THE CHURCH OF ENGLAND

ExxonMobil shareholders have shown significant support for a motion asking the company to report on how its business will be affected by worldwide efforts to combat climate change, despite the strong opposition of 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 preliminary voting figures announced at the company's shareholder meeting showed that 38.2% of shareholders supported the Church Commissioners' resolution, representing a significant shareholder revolt. As well as recommending shareholders vote against the motion, ExxonMobil had unsuccessfully attempted to have it struck off the ballot altogether by the Securities and Exchange Commission (SEC).

Edward Mason, Head of Responsible Investment for the Church Commissioners, said: "We are delighted to have got the highest ever vote for a climate change proposal at an ExxonMobil AGM. This is a significant show of strength on climate disclosure at Exxon by shareholders.

"Considering the scale of this vote, we urge Exxon to sit down urgently with its investors to agree the reporting it will provide on the risk that climate change policy poses to its business. Following the Paris Agreement the time for climate risk reporting has well and truly arrived and the investor call for it is clear. It will not go away."

Peter Grannis, First Deputy New York State Comptroller, said "We're proud of the support we've received for this proposal. Exxon needs to explain how it can adjust its business to meet the global effort to reduce fossil fuel consumption. Investors need to know that Exxon is taking steps to protect its long-term value."

More than 60 institutional investors with over $10trn of assets under management between them pre-declared their support for the motion ahead of today's meeting, including major fund managers and pension funds Amundi, AXA Investment Management, BNP Paribas, CalPERS, Legal & General Investment Management, Natixis Asset Management, New York City Retirement Fund, the Norwegian Government Pension Fund Global and Schroder's. The world's two leading independent proxy advisors, ISS and Glass Lewis, also supported the proposal.

Exxon's peers, Shell and BP, have already agreed to disclose how they will be impacted by efforts to lower greenhouse gas emissions in response to similar shareholder proposals co-filed in 2015 by the Church Commissioners and other investors and endorsed by the boards and shareholders of both companies.

Notes to editors

Timeline of the Shareholder Proposal

- December 2015: The New York State Common Retirement Fund and the Church Commissioners file their proposal with ExxonMobil
- January 2016: ExxonMobil seeks Securities and Exchange Commission approval to block the proposal from a vote of shareholders.
- March 2016: The SEC rejects ExxonMobil's request.
- April - May 2016: Dozens of major institutional investors, including CalPERS, the New York City Retirement Systems and Norway's Government Pension Fund Global announce their support for the proposal.
- 25 May 2016: Resolution receives 38.2% support at the annual shareholders' meeting in Dallas, Texas.

Edward Mason's remarks to the ExxonMobil AGM (as delivered)

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

We are long term shareholders interested in the sustainable success of the companies in which we invest, and it is a pleasure to be here in Dallas for Exxon's annual meeting.

The Church Commissioners are lead co-filers of shareholder proposal number 12 which was filed by New York State Common Retirement Fund, whom I am also representing.

The resolution asks Exxon to publish annually an analysis of how its portfolio stress tests against a scenario in which the world restricts warming to 2 degrees.

This is a reasonable request.

Chairman as you have acknowledged this morning, climate change is real.

The desire of global governments to restrict warming to below 2 degrees, affirmed in the Paris Agreement, is real.

The financial risks and opportunities for companies associated with the transition to a low carbon economy are real.

These risks have been recognised by the global Financial Stability Board chaired by the Governor of the Bank of England which has created a task force on climate-related financial disclosure.

Exxon's peers have agreed to provide regular portfolio resilience reporting, including BP, Shell and Total. At BP and Shell's annual meetings last year, the reporting request was endorsed by 98% of shareholders at both companies.

Because of Exxon's decision to diverge from its peers and oppose the request in this resolution, management will today experience a major shareholder revolt.

Chairman, the board is losing the confidence of its investors on climate change.

In the run up to this annual meeting, investors with over $10 trillion of assets affirmed their support for this shareholder proposal.

Many of the world's largest asset managers are voting against management today: Aegon, Amundi, Aviva Investors, AXA Investment Managers, BMO Global Asset Management, BNP Paribas Investment Partners, HSBC Global Asset Management, Legal and General Investment Management, Natixis Asset Management, Robeco and Schroders Investment Management.

The world's largest sovereign wealth fund, the Norwegian Government Pension fund, pension schemes from around the world from the public and private sector alike, and church investors like us from three continents, are all voting against management.

Chairman and members of the Board, Exxon can do better. Following today's vote, the investors backing this proposal look forward to starting afresh and having a responsive and productive engagement with the company on climate related disclosures.

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