

Canadian Natural Resources Limited  
ANNUAL MEETING OF SHAREHOLDERS  
2<sup>nd</sup> May 2024  
QUESTIONS FROM DWS INVESTMENT GMBH

Dear Mr. Edwards  
Dear Mr. Stauth  
Dear members of the board,

DWS Investment GmbH, also acting on behalf of funds of DWS Investment S.A. (incl. SICAVs and PLCs) and certain institutional mandates of DWS International GmbH, all according to delegation agreements (hereafter DWS), is one of the largest asset managers in Europe. As a responsible investor in Canadian Natural Resources Limited, it is part of our fiduciary duty to relay our expectations in the best interest of our clients. Our commitment to environmental, social and governance practices (ESG) is a crucial element of our responsibilities and forms an integral part of our investment process.

Ahead of your 2024 annual general meeting of shareholders (AGM), we would like to share our questions with you and would greatly appreciate a written response. Please note that these questions will be posted on our website ([www.dws.com](http://www.dws.com)) on the day of your AGM.

## **Net Zero**

Corporations and investors play a vital role in addressing the impacts of global warming by reducing their emissions. In this regard, we support the Climate Action 100+ and the Net Zero Asset Managers initiatives enhancing governance of climate change risk, opportunities, curbing emissions and strengthening climate-related financial disclosures.

In 2022, Canadian Natural Resources introduced interim targets to reduce corporate scope 1 and 2 absolute emissions 40% by 2035, in addition to its existing goal of reaching net-zero in oil sands operations by 2050. The net-zero target covers only a subset of operations. Additionally, Canadian Natural Resources reduced its total corporate emissions (scopes 1 and 2 of Upstream and Midstream) on an absolute basis by only 2.6% from 2020 to 2022, which is a very small reduction in absolute emissions compared to its 2035 reduction target of 40%.

**QUESTION 1: When can we expect the Company to adopt scope 3 emissions targets based on absolute emissions reductions that extend to all assets on a full-equity basis?**

**QUESTION 2: When can we expect the Company to set long-term targets and ambitious net zero GHG emissions by 2050 or sooner for all its operations covering scope 1, 2 and material categories of scope 3 in line with the goals of Paris agreement?**

**QUESTION 3: How and when does the Company plan to accelerate the pace of absolute emissions reductions?**

To date, Canadian Natural Resources has not announced official capex plans beyond 2024. For 2024, the company has planned to allocate CA\$2.5bn to conventional exploration and production and an additional CA\$2.9bn to thermal and oil sands mining & upgrading, for a total capital budget of CA\$5.4bn.

**QUESTION 4: What are the Company's medium and long term production and capex plans, including the splits between conventional versus unconventional reserves and long-cycle versus short-cycle projects?**

It is our understanding that Canadian Natural Resources plans to expand its CCUS capacity and claims to be the 6th-largest owner of carbon capture capacity, with a capture capacity of 2.7 MtCO<sub>2</sub>e per year.

**QUESTION 5: To what extent does the Company plan to leverage CCUS and DACS to achieve net-zero?**

### **Auditor**

DWS acknowledges that the objectivity and criticality of auditors can be impeded over time due to long tenure. We therefore expect companies to rotate their auditors after ten years. PricewaterhouseCoopers LLP, the current audit firm, has a tenure of 51 years.

**QUESTION 6: How do you evaluate and ensure the objectivity and independence of the audit firm after a long tenure? Might you consider a rotation of the audit firm in the near term?**

**QUESTION 7: Would you be willing to commit to a regular audit tender process?**

### **Independence**

Qualified, experienced, and independent directors are essential for competent and efficient decision-making processes at board and committee level. Having a majority of independent members serving on the board's committees as well as independent committee chairpersons is important for us to ensure challenging board discussions. According to the DWS Corporate Governance and Proxy Voting Policy, directors whose tenure exceeds 10 years are no longer viewed as independent.

**Question 8: When can we expect Canadian Natural Resources to introduce new directors, with fresh perspectives, to balance the overall board composition as well as the balance of all key committees? If not, could you please provide us with your rationale?**

### **Overboarding**

In our opinion, directors should not hold an excessive number of mandates. Directors must ensure that they have sufficient time and capacities to fulfill their board commitments. DWS considers directors overboarded in case they hold more than five external non-executive mandates. Further, due to their extended responsibilities, DWS attributes an additional mandate to members assuming the chair position of the board or the chair position of the audit committee. In principle, internal board seats are counted as one if they are clearly indicated as such.

Based on their current outside commitments, serving as Chairperson, Executive and/or Non-Executive Directors elsewhere, we view N. Murray Edwards (6) and Frank J. McKenna (5) as overboarded

**Question 9: How does the Company ensure that directors have not overextended themselves and have adequate time to carry out their duties?**

**Question 10: Are overall time commitments of directors a point of consideration for the Nomination and Governance Committee?**

**Question 11: If so, are there any plans in place to reduce the excessive board positions of the above-mentioned directors in the near future?**

To conclude, we would like to thank all members of the board and all the employees of Canadian Natural Resources Limited for giving us the opportunity to raise questions at your AGM and already thank you in advance for your answers.