

EXXONMOBIL RESISTS SHAREHOLDER PROPOSAL ON GHG EMISSIONS

Exxon urges shareholders to vote against greenhouse gas emissions motion that asks for absolute goals.

Although we reported in [Edition 36](#) that Exxon will disclose more information on its hydraulic fracturing (fracking) risks amidst shareholder pressure, it appears the oil giant is still [resisting pressure](#) from shareholders around reporting greenhouse gas emissions. The shareholder proposal, submitted by the Sisters of St. Dominic of New Jersey, asks Exxon to report quantitative goals to reduce GHG emissions through its supply chain.

Exxon has responded by urging shareholders to vote against the resolution, citing the company's existing disclosure on its management of climate risk to third-party data organization, Carbon Disclosure Project (CDP). It argues that setting absolute goals around climate change mitigation is not the best approach. The shareholder motion on fracking has been [withdrawn from the proxy](#) statement. The annual general meeting (AGM) is set for next month.

BUSINESSES, GOV'TS URGED TO CONSIDER LINKING FOOD-ENERGY-WATER AND CLIMATE CHANGE

The Environmental Defense Fund (EDF) recommends linking food, energy, and water as others warn that extreme weather events will result in surge in food prices.

The Environmental Defense Fund (EDF) [encourages stakeholders](#) to approach problems around food, energy and water from an integrated way in order to uncover maximum efficiency. Although the global water-energy nexus has been discussed in recent years, the EDF recommends adding food to the equation. A report by the organization recommends taking measures such as improving crop irrigation through smart electricity, a move that addresses, water, food and energy at once.

Others are noting that [extreme weather events](#) due to climate change are resulting in a surge in food commodity prices. Agricultural prices are extremely volatile, and droughts in various parts of the world may impact the global agricultural commodity market. Prices of coffee, wheat and other grains have spiked in areas experiencing droughts, such as Brazil and Australia. The recent IPCC report noted that climate change is likely to continue to affect two crops in particular: wheat and maize.

STAT OF THE WEEK

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IPCC REPORT UPDATE: LEADERS AGREE LARGE-SCALE CHANGE NEEDED; SOME CRITICIZE REPORT

World leaders agree that action is needed; Author of IPCC chapter condemns report for marginalizing developing nations.

The UK Secretary of State for Energy and the US Secretary of State agreed that the IPCC report is a [clear wake-up call](#) that greenhouse gas emissions are increasing due to human activity. US Secretary of State, John Kerry, suggests that technologies that will help fight global climate change can reduce emissions while simultaneously growing economic opportunity. He notes that the global capacity exists, and it now becomes an issue of willpower.

There is some criticism over who is responsible for climate change (developed or all nations) and who should rectify the situation. Some maintain that governments need to step up to curb emissions. A lead author of chapter four, which focuses on sustainable development and equity, [told the BBC](#) this week that the IPCC report marginalizes the development needs of poor countries. He criticizes the language and narrative of the report for shifting the burden away from the developed countries that are primarily responsible for carbon emissions.

EUROPEAN PARLIAMENT TO REQUIRE NON-FINANCIAL REPORTING FOR LARGE COMPANIES

Major businesses will need to add social, environmental, and human rights impacts to their annual reports.

A [historic law](#) passed in the European Parliament this week requiring large businesses – 500 employees or more – to report on environmental, social and human rights impacts on an annual basis. Although approximately 5,000 companies already voluntarily report, using GRI or another third-party framework, the law will apply to 7,000 companies. In a 599-55 vote, the parliament passed the law, which goes into effect in 2017.

The first law of its kind to pass by EU member states, [it will mandate](#) that “public interest” companies:

- (1) Report on environmental, social and employee-related, human rights, anti-corruption and bribery matters; and
- (2) Describe their business model, outcomes and risks of their policies regarding these topics, as well as their diversity policy for management and supervisors.