantification and reporting.

When it comes to allocation of capex share to investments in renewables and low carbon solutions, Equinor's ambition is to allocate more than 50% of our annual gross capex to these areas by 2030 and more than 30% in 2025. In 2022 we invested 14% of our gross capex in renewables and low carbon solutions, which is an increase from 11% in 2021.

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.

As for the war in Ukraine, Equinor's most important contribution is to reduce the impact of Russia's weaponization of energy. Energy security for Europe is a prerequisite for the support and protection of an independent Ukraine. Equinor will continue to invest in line with its strategy and the ambitions stated in the energy transition plan. At our Capital Markets Update in February 2023 we presented the financial framework outlining how we will ensure that the company remains financially robust, while investing to be a leading company in the energy transition. In line with good corporate governance, the company is distributing a large part of its profit as dividend, including to the state. This comes in addition to the very high tax payments in Norway for 2022. Further, we will continue to collaborate with NGOs to contribute to international relief aid. In 2022 Equinor contributed with USD 4,2 million to the Ukraine refugee relief effort through donations to the Red Cross, UNICEF, Norwegian Refugee Council and Norwegian Church Aid. We donated USD 1,1 million to the World Food Crisis to support in the dealing with the wider consequences of the war on global food supply. We also contributed through supply of methanol and natural gas to Ukraine's national oil and gas company Naftogaz.

Based on the above, the board of directors recommends that the general meeting votes against the proposals.

## **The board of directors' response to shareholder's proposal from Even Bakke item 11 to Equinor ASA's annual general meeting 10 May 2023**

The process for considering shareholder proposals submitted at the general meeting is fundamental, well-developed and in line with the law. The company is appreciative of any engagement with its shareholders and any proposals received. These provide valuable input to the leadership and board of directors when setting the strategy. As pointed out clearly in the energy transition plan that was presented and then voted over at the 2022 AGM – through an advisory vote, the company “is informed by science, stakeholder engagement, and an acknowledgement of the changing set of expectations of companies in a carbon constrained world”. The purpose of such advisory voting process was indeed to let the shareholders provide feedback to the company in a transparent way on whether the board had set the right course and ambition level when determining the strategy in the energy transition plan.

The board is of the opinion that the process related to the shareholder proposals is both in compliance with good governance and that it provides valuable input to the leadership of the company. Again, the board is grateful for the engagement around the strategy of the company expressed by the shareholders.

Based on the above, the board of directors recommends that the general meeting votes against the proposal.