

Subject: Announcement of New Assessment of Climate Plans for 28 Companies ("Climate Crisis Index")

19 August 2025

Dear CEO, Members of the Executive Board, and Members of the Supervisory Board,

Following the 2021 ruling in the climate case brought by Milieudefensie against Shell, Milieudefensie reached out in early 2022 to 29 companies that can make a significant contribution to achieving the objectives of the Paris Climate Agreement. These companies, including yours, were subjected to a detailed analysis and evaluation of their climate plans.

Since our initial correspondence in January 2022, much has changed. Legislators, the law, the scientific community, and nine out of ten Dutch citizens¹ agree that everyone has a responsibility to help achieve the Paris climate goals. Many business leaders have also become increasingly aware of the severity of dangerous climate change and the broader (corporate) economic risks associated with it. Companies that have taken responsibility have, in recent years, invested heavily in their sustainability departments and have come to grips with climate-related data and reporting. At the political level, however, the past year has been marked by decisions to allow ambiguity and delays, while the climate crisis continues to accelerate at full speed.

It is therefore high time to reassess the level of climate ambition demonstrated by system players such as your company: leading businesses with substantial emissions and significant influence across their value chains and sectors. To this end, Milieudefensie will publish a **new edition of the Climate Crisis Index** in early 2026. Once again, we will commission an

¹ I&O Research report (2024) commissioned by Milieudefensie. See https://milieudefensie.nl/actueel/draagvlak-voor-rechtszaak-tegen-financiele-instelling_i-o-research_januari2024.pdf

independent assessment to determine whether the climate plans of 28 companies² are aligned with the Paris Climate Agreement.

With the Climate Crisis Index, we aim to recognise frontrunners, encourage those in the middle tier to strengthen their climate policies, and hold laggards accountable for their responsibilities and associated risks. The Index also provides a basis for dialogue between your organisation and Milieudedefensie, as well as with other stakeholders, regulators, financiers, and within your own organisation.

Later on in this letter, we will explain how Milieudedefensie intends to develop and apply the Climate Crisis Index in collaboration with your company. Before doing so, however, we would like to inform you of several recent developments that underscore the legal, societal, ecological, and economic necessity of climate action on your part.

The societal, ecological and economic necessity of climate action

Across the globe, we are witnessing the devastating impacts of climate change in the form of extreme weather and climate events, such as heatwaves, heavy rainfall, droughts and hurricanes.³ These events lead to the destruction of ecosystems⁴ and pose serious threats to food and water security⁵, as well as to livelihoods.^{6 7} Every ton of greenhouse gas emitted contributes to global warming and, consequently, to the aforementioned risks and damages.⁸

² These include ABN AMRO; ABP; Ahold Delhaize; AkzoNobel; ASR; BAM Groep; Boskalis Westminster; BP; Cargill; Dow; ExxonMobil; FrieslandCampina; KLM; LyondellBasell; NN Group; PfZW; Rabobank; RWE; Schiphol; Stellantis; Tata Steel; Unilever; Uniper; Vattenfall; Vion; Vitol; Vopak; Yara.

³ IPCC AR6 SYR, SPM, A.2. and A.2.1.

⁴ IPCC AR6 SYR, SPM, A.2.3.

⁵ IPCC AR6 SYR, SPM, A.2.4, which adds that: "Roughly half of the world's population currently experience severe water scarcity for at least part of the year due to a combination of climatic and non-climatic drivers."

⁶ IPCC AR6 SYR, SPM, A.2.2.

⁷ IPCC AR6 SYR, SPM, C.1.

⁸ IPCC AR6 SYR, p. 83 en SPM, B.1, B.2.

The most recent edition of the World Economic Forum's Global Risks Report confirms that climate and environmental risks dominate the global risk landscape. The greatest global risks, which are expected to intensify over the coming decade, include extreme weather events, loss of biodiversity and ecosystems collapse, critical shifts in Earth systems and shortages of natural resources.⁹

In a recently published report, climate scientists and other experts warn of catastrophic consequences, including severe economic contraction, if we do not act immediately and decisively.¹⁰ **The latest estimates of the impacts of climate change project a loss of 19% of global gross domestic product (GDP) by 2050**, with the potential for losses exceeding 50% of GDP.

According to the European Central Bank, a climate strategy in conformity with the Paris Agreement is not only in the interest of the climate and the wellbeing of people and their living environment, but is equally important to the economy and the financial stability of the Netherlands and the EU.¹¹ Auditors highlight the business and economic impact of climate change on large corporations and the need for transparency regarding the associated (financial) risks.¹²

Major insurance companies are sounding the alarm. A board member and former CEO of Allianz, one of the largest insurance companies in the world, has described climate change as a systemic risk "which poses a threat to the very foundations of the financial sector". Earlier this year, he warned that **the planet is rapidly approaching a temperature threshold beyond**

⁹ World Economic Forum, January 2025, The Global Risks Report 2025, 20th Edition Insight Report, p. 44. Also see pp. 66–67.

¹⁰ Institute and Faculty of Actuaries and Exeter University, January 2025, Planetary Solvency – finding our balance with nature, Global risk management for human prosperity, p. 28 en 32.

¹¹ According to the European Central Bank (ECB). The ECB reports that a rapid and decisive energy transition in line with the Paris Agreement is the best way forward, from the perspective of financial stability, risk management, the economy, households and companies, as well as maintaining affordable energy. See ECB Occasional Paper Series, 'The Road to Paris: stress testing the transition towards a net-zero economy', 2023 en ECB Blog, 'Need for Speed on the Road to Paris', 2023.

¹² The Royal Netherlands Institute of Chartered Accountants (NBA) has emphasised this necessity following a call from Milieudefensie urging major accounting firms to improve their scrutiny of climate risks and the (in)adequacy of the climate plans of large corporations. See <https://milieudefensie.nl/actueel/onze-brief-aan-accountants-ook-jullie-hebben-een-verantwoordelijkheid-in-het-voorkomen-van-gevaarlijke-klimaatverandering>

which insurers will no longer be able to provide coverage for many climate-related risks.¹³

This is one of the growing number of urgent calls from the insurance sector and the broader financial sector regarding the existential threats posed by climate change.¹⁴

In short: in just a few years time, the consequences of climate change and of failing to meet the goals of the Paris Climate Agreement have only become more acute, and have been further quantified in both scope and impact.

The legal necessity of sound climate policies by large corporations

On 12 November 2024, the Court of Appeal in The Hague (“the Court”) ruled in the case of Milieudedefensie v. Shell that companies **“which contribute significantly to the climate problem and have it within their power to contribute to combating it, have an obligation to limit CO2 emissions.”** They are required to do so vis-à-vis the inhabitants of the planet, even where (public) laws and regulations do not directly compel them to do so. Companies thus have their own responsibility in meeting the objectives of the Paris Climate Agreement.¹⁵

With these words and further considerations, the Court upheld the earlier 2021 judgment of the District Court of The Hague, which held that large companies have a legal duty of care to help prevent dangerous climate change by reducing their scope 1, 2, and 3 emissions. These

¹³ The Guardian, 3 April 2025, ‘Climate crisis on track to destroy capitalism, warns top insurer’, available via www.theguardian.com/environment/2025/apr/03/climate-crisis-on-track-to-destroy-capitalism-warns-allianz-insurer. The article refers to the original statements made by the Allianz board member, available via www.linkedin.com/pulse/climate-risk-insurance-future-capitalism-g%C3%BCnther-thallinger-smw5f/.

¹⁴ Ibid: “In recent reports, Aviva stated that the damage caused by extreme weather in the decade up to 2023 would amount to 2 trillion dollars, while Gallagher Re estimated this at 400 billion dollars in 2024. Zurich stated that achieving climate neutrality by 2050 is ‘essential.’” (translation: Milieudedefensie.) See also, for example, references in T. M. Lenton, D.I. Armstrong McKay, S. Loriani, J.F. Abrams, S.J. Lade, J.F. Donges, M. Milkoreit, T. Powell, S.R. Smith, C. Zimm, J.E. Buxton, E. Bailey, L. Laybourn, A. Ghadiali, J.G. Dyke (eds), 2023, The Global Tipping Points Report 2023. University of Exeter, Exeter, United Kingdom, p. 201.

¹⁵ District Court of The Hague, 12 November 2024, ECLI:NL:GHDHA:2024:2099, considerations 7.25 – 7.27, also referring to previous considerations in the ruling. Also see consideration 7.55.

rulings are based both on Dutch civil law and informed by human rights law and the widely accepted principle that businesses have a responsibility to protect human rights.^{16 17}

What it comes down to is that the scale and influence of a company bring with them a proportionately significant responsibility for its directors and supervisory board members to contribute—through sound corporate policy—to preventing dangerous climate change. By appropriately fulfilling this responsibility, **the corporation's management not only helps limit societal, ecological, and economic harm, but also mitigates liability risks for their company.**

Companies are increasingly being held legally accountable for these responsibilities. In addition to the Dutch courts, the authoritative Inter-American Court of Human Rights recently ruled that large corporations have an enhanced duty to respect human rights and to refrain from causing harm to the climate.¹⁸ The **groundbreaking advisory opinion of the International Court of Justice (ICJ) of 23 July of this year** will no doubt have come to your attention as well: in its Advisory Opinion, the ICJ confirms that States are not only obligated to take effective measures themselves to limit climate change to 1.5 degrees of warming, but to regulate the polluting activities of companies as well.¹⁹ The judiciary, as part of the State, will take this into account too.

In addition, German law has recently confirmed that large corporations have individual obligations in relation to the climate issue and may be held accountable for the climate damage they cause. In the case of *Lliuya v. RWE*, Germany's highest court ruled that **large corporations with substantial greenhouse gas emissions are, in principle, pro rata responsible for the climate change they thereby cause world-wide**, including for damage

¹⁶ Ibid, para. 7.17: "there can be no doubt that protection from dangerous climate change is a human right" and consideration 7.25: "Climate change damages the rights protected by Articles 2 and 8 ECHR, both in the Netherlands and abroad, and will damage them even further. Those rights are also decisive for the interpretation of the social standard of care and for answering the question of what can be required of Shell, as a large and international company, under that standard."

¹⁷ The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct ('OECD Guidelines') and the UN Guiding Principles on Business and Human Rights ('UNGPs') are also important sources on which the Court relies. Para. 7.27, Shell judgment.

¹⁸ For a brief explanation of this ruling, see the news article from 3 July 2025 in the British newspaper The Guardian, <https://www.theguardian.com/environment/2025/jul/03/countries-must-protect-human-right-to-a-stable-climate-court-rules>

¹⁹ For a summary of this ruling, see the news article from 28 July 2025 of the International Institute for Sustainable Development, <https://www.iisd.org/articles/deep-dive/icj-advisory-opinion-climate-change>.

occurring outside the national boundaries of the company's place(s) of establishment.²⁰ "Pro rata" means that the corporation is liable for the share of emissions it produces relative to total global emissions.

Moreover, research now shows that **specific climate damage can be attributed to specific companies**.²¹ Additionally, the same and other studies demonstrate that such climate change is already vast in scale, with heat-related damage alone currently totalling trillions. This further increases liability risks.^{22 23}

With legally confirmed responsibility, increasing damage and growing attribution, liability risks for major polluters are rising rapidly. **The scale of the damage caused may exceed the financial capacity of even the largest corporations.** Given the enormity of (expected) global climate damage, this threat is reasonably foreseeable for you and may hence be a ground for personal liability in addition to that of the company.²⁴ As such, an inadequate climate plan

²⁰ For a brief explanation of this ruling, see the website of Vereniging voor Milieurecht (the Dutch Environmental Law Association) <https://www.milieurecht.nl/nieuws/klimaatzaak-lliuya-rwe>. Ultimately, in this case the damage claim was not granted because it concerned imminent (and not yet existing) damage, and the threat of damage could not be sufficiently established. This also means that there are already good opportunities in Germany to claim compensation for global climate damage that has already occurred, at least insofar as attribution science links the specific damage event causally to global warming. This branch of science is already capable of attributing temperature extremes, large-scale precipitation, and drought events (see <https://www.knmi.nl/kennis-en-datacentrum/uitleg/klimaatattributie>). This means that resulting damage claims are realistic and might be awarded. It is expected that the Dutch courts will rule in the same vein as the German courts in cases involving (foreign) claims for climate damages filed in the Netherlands. Such claims could therefore also affect your company.

²¹ Callahan, C.W., Mankin, J.S. Carbon majors and the scientific case for climate liability. *Nature* 640, 893–901 (2025). <https://doi.org/10.1038/s41586-025-08751-3>. Also see <https://www.duurzaam-ondernemen.nl/nieuw-wetenschappelijk-kader-om-specifieke-klimaat schade-te-herleiden-tot-de-uitstoot-van-individuele-fossiele-brandstofbedrijven/>.

²² Ibidem.

²³ The CO₂e price of climate damage could rise to \$3,000 per ton of CO₂e. See <https://www.ucl.ac.uk/news/2021/sep/economic-cost-climate-change-could-be-six-times-higher-previously-thought>

²⁴ For a comprehensive (including general) discussion and motivation on potential executive liability in case of poor climate policy, including from an international perspective, see Milieudefensie's letter to the board of Shell, via <https://milieudefensie.nl/actueel/brief-aan-de-bestuurders-van-shell>. In the event of poor climate policy on the part of your company, claimant parties will, in due course, certainly examine whether individual fault can be attributed to the board members and supervisory directors and whether you might be personally sued alongside the company. If such individual fault can be established, claimant parties will benefit from also including directors and supervisory board members in the lawsuit. After all, due to the liability insurance policies generally held by directors and supervisory board members, claimants thereby gain indirect access to the well-capitalised (re)insurers who underwrite these policies.

poses a significant risk to the long-term financial foundation of major polluters. Conduct in line with the Paris Agreement is the only safeguard.

New Climate Crisis Index

With the above, we have sought to briefly reiterate the necessity for large companies to adopt climate policies that are aligned with the Paris Climate Agreement. We are interested in understanding your company's current policies and plans, and the progress achieved in recent years. Our objective is to form a substantiated assessment of your ambitions and plans. We therefore invite you to actively participate in this assessment and to once again share your most up-to-date climate policy with us.

Milieudefensie has commissioned NewClimate Institute as an independent research agency to compile the Climate Crisis Index. They will be assessing the climate plans of your company and 27 other large companies, analysing and evaluating them for quality and feasibility. Unfortunately, in the previous edition, your climate plan was found lacking. We hope to see clear progress this time round.

Attached you will find our request and accompanying instructions to **submit your most recent plans to us no later than 30 September**. You will also find the methodology and an overview of how it has been updated compared to the previous Climate Crisis Index. We expect to publish the results and rankings in February 2026. The outcomes will also be shared with your auditor, works council, principal bank, and, in the case of financial institutions, your regulator.

The starting point for the assessment is that sound climate policy must be aimed at contributing to the global goal of limiting warming to 1.5 °C. The ICJ has recently reaffirmed that 1.5 °C is the applicable temperature threshold. Companies based in wealthy countries such as the Netherlands can be held to reduction percentages that are at least equal to the global average required (across all economic sectors) for 2030, 2035, 2040 and 2050. This means the following:

1. For companies in the real economy (i.e., companies involved in the production and sale of goods and services), sound climate policy means **reducing their direct and indirect CO₂ emissions (scope 1, 2 and 3) by at least 48% by 2030, 65% by 2035, 80% by 2040 and 99% by 2050, compared to 2019**. Their total greenhouse gas emissions, including methane and other greenhouse gases expressed in CO₂ equivalents, must also be drastically reduced – by at least 43% by 2030, 60% by 2035, 69% by 2040 and 84% by 2050, compared to 2019. By 2070 at the latest, all CO₂ equivalents must have been reduced to net-zero emissions. Any company to which this applies, must immediately stop investing in expansion of coal mining and cease investments in new oil and gas fields.
2. For companies in the financial economy (i.e., financial institutions) sound climate policy involves **reducing their direct and indirect CO₂ and CO₂-equivalent emissions (scope 1, 2 and 3) in the same way as previously outlined for companies in the real economy**. In addition, they must immediately cease financing and facilitating clients involved in the expansion of coal mining and/or the development of new oil and gas fields. Furthermore, financial institutions are required to achieve emission reductions in 14 economic (sub)sectors, that are, for the years 2030, 2035, 2040 and 2050, at least equal to the emission reductions envisioned for those sectors in the International Energy Agency's Net Zero Emissions scenario (2023).

We sincerely hope that your company is not among the laggards, but will be assessed positively in the Climate Crisis Index. We therefore cordially invite you to our **information session on the morning of Wednesday, 11 September**, during which we will answer any questions you or your sustainability experts may have regarding the process and the up-to-date methodology of the Climate Crisis Index. Further information can be found in the attachment. Meanwhile, you are, of course, also welcome to direct your questions to our team via the usual channels (or via klimaatplan@milieudedefensie.nl).

In conclusion

Our aim is to ensure that major corporate emitters contribute their fair share in the fight

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against climate change. Through our independent assessment, we aim to encourage companies to become frontrunners. While we will continue to hold laggards to account, we are also committed to supporting executives who want to pursue ambitious climate policies or raise their level of ambition. We would welcome the opportunity to engage with you further on this topic.

Meanwhile, we trust that we have provided you with sufficient information and look forward to receiving your response and climate plans.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Donald Pols".

Donald Pols

Director of Milieudedefensie

A handwritten signature in black ink, appearing to read "Winnie Oussoren".

Winnie Oussoren

Chair of Milieudedefensie Jong

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Attachments:

1. Request and instructions for submitting your climate plan
2. Climate Crisis Index Methodology
3. Invitation to information session on the Climate Crisis Index & Methodology