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## Factbox: Climate change proposals for Exxon, Chevron shareholders



The logo of Dow Jones Industrial Average stock market index listed company Chevron (CVX) is seen in Los Angeles, California, United States, April 12, 2016.  
REUTERS/LUCY NICHOLSON

Shareholders of Exxon Mobil Corp ([XOM.N](#)) and Chevron Corp ([CVX.N](#)), two of the world's largest oil producers, will vote on Wednesday on a raft of proposals designed to push the companies to respond more proactively to climate change risks and regulations.

The stakes are highest at Exxon, which has come under intense scrutiny from environmentalists and some investors this past year over the way it handled climate change data.

With public sentiment pressuring big oil companies on environmental issues, the votes this year could mark the first time a climate change-related proposal passes muster with a majority of Exxon's shareholders.

Below is a summary of key issues on ballots for the annual meetings:

### EXXON MOBIL

#### RESOLUTION 5: ADD CLIMATE EXPERT TO BOARD

The resolution's sponsor, a group of Wisconsin monks, says that by adding a climate expert to its board, Exxon would be able to "more effectively address the environmental issues and risks inherent in its present business model."

Exxon's recommended vote: No. Executives say holding a board seat for a "single-issue candidate who lacks other important attributes would, in our view, not be in the best interests of the company."

#### RESOLUTION 7: PROXY ACCESS BYLAW

This resolution's sponsor, New York City pension funds, says minority shareholders with a 3 percent stake in the company should be able to nominate directors to the company's board. This is part of a broader shareholder push to put climate experts on the boards of oil companies.

Exxon's recommended vote: No. It highlighted "the potential risk for the proposal to increase the influence of special interest groups" on the board.

#### RESOLUTION 10: BOOST SHAREHOLDER PAYOUTS

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and snare buybacks, rather than invest in new oil or gas deposits, claiming that climate change throws the long-term viability of the company's business model into doubt.

Exxon's recommended vote: No. Executives defended their history of generous shareholder payouts and noted they use a proxy cost for carbon, which takes into account potential impacts from climate change and environmental legislation.

RESOLUTION 11: SUPPORT THE PARIS AGREEMENT

This resolution's sponsor, a group of New Jersey nuns, wants Exxon to support the Paris climate accords with a company policy that commits to limit global warming to less than 2 degrees Celsius.

Exxon's recommended vote: No. Executives said they take the risks of climate change seriously and also have an obligation to "invest in economically attractive energy sources in an environmentally responsible manner."

RESOLUTION 12: PUBLISH AN ANNUAL CLIMATE CHANGE REPORT

This resolution's sponsor, the New York State Common Retirement Fund, which holds nearly 11 million Exxon shares, wants the company to publish a report annually that would outline how climate change could affect the company's ability to operate.

Exxon's recommended vote: No. Executives noted the company already updates its annual Outlook For Energy report with the latest climate policy information.

RESOLUTION 13: REPORT RESERVES IN BRITISH THERMAL UNITS

The resolution's sponsor, the environmental group As You Sow, wants Exxon to report its reserves of oil and natural gas in British Thermal Units, arguing it is a better metric to track the company's effect on, and vulnerability to, climate change.

Exxon's recommended vote: No. Executives note the U.S. Securities and Exchange Commission requires oil assets be reported in barrels.

CHEVRON

Note: Chevron does not identify resolution sponsors.

RESOLUTION 6: TARGETS FOR GREENHOUSE GAS EMISSIONS CUTS

The sponsor wants Chevron to set goals for how the company can best comply with the Paris climate agreements and arrange its business operations in such a way as to help limit global warming to less than 2 degrees C.

Chevron's recommended vote: No. Executives say such a requirement could put the company at an economic disadvantage in some countries where it operates.

RESOLUTION 7: CLIMATE CHANGE REPORT

The sponsor wants Chevron to publish an annual report from 2017 through 2035 outlining how legislation designed to curb climate change could affect its business operations.

Chevron's recommended vote: No. Executives say such a report is "unnecessary in light of the safeguards" in place throughout its operations.

RESOLUTION 8: REPORT RESERVES IN BRITISH THERMAL UNITS

The sponsor wants Chevron to report its reserves of oil and natural gas in British Thermal Units, arguing it is a better metric to track the company's effect on, and vulnerability to, climate change.

Chevron's recommended vote: No. Executives note the U.S. Securities and Exchange Commission requires oil assets be reported in barrels.

RESOLUTION 9: BOOST SHAREHOLDER PAYOUTS

This sponsor wants Chevron to increase dividends and share buybacks, claiming that climate change throws the long-term viability of the company's business model into doubt.

Chevron's recommended vote: No. Executives say the proposal is based on a "flawed, if not dangerous, premise: that stockholders would be best served if Chevron stopped

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## RESOLUTION 11: BOARD MEMBER WITH ENVIRONMENTAL EXPERTISE

This sponsor wants more candidates for Chevron's board with a "high level of expertise and experience in environmental matters" who are also independent of the company's management.

Chevron's recommended vote: No. Executives say the current board has "significant environmental experience."

(Reporting by Ernest Scheyder in Houston; Editing by Terry Wade and Matthew Lewis)

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