

## **OIL AND GAS INDUSTRY FACES RECORD NUMBER OF GLOBAL WARMING SHAREHOLDER RESOLUTIONS AT WIDER RANGE OF FIRMS**

*New York State, New York City, Maine and Connecticut Pension Funds Join Religious, Other Filers; Focus of Resolutions Widens to Include Smaller "Independents" Facing Even More Risk.*

**BOSTON//February 26, 2004//**The oil and gas industry faces a record number of global warming shareholder resolutions in 2004, with an expansion of such proxy measures to smaller independents. State, city, religious and other institutional shareholders have filed **13** resolutions requesting risk disclosure and plans to reduce greenhouse gas emissions with 10 oil and gas companies, 5 of which are facing questions on the issue for the first time. In addition to targeting household names such as ExxonMobil and ChevronTexaco, the shareholders have broadened their concern to smaller, independent exploration and production companies, such as Devon and Apache. These companies, the shareholders say – which only drill for and produce oil and gas and are not diversified with distribution or retail operations – are even more vulnerable to regulatory- or market-based limits on carbon dioxide emissions worldwide.

One or more resolutions have been filed at each of the following North American oil and gas companies: ExxonMobil (**NYSE: XOM**); ChevronTexaco (**NYSE: CVX**); Marathon (**NYSE: MRO**); Anadarko (**NYSE: APC**); Apache (**NYSE: APA**); Devon (**AMEX: DVN**); Imperial (**AMEX: IMO**); Petro Canada (**NYSE: PCZ**); Unocal (**NYSE: UCL**); and Valero (**NYSE: VLO**). Shareholders are also in dialogue with ConocoPhillips (**NYSE: COP**) and Occidental (**NYSE: OXY**) regarding their climate change policies as a result of resolutions filed in the last two years.

The shareholder filers, collectively representing over \$250 billion in assets, include four state and city pension funds, a foundation, socially responsible investment firms, and a number of religious pension funds associated with the Interfaith Center on Corporate Responsibility (ICCR), a coalition of 275 religious institutional investors that helped coordinate the filings. The resolution filings also were coordinated in part by CERES, a coalition of investors (including many of those involved in the filings) and environmental groups that has been active in promoting investor awareness of global warming risks. The news event today announcing the record number of 2004 shareholder resolutions was made possible by the nonprofit Civil Society Institute of Newton, Massachusetts.

Proxy measures were filed by American Baptist Churches, Boston Common Asset Management, Christian Brothers Investment Services, Inc., Domini Social Investments, Ethical Funds, General Board of Pension and Health Benefits of the United Methodist Church, Nathan Cummings Foundation, the New York State Common Retirement Fund, Province of St. Joseph of the Capuchin Order, Sisters of St. Dominic of Caldwell, NJ, State of Connecticut Retirement Plans and Trust, State of Maine Trust Funds, Trillium Asset Management, and Walden Asset Management.

Alan Hevesi, Comptroller, State of New York and Sole Trustee of New York State Common Retirement Fund, said: **“As sole trustee of the nation’s second largest public pension fund, it is my fiduciary responsibility to consider all long-term investment risks, including those associated with the proliferation of greenhouse gases. The fact is that sound environmental policy translates directly into sustainable long-term profits. This is the first climate change related resolution we have filed, and I believe it’s going to become a major issue for institutional investors.”**

Patricia Daly, Director, Tri-State Coalition for Responsible Investment, and a founder of Campaign ExxonMobil said: **“For too long, Exxon has been able to lead the charge in questioning the science of global warming and ducking the fact that the world is moving to limit carbon dioxide emissions and oil companies will be affected. Questioning a broader segment of the industry will only help push the U.S. supermajors to read the writing on the wall and act in the best interests of their shareholders.”**

Bill Thompson, Comptroller, City of New York, said: **"These oil and gas companies have not taken the issue of global warming seriously and have not planned alternative strategies. We have a fiduciary responsibility to ensure that long-term investors will not be harmed by these shortsighted business decisions. Institutional investors like ourselves have historically led the charge in raising social and environmental issues that affect the bottom line, and we are doing it again."**

Dale McCormick, Treasurer, State of Maine, said: **"Once companies and their investors are made aware of a risk or a trend that requires clear business strategy, it is a breach of our fiduciary responsibility to ignore it. The U.S. oil industry's inattention to this issue borders on corporate scandal. I am proud to be one of the questioners from the investment world."**

Most of the resolutions seek reports on how the companies in question are responding to and preparing for rising regulatory and competitive pressures to reduce greenhouse gas emissions. Oil supermajors ExxonMobil and ChevronTexaco also received resolutions requesting a report on the companies' efforts to invest in renewable energy (similar resolutions received record votes of 21 percent and 32 percent, respectively, last year). Shareholders also filed a resolution with ExxonMobil requesting full disclosure of the science supporting the company's policies on climate change.

The resolutions come at a time of growing investor demand for information on how heavy-emitting sectors are planning for coming constraints on carbon emissions. The electric power sector has received similar resolutions, with giants American Electric Power and Cinergy recently agreeing to shareholder requests by promising reports on how they are responding to rising pressure to reduce their emissions.

Resolutions with the oil industry in the last few years have already begun to yield change. Last year's resolution at ConocoPhillips spurred the company's board to create a strong climate change policy. ChevronTexaco established a policy that included assuming a price per ton of carbon when assessing new projects, a practice in place at foreign competitors BP and Shell Oil.

The comptrollers and treasurers were part of issuing an investor "Call to Action" at the Institutional Investor Summit on Climate Risk convened by CERES at the United Nations in November, 2003, demanding better disclosure and certainty on climate policy from companies, Wall Street fund managers, the Securities and Exchange Commission, and policymakers. Their involvement in the oil industry filings came as a result of that pledge.

Andrew Logan, Oil Industry Analyst, CERES, said: **"The disparity of preparedness among the companies is disturbing. All oil companies essentially operate in the same global markets and are susceptible to the same emerging regulatory structures around the world – yet many of these companies seem relatively uninformed about the issue and how it could affect prices. It seems that U.S. intransigence on global warming has translated into insularity that puts U.S. companies at serious risk."**

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**Editor's Note:** A streaming audio replay of today's news event will be available on the Web after 6 p.m. EST on February 26, 2004 at [http://www.ceres.org/newsroom/press/oil\\_gas\\_reso.htm](http://www.ceres.org/newsroom/press/oil_gas_reso.htm).

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