THE CHURCH OF ENGLAND

Institutional investors with more than $10tn of combined assets under management are supporting a shareholder proposal urging ExxonMobil to improve its disclosure of the impact of climate change policies on its business, despite Exxon's board recommending a vote against.
The resolution was co-filed by the Church Commissioners for England and New York State Comptroller Thomas P. DiNapoli as Trustee of the New York State Common Retirement Fund. It asks Exxon to disclose how resilient its portfolio and strategy would be in a scenario in which global warming restricted is to 2 degrees, the goal of the 2015 Paris Agreement.

The proposal will be put before ExxonMobil's shareholder meeting on 31 May. A similar proposal last year gained the support of 38.2% of shareholders, despite also being opposed by the board.

Investors co-filing the resolution include Amundi, APG (on behalf of ABP, bpfBouw and PPF APG), AXA Investment Management, BNP Paribas Investment Partners, CalPERS, Connecticut Retirement Plans and Trust Fund, Hermes EOS, HSBC Global Asset Management, MN (including on behalf of PMT and PME), New York City Pension Funds, Schroders, Vermont Pension Investment Committee and over 30 faith-based institutional investors.

Investors who have declared that they will vote in favour of the resolution include Aegon Asset Management, Aviva Investors, Legal & General Investment Management and Natixis Asset Management.

The resolution is being supported by a proxy solicitation filed with the SEC by CalPERS, the largest public pension fund in the US with $316bn in assets under management.

Edward Mason, Head of Responsible Investment for the Church Commissioners, said "Last year this shareholder proposal received 38% support and it is extremely disappointing that Exxon has still not committed to provide the 2 degree scenario analysis that investors expect from the oil and gas majors. We are delighted that the resolution is garnering even greater support than last year."

Notes

At the same stage before last year's AGM investors with $6trn under management pre-declared their support for the same climate disclosure resolution. This rose to $10trn by the time of the vote, and it is expected that that there will be further pre-declarations this year.

In its proxy statement published on 13 April, Exxon recommended that shareholders vote against the resolution. While all the other 'super-majors' (BP, Chevron, Conoco Phillips, Shell and Total) have developed their own 2 degrees scenarios or disclosed an assessment of the implications of the International Energy Agency's 2 degrees scenario, Exxon contends that a 2 degrees scenario does not lie within a 'reasonably likely to occur' range of planning assumptions.

In December 2016 a Financial Stability Board Task Force on Climate-Related Financial Disclosures recommended that companies disclose 2 degree scenario analysis, as the shareholder proposal requests.

The text of the shareholder proposal, item 12 on the ballot for Exxon's shareholders meeting, is:

Resolved: Shareholders request that, beginning in 2018, ExxonMobil publish an annual assessment of the long-term portfolio impacts of technological advances and global climate change policies, at reasonable cost and omitting proprietary information. The assessment can be incorporated into existing reporting and should analyze the impacts on ExxonMobil's oil and gas reserves and resources under a scenario in which reduction in demand results from carbon restrictions and related rules or commitments adopted by governments consistent with the globally agreed upon 2 degree target. This reporting should assess the resilience of the company's full portfolio of reserves and resources through 2040 and beyond, and address the financial risks associated with such a scenario.

A full list of the co-filers of the proposal and investors who have pre-declared that they will vote in favour of it can be found here.

The proxy solicitation filed by CalPERS with the SEC can be found here.

About the Church Commissioners for England

The Church of England's investment fund, the Church Commissioners for England, manages investable assets in excess of £7 billion, held in a diversified portfolio including equities, real estate and alternative investment strategies. The Commissioners' work 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 reorganization 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

A copy of the latest Church Commissioners annual report can be found here.

About the New York State Common Retirement Fund

New York State Comptroller Thomas P. DiNapoli is trustee of the New York State Common Retirement Fund, the third largest public pension plan in the United States. To protect the retirement security of its more than one million members, retirees and beneficiaries from more than 3,000 state and local government employers, the Fund manages a diversified portfolio of public and private equities, fixed income, real estate and alternative instruments. It has consistently been ranked as one of the best managed and best funded plans in the nation.

Source URL: *https://www.churchofengland.org/media/press-releases/investors-10trn-under-management-declare-support-exxonmobil-climate-change*