

## More company climate votes ahead, as Trump may loosen energy rules

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BOSTON – Activist shareholders plan a record number of resolutions focused on climate change at U.S. company annual meetings in 2017, even as President-elect Donald Trump looks set to loosen environmental regulations.

Based on filings so far, U.S. companies are on track to face roughly 200 resolutions on climate matters at their shareholder meetings next year, according to Rob Berridge, who follows the subject for Ceres, a sustainability advocacy group.

There were 174 such resolutions this year, Berridge said, compared with 167 in 2015 and 148 in 2014. Many have been directed at big oil and gas companies, though other sectors have also been targeted, including technology and retail.

Activist shareholders broadly aim to curb companies' carbon emissions and make energy usage more efficient, or at the very least, to draw the attention of companies and investors to climate change as an urgent problem.

They have had some limited success. Investors at Exxon Mobil Corp the world's largest publicly traded oil producer, passed a measure this year that could lead to an environmental activist joining its board. "Our position is that the risk of climate change is clear and warrants action," said Exxon spokesman Alan Jeffers.

The rising number of shareholder votes reflects a growing concern among big investors about the environment, encouraged by steps by some boards to embrace reforms.

Deadlines are fast approaching to get resolutions on the ballot for shareholder meetings to be held in the spring.

The election victory of Trump, who is set to take over as U.S. president on Jan. 20, only seems to have added impetus.

On the campaign trail, Trump dismissed human-caused climate change as a "hoax" and pledged to dismantle the Environmental Protection Agency. He also threatened to withdraw the United States from the landmark 2015 Paris Agreement to combat climate change, although he appeared to step back from that position on Tuesday.

He vowed instead to revive the U.S. coal industry, encourage oil drilling and to scale back regulation of the energy sector.

"Despite what the administration may or may not do, I really believe that corporations understand the risks posed by climate change," said Danielle Fugere, president of As You Sow, a California nonprofit campaign group. It sponsored 18 climate-related shareholder resolutions in 2016 and expects to file a bigger number next year.

One resolution for 2017 calls on Anadarko Petroleum Corp to report on how it would address the risk of so-called stranded assets, such as high-cost deepwater project investments, that might be caused by a drop in demand for oil and gas. The idea won support from 42 percent of shares voted at the company's 2016 meeting, up from 29 percent in 2015.

Anadarko's board last year called the idea "unnecessary and unproductive." Spokesman John Christiansen said it is reviewing the proposal.

To be sure, among S&P 500 companies, investor support for climate resolutions has been relatively weak, holding steady around 22 percent since 2014, according to research firm Fund Votes.

But activists often won more backing for ideas such as urging companies to report on their strategy for dealing with climate change, according to the Sustainable Investments Institute, a research firm specializing in shareholder votes, supported by universities, pension funds and other institutional investors.

Anne Simpson, director of sustainability for the California Public Employees' Retirement System (Calpers), which manages about \$300 billion, said it plans to file or back resolutions at U.S. oil and gas companies for 2017, though she declined to discuss specifics.

Last year the boards of mining companies including Rio Tinto Plc and Glencore Plc endorsed resolutions Calpers submitted calling for reports on climate risk, and the measures passed by wide margins.

More companies will likely embrace shareholder proposals to head off disruption caused by climate change, Simpson said.

"Economics is driving this, not politics," she said.

(Reporting by Ross Kerber in Boston; Editing by Bill Rigby)