

In 2022, PMT introduced its new climate strategy which outlines how the fund is tightening its net zero commitments for companies in the portfolio. In an approach shaped by consultation with its beneficiaries, the sectors they work in, and wider society, PMT significantly expanded its climate engagement program.

PMT's voting policy is one of the key components of the strategy. In 2022, for companies that are significant GHG emitters (for 2022, the current Climate Action 100+ focus company list), PMT voted against or withheld from the incumbent chair of the responsible committee in cases where the company was not taking the minimum steps needed to understand, assess, and mitigate risks related to climate change to the company and the larger economy. Minimum steps are defined as:

- Detailed disclosure of climate related risks according to the TCFD, including board governance measures, corporate strategy, risk management analyses, and metrics and targets
- Appropriate GHG emissions reduction targets (i.e. any well-defined GHG reduction target)

PMT's AGM voting strategy is aligned with the engagement objectives set by its climate engagement program. Within this program, PMT engages with more than 50 companies in the Oil & Gas and Utilities sectors. The following voting elements were executed for the companies PMT engaged with:

- PMT voted against re-election of all the board members at companies that did not communicate a public net zero emissions ambition for 2050. When there was no re-election on the agenda, PMT voted against the discharge of incumbent board members.
- PMT voted against the remuneration policy, annual remuneration and bonuses for incumbent board members when GHG emissions reduction was not one of the remuneration indicators.
- PMT proactively assessed climate resolutions, "Say on Climate" votes and votes 'flagged' by Climate Action 100+ and voted according to alignment with Transition Pathway Initiative (TPI) assessment of the 1.5°C degrees pathway.
- For each company where PMT leads the investor engagement through Climate Action 100+, PMT assessed the opportunity of 'flagging' a vote, which entails pre-declaring the intended vote on a specific voting item by a lead investor for Climate Action 100+. For two companies, Engie and TotalEnergies, this resulted in 'flagged' votes.
- PMT assessed the filing of shareholder resolutions on a case-by-case basis. At one company, TotalEnergies, this resulted in the (unsuccessful) filing of a shareholder's resolution on climate.

Furthermore, PMT publicly called on fellow investors to use their voting rights to accelerate the pace of the transition in all carbon intensive companies. PMT published a statement together with a group of other Dutch institutional investors in April 2022. In this [statement](#), the group urged fellow institutional investors to:

1. Take a critical approach to evaluating a company's climate transition plan and ensure voting guidelines are aligned.
2. Only vote in favour of a company's climate transition plan if it is aligned with the Paris Agreement, which should at least address the three objectives outlined in the statement.
3. Vote in favour of shareholder resolutions that encourage progress towards the Paris Agreement 1.5°C warming scenario.
4. Consider using escalation actions if objectives are not met, such as voting against the re-election of directors or voting against remuneration schemes that do not link executive pay to performance on climate targets.

Together with the same group of investors, PMT released a second statement in October 2022. The group calls on the oil and gas sector to (i) boost the availability of low-carbon solutions, (ii) explain how natural gas acts as a transition fuel, and (iii) not use the high oil prices as a reason to increase oil investments.