

# 50/50 Climate Project

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For Immediate Release

## SHAREHOLDERS REJECT CLIMATE RISK INERTIA AT EXXONMOBIL'S AGM

Investors at ExxonMobil, frustrated with the firm's unyielding stance on climate change concerns, today sent a resounding message to the company's board of directors. Despite the board's opposition, more than 62 percent of shares cast at Exxon's AGM were voted to pass a shareholder proposal calling for an assessment of impacts to the firm under a scenario in which a reduction in demand results from global efforts to limit average global temperature increases to 2 degrees Celsius.

This powerful message from the global capital markets to the board members of one of the world's largest oil and gas companies bucks the Trump administration's posture on de-emphasizing climate change as a national priority. The momentous shareholder vote at ExxonMobil is particularly relevant in light of media reports today that President Trump has signaled an intention to withdraw the United States from the Paris Climate Agreement.

Majority investor support for the 2-degree scenario stockholder resolution at ExxonMobil is also symptomatic of a constellation of ossified board-directed policies, practices and disclosures at the firm that have fallen short of shareholders' expectations and failed to serve in their best interests. In a strong rebuke of the status quo, investors appear to have factored in this broader set of concerns, first identified in the 50/50 Climate Project's recent [Shareholder Briefing Paper](#), when casting their votes on the 2 degree scenario climate risk proposal.

Given today's majority vote, the onus rests squarely on ExxonMobil's board of directors to respond vigorously and unambiguously to this strong investor mandate and break away from doing the bare minimum necessary to keep climate-oriented investor concerns at bay. All roads appear to lead to ExxonMobil's Board Affairs Committee, which oversees communications between directors and shareholders, board nominations and compensation, and compliance with sound corporate governance practices. Investors will be looking to this board committee, chaired by director Kenneth Frazier, to responsively address investor concerns on matters within the committee's ambit of responsibility.

A critical gauge of ExxonMobil's ability to navigate a complex and constantly shifting business landscape and effectively manage a myriad of evolving risks and challenges, is the potency of its board refreshment endeavors. Given that three retirement age directors are scheduled to depart from the board shortly, investors expect ExxonMobil's board to reconstitute itself with board members representing a diverse complement of competencies, professional experiences, backgrounds and perspectives necessary to chart a future path that delivers sustainable long-term shareholder value.

The 50/50 Climate Project, whose mission is to support institutional investors in accelerating market-based demand for climate competency on corporate boards, will continue examining whether ExxonMobil's board has made the critical transition from having a climate competent director to becoming a climate competent board. The hallmark of a climate competent board lies in its ability to critically interrogate management's scenario analyses and viewpoints, revisit traditional strategic assumptions, and demonstrate literacy in contemporary climate science as well as an acute grasp and embedment of science-based business implications in board-level decisions/actions – spanning long-term strategic planning, risk management, capital allocation, compensation setting, (high quality) corporate disclosures and (efficacious) interactions with investors.

Majority support for the 2-degree scenario climate risk reporting shareholder proposal should serve as a loud wake-up call for ExxonMobil's board of directors to exemplify demonstrable and sustained boardroom climate competence going forward.

### **About the 50/50 Climate Project**

The 50/50 Climate Project is a not-for-profit resource and action center whose mission is to support institutional investors in creating market-based demand for meaningful climate disclosures and greater climate competency on corporate boards. More information is available on our website: [www.5050Climate.org](http://www.5050Climate.org).

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