

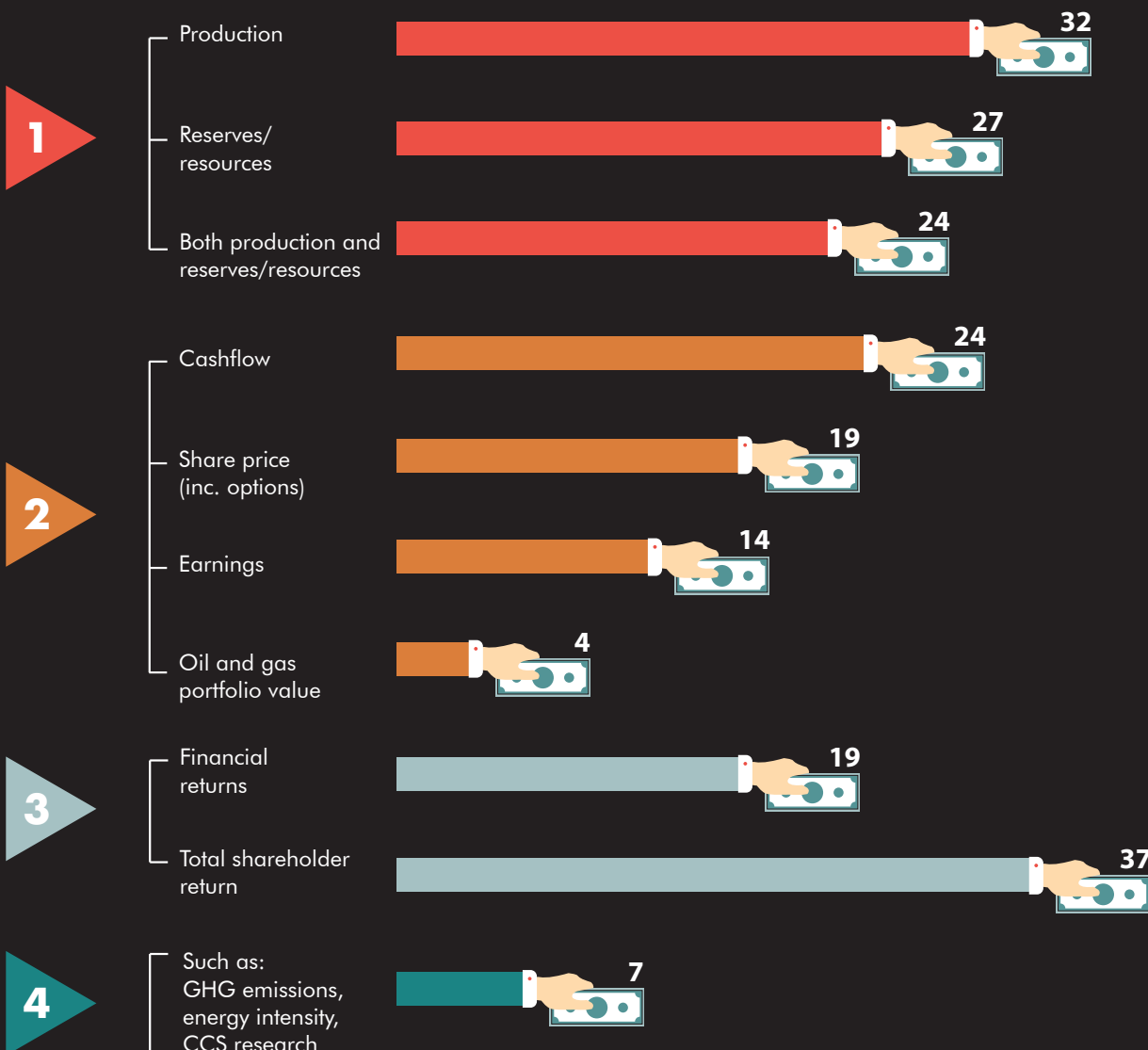
Paying with fire

Most oil and gas executives are rewarded for chasing growth, but shareholders could get burned

- 1 Direct growth measures**
 Incentivise executives to develop and produce as much oil and gas as possible. Should be avoided.
- 2 Indirect growth measures**
 Incorporate a value angle as well as a growth angle. Alternatives or refinements should be considered.
- 3 Growth neutral measures**
 Encourage improved performance but without incentivising growth. To be preferred.
- 4 Direct climate measures**
 Directly link executive pay to initiatives that contribute towards mitigating climate change.



Incentive examples:



!

The energy transition requires reduced use of fossil fuels, yet oil and gas executives are rewarded for increasing production.

Remuneration structures that incentivise growth for the sake of growth will fail to deliver best results for shareholders.