

A majority of ExxonMobil shareholders have voted in favour of a motion asking the company to report on how its business will be affected by worldwide efforts to combat climate change, with 62.3% of shareholders voting in favour despite strong opposition from the company itself.

The resolution, filed by the Church Commissioners for England and New York State Comptroller Thomas P. DiNapoli, asks Exxon to report on how its business model will be affected by global efforts to limit the average rise in temperatures to below 2-degrees Celsius. The result comes despite strong efforts by the company to oppose the motion, and represents a hugely significant victory for investors who want Exxon to report on climate disclosure in line with its peers.

Edward Mason, Head of Responsible Investment for the Church Commissioners, said "This is a historic vote - despite strong opposition from the Board, the majority of Exxon's shareholders have sent an unequivocal signal to the company that it must do much more to disclose the impact on its business of measures to combat climate change. We are grateful to all of the investors who supported the proposal, and we call on the company to begin urgent engagement with shareholders on how to bring its disclosures in line with those of its peers."

New York State Comptroller Thomas P. DiNapoli, said "This is an unprecedented victory for investors in the fight to ensure a smooth transition to a low carbon economy. Climate change is one of the greatest long-term risks we face in our portfolio and has direct impact on the core business of ExxonMobil. The burden is now on ExxonMobil to respond swiftly and demonstrate that it takes shareholder concerns about climate risk seriously."

Last year 38% of shareholders voted in favour of the same resolution, already the highest ever vote for a climate change proposal at an ExxonMobil AGM.

Institutional investors with over \$5trn of assets under management between them co-filed the motion ahead of today's meeting, including major fund managers and pension funds Amundi, APG (on behalf of ABP, bpfBouw and PPF APG), AXA Investment Management, BNP Paribas Investment Partners, CalPERS, Connecticut Retirement Plans and Trust Fund, Fonds de Solidarité des Travailleurs du Québec, Hermes EOS, HSBC Global Asset Management, MN (including on behalf of PMT and PME), New York City Pension Funds and Schroders, Vermont Pension Investment Committee and over 30 faith-based institutional investors.

Investors with a further \$7trn of assets under management pre-declared their support for the proposal, including Aegon Asset Management, Aviva Investors, Legal & General Investment Management and Natixis Asset Management. The world's two leading independent proxy advisors, ISS and Glass Lewis, also supported the proposal.

Several of Exxon's peers including BP, ConocoPhillips, Royal Dutch Shell and Total have endorsed 2-degree scenario analysis, as has the Financial Stability Board's Taskforce on Climate-Related Financial Disclosures, established by Mark Carney as FSB Chair. Major asset managers such as BlackRock and State Street Global Advisors have called for improved climate risk disclosures. Moody's Global Rating now includes scenarios for lower global carbon emissions tied to lower demand for fossil fuels when it rates companies in high risk areas like the energy industry.

# Notes

## Edward Mason's speech to the ExxonMobil AGM

Chairman, members of the board, good morning, my name is Edward Mason from the Church Commissioners for England who manage the Church of England's endowment.

At the shareholders' meeting last year, I proposed a shareholder resolution asking ExxonMobil to undertake and disclose climate change scenario analysis.

38% of shareholders voted FOR the proposal.

I did not expect to be here again this year, presenting the same proposal, this time filed by investors with five trillion dollars of assets under management.

Since last year's vote, we have engaged with ExxonMobil executives, alongside other institutional investors. We have sought to reach agreement on the enhanced climate-related disclosure that shareholders called for.

The corporation's executives would not agree to additional meaningful disclosure.

Shareholder requests to meet with non-executive directors have continued to be rebuffed.

Members of the board, in your other roles you have made clear that you recognise the significance of the agreed international goals on climate change.

Ms Burns, when you were Chief Executive, Xerox signed the White House Climate Pledge.

Mr Frazier, as Chairman and Chief Executive of Merck & Co, you back a climate change position statement which says: "Merck supports science-based international and national actions to address the challenges presented by climate change."

Mr Weldon, as Chairman and Chief Executive of Johnson & Johnson, you advocated a cap and trade system to drive greenhouse gas emissions reductions.

Dr Avery, you are an atmospheric scientist. The Financial Times reported you telling a conference in 2014: "Clearly climate science is telling us get off fossil fuels as much as possible".

Members of the board, do you leave your understanding of climate change at the door when you attend ExxonMobil board meetings?

ExxonMobil said in its 2014 climate risk report to shareholders that 2 degrees is not a scenario worth considering. In this year's proxy materials you have stood by this report.

You do not agree with this contention.

The governments of the world who have signed and ratified the Paris Agreement do not agree.

The Financial Stability Board doesn't agree.

ExxonMobil's super-major peers don't agree.

And most importantly, and why I am here today, shareholders don't agree.

It is the fiduciary duty of investors to ask for assurance of ExxonMobil's management of the risks and opportunities presented by the transition to a low carbon economy.

It is your fiduciary duty as directors to provide it.

### **About the Church Commissioners for England**

The Church Commissioners manage an investment with investable assets of some £7.9 billion, mainly held in a diversified portfolio including equities, real estate and alternative investment strategies. The Commissioners' work today supports the Church of England as a Christian presence in every community.

The annual objectives of the Church Commissioners include:

- A return on investments of RPI +5%
- Supporting poorer dioceses with ministry costs
- Providing funds to support mission activities
- Paying for bishops' ministry and some cathedral costs
- Administering the legal framework for pastoral reorganisation and settling the future of closed church buildings
- Paying clergy pensions for service prior to 1998
- Running the national payroll for serving and retired clergy

The latest Church Commissioners annual report can be found [here](#).

**About the New York State Common Retirement Fund**

The New York State Common Retirement Fund is the third largest public pension fund in the United States, with an estimated \$192 billion in assets under management as of March 31, 2017. The Fund holds and invests the assets of the New York State and Local Retirement System on behalf of more than one million state and local government employees and retirees and their beneficiaries. The Fund has a diversified portfolio of public and private equities, fixed income, real estate and alternative instruments.

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