

# SUMMARY

## ANNUAL REPORT 2023

This is a summary of our (Dutch-language) annual report.

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### 1. OUR GOALS AND KEY ACHIEVEMENTS

#### **Goal: all major polluters come up with a climate plan**

The successful Climate Case against Shell changed everything. It means even the big polluting companies must now put their shoulders to the wheel. That is why we are taking the Climate Case verdict to the Netherlands' big polluters and demanding a climate plan. That climate plan ensures that all the company's emissions are reduced to within the 1.5-degree limit, as agreed in the Paris Agreement. The plan must be fair to the inhabitants of the Netherlands as well as the world, and it must not harm biodiversity.

At the same time, we continue to focus our attention on Shell. Despite the verdict, the company has so far failed to show that it intends to take responsibility. Shell continues to hold steady to its 'fossil course'.

#### **Indicators:**

To see whether we are on track towards our goal, we have described several indicators. These are measurable results that are needed to achieve our goal. Below are those indicators and to what extent they were achieved.

*For our activities focusing on Shell, our indicators are:*

1. Change agents speak out in favour of Shell drafting a just climate plan.
2. Media coverage in leading channels supports our message: human lives are under threat as Shell continues to cause dangerous climate change.
3. Groups whose voices are underrepresented in the climate movement are working with us to increase pressure on Shell.

*For our activities targeting the other major polluters, our indicators are:*

1. Change agents speak out in favour of big polluting companies drafting just climate plans.

2. Media coverage in leading channels discuss whether or not big polluters have a just climate plan.
3. Groups whose voices are underrepresented in the climate movement are working with us to increase pressure on big polluters.
4. Companies publicly present a just climate plan that meets our requirements.

When activating change agents and groups, we pay specific attention to diversity and inclusiveness, a topic we focus on even more in 2023. You can see this, for example, in indicator 3 above (and result 3 below).

With these indicators, we measure whether our demands are being adopted in the public discourse (in the media, and as companies, groups and change agents speak out in favour of them). That way, we put pressure on big polluters to ensure proper climate plans.

#### **Results:**

1. 78,000 change agents have spoken out in favour of a proper climate plan from Shell and other big polluters. They did so by, for example, signing a petition, signing up for the climate march, or donating money for the appeal against Shell. This is a lot lower than expected, and also significantly lower than the number of change agents we managed to activate last year. This is partly due to adjustments in the campaigns during the year, and because in some cases we focused on high-level action perspectives (which activate fewer change agents but create higher levels of engagement) rather than low-level ones.
2. Lots of media coverage of our message about Shell or other big polluters. Groups whose voices are underrepresented in the climate movement worked with us 11 times (the expectation was 10 times). For example, we worked with employees and FNV, and with a number of groups in our international network.
3. Three polluting companies have publicly presented climate plans that meet our requirements (the expectation was four). These are Stellantis, BAM and PfZW.

We continue to put pressure on big companies in 2024. Shell is especially in the spotlight in this regard because of the appeal in April 2024.

## **2. THERE IS MOVEMENT AT BIG POLLUTING COMPANIES**

**Since January 2022, we have been putting pressure on 29 major polluters in many ways: with public campaigns, protests, talks, official letters, and so on. And, of course, with the threat of lawsuits. More and more people want these companies to stop polluting and are joining our campaign. That is starting to have an effect: three companies presented climate plans that meet our requirements.**

In spring 2023, we focused on the listed companies on our list. These companies are required to hold an annual shareholders' meeting. There, shareholders can put questions to the CEO and the Supervisory Board. We attended 20 shareholder meetings and asked the same question each time: *"Are you going to reduce CO<sub>2</sub> emissions in absolute terms and across the chain (i.e. scope 1, 2 and 3) in 2030 compared to 2019?"*

### **What have we achieved?**

- Our participation in shareholder meetings received a lot of press coverage. The contribution of Dutch celebrities helped. For instance, actress Anniek Pheifer joined us at ING and actress Carice van Houten had her 'coming-out' as a climate activist at Rabobank.
- Against our expectations, BAM and Stellantis said that they want to meet our demands. We use these 'yesses' as leverage towards the other companies. Pension fund PfZW also presented a plan that meets our requirements.
- We trained 300 change agents. The enthusiasm to participate was high, even though becoming a shareholder is a quite involved way of taking action. We reached different change agents than usual with this.

### **How many people participated?**

We trained over 300 change agents who bought shares and around 500 people participated in the protests outside.

### **What are our next steps?**

We will naturally keep up the pressure on the 29 big polluting companies. We will do so in early 2024 by announcing a Climate Case against ING. We will also continue to protest at other major polluters. And in spring 2024, we will again visit shareholder meetings of listed polluters.

## **3. WE TOOK ON SHELL AND HOW**

**Shell does not take the verdict of the 2021 Climate Case won by *Milieudefensie* seriously. The big polluter is still starting new oil and gas projects. This is something which simply cannot happen anymore, and we let Shell know.**

The court ruled in 2021 that by 2030 the big polluter must reduce its CO<sub>2</sub>emissions by 45%. With Shell board members failing to take responsibility, as many as 37,750 people sent them a personal message.

Although the court determined that Shell must take responsibility for its role in dangerous climate change, 2023 saw the big polluter continuing to do business as usual. The company would like us to believe otherwise, but we quickly saw through this: in 2023, we published a monitor on what Shell really does. This is how we stepped up the pressure, to get Shell to do comply with the Climate Case verdict.

Not just us, but people around the world oppose Shell's oil and gas projects. That is why we gave them and their struggles a platform in Argentina, Australia and the UK.

### **What have we achieved?**

- We showed that Shell continued to do business as usual in 2023. We thus stepped up the pressure to make Shell comply with the verdict.
- We showed that Shell is systematically destroying the climate worldwide and put pressure on the company with this.
- By closely collaborating with activists from other countries, we gave their stories a platform. That way, we made the voices of people underrepresented in the climate movement heard. In the process, we learned a lot about inclusive collaboration.

- Our change agents were introduced to (the stories of) activists from around the world and were able to express their solidarity.

#### **How many people participated?**

37,750 people sent a personal message to Shell board members.

#### **What are our next steps?**

In May 2021, we won our Climate Case against Shell. Shell appealed the verdict, for which hearings were held on 2, 3, 4 and 12 April 2024. With a team of *Milieudefensie* researchers and lawyers from Paulussen Advocaten, we prepared for these hearings. With the evidence presented and our solid arguments, we are confident that we will also win the appeal.

[>Read more about the appeal in the Climate Case against Shell](#)

## **4. OUR MOVEMENT FOR CLIMATE JUSTICE IS GROWING**

**People committed to change – we call them 'change agents' – are our foundation, our base. Together with these change agents, we are building a movement to tackle the climate crisis. With success, as the climate movement is growing.**

On 12 November, the largest ever March for Climate and Justice took place: 85,000 people walked through Amsterdam in a colourful procession of no less than 3.5 kilometres.

We are targeting everyone who wants to get involved in the climate: as a group or individually. We support change agents in setting up and organising protests and offer training. We try to make the movement as large, diverse and inclusive as possible. In 2023, we built a network of change agents who are building support for climate justice.

#### **How many people participated?**

- Over 1,000 people took part in the protests at shareholder meetings and on companies' doorsteps.
- There were 350 people involved in recruiting for the Climate March.
- The Operation Climate groups always worked together with 1 or more allies: from *Grootouders voor het Klimaat* (Grandparents for Climate) to XR and from Greenpeace to the FNV trade union.
- Many protest packs – with wristbands, stickers and posters – were requested in order to recruit for the Climate March.
- Countless people were helped in other ways in obtaining legal advice, money to organise small initiatives, be active online, and meet in person at a Climate Festival and other events.
- There are also many activities and forms of participation for members, including annually at two General Members' Meetings.
- With Fair Future Generators, the youth traineeship of *Milieudefensie* and part of the *Maatschappelijke Diensttijd* (Social Service Traineeship), we reach young people between 18 and 27. In 2023, 90 participants completed the programme and we worked together with 30 organisations.

#### **What are our next steps?**

- Our groups are the foundation of our movement. In 2024, we are committed to supporting and expanding these groups and thus increasing, broadening and

strengthening our movement. Together with them, we are reaching even more people to join our campaigns.

- We are organising more events to engage more people.
- By the end of 2024, we expect to have a high-quality infrastructure ready for digital organising.
- We are further scaling up Fair Future Generators.

## 5. ADDRESSING CLIMATE STRESS AMONG YOUNG PEOPLE

***Milieudefensie Jong* (our youth branch) published a survey on climate stress among young people in September. As many as 1 in 5 young people say they suffer from this. The issue received widespread media coverage.**

In support *Milieudefensie Jong* launched the podcast series *Radicale Hoop* (Radical Hope). And during workshops, other young people talked to each other about the climate stress they experience.

### **What else did *Milieudefensie Jong* do in 2023?**

- *Milieudefensie Jong* campaigned at an Albert Heijn supermarket in Amsterdam against chickens in battery cages in Indonesia, together with Sinergia Animal, an international animal rights organisation.
- In May, *Milieudefensie Jong* participated in the first support demonstration at the A12, a blockade protest by XR against fossil subsidies. The support demonstration saw 125 civil society organisations and thousands of people participating.
- In July, *Milieudefensie Jong* staged a protest at the headquarters of dairy giant FrieslandCampina to urge the big polluter to come up with a proper climate plan.
- The young people also attended the shareholder meetings of Ahold, ING and Rabobank.

### **What are our next steps?**

*Milieudefensie Jong* will continue to put pressure on big polluting companies in the food sector (Ahold Delhaize, Rabo, Unilever, Yara, Friesland Campina and Vion) next year. They do this through investigations, protests at individual companies and by attending shareholder meetings.

## 6. LOBBYING SUCCESSES: EU REQUIRES COMPANIES TO COME UP WITH CLIMATE PLAN

**Last year, we successfully lobbied the European Union for a directive requiring companies to make and implement a climate plan, in line with the Paris Agreement. This to prevent climate and environmental damage and human rights violations.**

Partly due to our efforts, this European directive (corporate sustainability due diligence directive, CSDD) states that companies must map the risks in their production process as well as their entire value chain. The final vote is still to follow.

It is a fine example of a lobbying success, one of several we achieved in 2023. Our aim in doing so was to move the government:

- to introduce just climate policies; and
- to create rules for companies to take responsibility for the climate crisis.

A few other examples of lobbying successes:

### **Success 1: phasing out fossil subsidies**

In September, together with SOMO and Oil Change International, we launched the report 'A just phasing out of fossil subsidies'. This report provides, for the first time, the most complete possible overview of fossil subsidies in the Netherlands. Calculations show an average annual amount of €37.5 billion.

We discussed this with officials from the Ministry of Economy and Climate Change and the Ministry of Finance. With effect. After years of ambiguity, the government then came up with its own calculation that arrived at an even higher amount: between 39.7 and 46.4 billion euros of fossil subsidies per year. With this transparency, the Netherlands is leading the way internationally. Minister of Economic Affairs and Climate Minister Rob Jetten will come up with a phase-out route in February 2024.

### **Success 2: equitable climate policy**

*Milieudefensie* is pushing for a just Dutch climate policy that benefits people rather than companies, especially lower-income people. In 2023, we pushed climate justice higher up the political agenda by:

- having conversations and writing letters;
- writing an opinion piece together with trade union FNV;
- having a mathematical model developed by consultancy Kalavasta, showing the effects of climate policies on emissions and spending, by income group – this will allow the government to determine whether policies are climate justice or not.

### **Success 3: making the financial sector sustainable**

In March 2023, Finance Minister Kaag pledged to explore legislation to make the financial sector more sustainable. She had previously announced this exploration in 2022 if the sector did not make enough progress itself. We showed in 2023 that the financial sector is failing with multiple surveys and interviews. Minister Kaag used one of our studies as authoritative counter-expertise to be taken into account.

## **7. OUR INTERNATIONAL WORK: CLIMATE GETS A PLACE IN OECD GUIDELINES**

**In June, the OECD published the [revised OECD Guidelines for Multinational Enterprises 2023](#). For the first time, it contains clear rules on climate and a just transition to a sustainable economy. A great success, as *Milieudefensie* worked hard to make this happen.**

The new OECD guidelines state that companies should take into account science and international agreements, such as the Paris Agreement. Companies must have and implement a climate plan. Judges can use the OECD guidelines to assess whether a company has acted well or badly; something that already happened in our Climate Case against Shell, which we won. Partly due to our efforts, rules on climate and a just transition are now firmly part of the OECD guidelines.

It is a great example of our successful international work, thanks to close cooperation within our global network of Friends of the Earth International. Together, we are tackling abuses with increasing success. We do so at the international level, in the countries concerned and in the Netherlands:

- **At the international level** we work on, among other things, a fair and sustainable economy, a fair energy transition and better rules to protect tropical forests.
- **In the countries concerned**, we strengthen communities' and organisations' resistance to deforestation and human rights violations. We are also committed to responsible agriculture and sustainable forest management by local communities, renewable energy as well as activist protection.
- **In our own country** we address companies that misbehave elsewhere in the world. In particular, we focus on the impact of the Dutch financial sector on tropical forests.

It is important that we in the Netherlands and Europe quickly stop activities that damage the climate and tropical forests and violate human rights. The Netherlands and Europe should therefore create legislation so that Dutch companies stop extracting fossil fuels and financing industrial agriculture in other parts of the world. We are working on this within two international programmes for which we receive grants from the Ministry of Foreign Affairs: **Fair, Green and Global Alliance**(FGG), and **Green Livelihoods Alliance**(GLA).

**A few examples of our work in 2023 within the FGG Alliance:**

- The fossil fuel industry, and Shell in particular, continues to expand in **South America**. We are investigating this with our partner organisations in Honduras, Brazil, Colombia, Argentina and Bolivia. Together with these organisations, we also connected fishing and coastal communities suffering or at risk of suffering from oil and gas extraction operations. We supported these communities in their local, national and international campaigns, both financially and in their strategy and network development. Thanks in part to the efforts of our partner Friends of the Earth Colombia (Censat), the Colombian government plans to stop fossil fuel fracking. Instead, it will focus on the transition to renewable energy.
- In **Togo**, coastal communities are literally under water due to rising sea levels. With our support, Friends of the Earth Togo brought these communities together to investigate the impact of rising seawater and its relationship with the oil and gas industry. The aim is to raise this with the organisation Economic Community of West African States (ECOWAS).

**A few examples of our work in 2023 within the GLA Alliance:**

- The revised OECD guideline at the beginning of this chapter is an example of a GLA success.
- Together with our partners, we made sure the Dutch government kept its promise to stop fossil financing abroad. By exerting pressure, we avoided €3.7 billion in fossil aid.
- In addition, together with more than 40 (southern) civil society organisations, we made recommendations for equitable, renewable alternatives to mining. Goal: protection of forests/ecosystems and human rights in the global South.

## 8. WE ARE FINANCIALLY SOUND

**2023 was an excellent financial year for *Milieudéfensie*. This is mainly because we received a large commitment from the Waverley Street Foundation of \$15 million for the period 2023 to 2025.**

We will receive \$5 million every year during this period. However, for accounting purposes, we must account for the entire \$15 million during the year of the commitment in our financial statements, which is 2023. This brings our financial result before allocation to €13,107,962. This money is meant mostly for conducting climate cases in the coming years.

The underlying financial result from normal operations (i.e. excluding future amounts receivable from the Waverley Street Foundation) in 2023 is €4,048,462. This surplus is mainly caused by the Waverley contribution for the year 2023 (\$5 million), combined with the delay in the implementation of some activities, such as the postponement of Shell's appeal from October 2023 to April 2024.

After allocating the result to a number of necessary earmarked reserves, we are left with €1,000,000. We add this amount to our 'savings pot', the Continuity Reserve, which thus grows to €3,933,820.

### **Where does a €1 donation end up?**

Of every euro *Milieudéfensie* receives, we spend 88.7 euro cents on our objectives.

### **Income from government grants**

We fund part of our activities with long-term grants from governments. The use of these grants consists of 3 parts:

1. Activities at *Milieudéfensie* itself. Amount in 2023: €2,828,527.
2. Activities at other partners (mainly Friends of the Earth groups) with whom the grant was jointly obtained. Amount in 2023: €2,323,746.
3. Activities at alliance partners: *Milieudéfensie* is the lead agency of the GLA (Green Livelihoods Alliance) and receives the full grant amount from the Ministry of Foreign Affairs every year. This is then shared with the other alliance partners. The amount in 2023 for alliance partners: €6,223,870.

A large part of the implementation of grants therefore takes place with partners, outside of *Milieudéfensie*. The financing of activities taking place at *Milieudéfensie* in the Netherlands is best analysed if we exclude categories 2 and 3. This brings the share of government funding in *Milieudéfensie*'s total income excluding partners to 9.2%.

### **Private fundraising income grew further in 2023**

Support for our fight for climate justice is growing. This is also reflected in the financial support of our members and donors. In 2023, they donated the wonderful sum of almost 9 million euros - an increase of a whopping 7.7% compared to 2022. This growth in income came both from membership growth and because our members increased their contributions. We also received many (spontaneous and larger) additional donations and the number of bequests also grew.

### **Number of members and donors**

More and more people are supporting Friends of the Earth as members. In 2023, we grew to



83,025 members (2022: 80.742). As we had no major crowdfunding in 2023, the number of single donors fell to 24,709 (2022: 27.569). The total number of members and donors thus decreased slightly, to 107,734 (2022: 108.311).

## 9. THE ORGANISATION IN 2023

### Number of employees

Partly due to raising external funds in 2023, *Milieudefensie's* workforce has grown significantly over the past year. 2023 saw 18 employees leaving and 48 new employees joining. On 31 December 2023, the workforce was 147 people (115.84 FTEs).

### Our change power

To get a better picture of how many people support Friends of the Earth, we introduced the concept of 'Change Power' in 2019. These are the people who have supported us with time or money in the past 12 months. We also make a further differentiation: people who support us very actively or people who support us incidentally, by signing a petition, for example, or with a single donation. We call this breakdown engagement levels.

On 1 January 2023, the Change Power counter stood at 166,357; a year later, on 1 January 2024, it stood at 158,950. So, over the whole of 2023, the Change Power decreased slightly. Over the years, we have seen an increase, sometimes a decrease, in people who support us incidentally. The number of people supporting us long-term remains stable.

### Governance

*Milieudefensie* is an association with members. The highest body of the association is the General Members' Meeting, which convenes twice a year. The national office in Amsterdam takes care of association tasks.

The national office is headed by the Executive Board, consisting of 2 members. In addition, the association has a Supervisory Board. At the General Members' Meeting on 9 December 2023, the updated Articles of Association and association regulations were adopted, in addition to new regulations for the Supervisory Board, Remuneration Committee, Audit Committee and Disputes Committee.

### Financial policy and effective use of resources

The strategic financial policy is aimed at achieving the goals of *Milieudefensie's* policy, and the viability and continuity of the organisation, and therefore rests on 3 pillars:

- ensuring short- and long-term continuity;
- managing risks; and
- properly managing short- and long-term financial resources.

For these 3 pillars, the following always applies: measure, monitor and control.

The core of the strategic financial policy is to ensure the continuity of *Milieudefensie* through multi-year budget rules leading to a healthy financial state (multi-year healthy balance sheet, healthy income and expenses, and predictable cash flows). This should result in a balanced budget, in which income is (at a minimum) structurally equal to expenditure and in which sufficient slack has been built up to absorb setbacks.

Effective deployment of resources is driven by a good planning and control cycle. This cycle starts with the preparation of annual plans in which the strategic goals from the multi-year policy vision are translated into concrete activities. For each activity, staff deployment is budgeted along with the corresponding financial resources. *Milieudefensie* wants to spend its resources on its goals and the aim is therefore to keep the financial result at or near zero.