For the Paris Agreement to succeed, the Oil and Gas industry must be more transparent and take responsibility for all its emissions

Over the next few weeks some of the world's largest oil and gas companies will hold their annual shareholder meetings. How these companies are positioning themselves for a low carbon future will be an important topic for discussion.

As long-term investors, representing over $10.7 trillion, the case for action on climate change is clear. We are keenly aware of the importance of transitioning to a low carbon future for the sustainability of the global economy, as well as the future prosperity of our clients and subsequent generations. Additionally, regulation to keep global warming to well below two degrees and in line with the Paris Agreement will create additional costs for carbon intensive industries and risk stranding assets. The impacts of climate change may also challenge the resilience of those companies whose operations and supply chains have not adapted to the physical and operational risks. We are therefore clear that it is in all of our interests to support a low carbon transition.

CDP estimates that the oil and gas industry and its products account for 50% of global carbon emissions. For companies in the sector, emissions from the use of their products (scope 3 emissions) account for around 90% of this. Therefore, reducing the carbon impact of the sector's products is the most effective strategy for these companies to transition to a low-carbon world. Crucially, the capital allocation decisions they make today are important to determine how likely they are to be able to survive that transition.

Through a proposal put forth by NGOs, investors attending Royal Dutch Shell's meeting next week will be asked to vote on whether the company should set firm carbon emissions targets in line with the Paris Agreement. We are greatly encouraged by the industry-leading ambition that Royal Dutch Shell has already set out in this regard, as it creates a pathway on which it, and others, could survive the low-carbon energy transition. Investors are being asked to decide if the company's ambition has gone far enough.

Regardless of the result at the Shell AGM, we strongly encourage all companies in this sector to clarify how they see their future in a low carbon world. This should involve making concrete commitments to substantially reducing carbon emissions, assessing the impact of emissions from the use of their products and explaining how the investments they make today in energy sources and technologies are compatible and consistent with a pathway towards the Paris goal. Investors also urge policy makers to take more collective action on implementing regulation which will create the signals required to support the necessary investment in lower carbon technologies. At present, regulatory intentions are not sufficiently clear. As investors, we will continue our oversight and dialogue with oil and gas companies to better understand how the investments we make on behalf of our clients are aligned with a sustainable future for us all.

Investors are embracing their responsibility for supporting the Paris Agreement. It is time for the entire oil and gas industry to do the same.

Aberdeen Standard Investments
Axa Investment Managers
BNP Paribas Asset Management Legal and General Investment Management
Newton Investment Management
ACTIAM
Aegon NV
Amundi Asset Management
AP7
APG Asset Management
ASR Nederland NV
Aviva Investors

BMO Global Asset Management
Brunel Pension Partnership Ltd
CCLA
Central Finance Board of the Methodist Church
Church in Wales
Church of Scotland Investors Trust
Ecofi Investissements (Credit Cooperatif Group)
Elo Mutual Pension Insurance Company
Epworth Investment Management Limited
ERAFP
Ethos Foundation
Fidelity International
Handelsbanken Asset Managment
Hermes Equity Ownership Services
HSBC Global Asset Management Ltd.
Investec Asset Management
Kames Capital
Kempen Capital Management
LGPS Central Limited
Local Government Super (Australia)
M&G Investments
Merseyside Pension Fund
Miller/Howard Investments
Mirova
MN
MP Investment Management
NEST
NN Investment Partners
OFI ASSET MANAGEMENT
Old Mutual Global Investors
Old Mutual Investment Group
Ostrum Asset Management
P+ (DIP/JOEP)
Pædagogernes Pension
PGGM
PKA
Rabobank Pension Fund
Robeco
RobecoSAM
Sarasin & Partners LLP
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Storebrand Asset Management
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Unigestion
United Reformed Church Ministers' Pension Trust
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