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FONDO PENSIONE NAZIONALE A CAPITALIZZAZIONE
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ExxonMobil Corporate Headquarters
Attn: Jeffrey Woodbury
(Vice President - Investor Relations and Secretary)
5959 Las Colinas Boulevard
Irving, Texas 75039-2298
USA

Rome, 17 November 2015

Prot. 19/11/2015

Subject: climate change impact, reporting and risk management

Dear Sirs,

EUROFER Pension Fund is the national pension fund for workers of the Italian railway Company (Ferrovie dello Stato), it was established in March 12, 2002, in the form of a non-profit association in order to help its members to maintain their standard of living after retirement, thanks to an additional contribution pension plan, complementary to the public one.

As of December 31, 2013, almost 40,000 individuals from 116 companies joined the Fund. As of December 31, 2014, the Active Global Equity Balanced line (*Comparto Bilanciato Azionario Globale Attivo*) of the Fund had quite Euros 100 million of assets under management and it is a Exxon's shareholder.

In line with the principles of investment of a pension fund, that imply a non-speculative approach, with a long-term horizon, a low portfolio turnover and a constant relationship with its members, EUROFER Pension Fund decided to undertake a process of integration in its investment strategy of sustainability principles referable to environmental, social and governance (ESG) issues. In fact, all investments (both equity and debt) of EUROFER Pension Fund are following a "social responsibility" approach.

With this letter we would like to bring to your attention some aspects of the ESG profile of your Company with the aim of creating a positive, constructive and long-term dialogue that can act as a stimulus for an improvement of the overall management of your business risks, or even those connected with non-financial issues, to which EUROFER pays special attention in the interests and on behalf of its beneficiary.

The years to come will be particularly challenging for Companies in the energy sector: some estimates, including those contained in your "2015 Outlook for Energy" report, indicate a strong growth in demand for energy, equal to approximately 35% of current demand by 2040, in a competitive context particularly complex that will presumably see oil prices significantly lower than the ones recorded between 2010 and 2015.

This year, the public attention to climate change has grown considerably, especially because of the Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC) that eurofer

will be held in Paris in December 2015.[1] During the conference, known as COP21, the participants will discuss about reaching a legally binding agreement to keep global warming below 2°C, considered by many as the limit in order to avoid the most catastrophic consequences of global warming.[2]

As investor interested also in the environmental and social performances of Companies, we believe that is necessary to evaluate all risks and opportunities of this new competitive world and we would like to highlight the importance of some of the issues already presented by several investors, many of them members of ICCR – Interfaith Center on Corporate Responsibility, during the Annual General Meeting held on May 27th.

One of the proposals presented during the AGM requested Exxon to consider, in the nomination process for the Board of Directors, at least one candidate who has a high level of climate change expertise.[3] While we believe that the Board of Exxon is composed by directors with good experience and diverse backgrounds, we feel that a similar proposal in the appointment process could enable your Company to respond better to the risks connected with climate change both regarding the perception of Exxon by investors and the public opinion and the management of your operations, that, as acknowledged even by yourself, can have a strong impact on the environment.

Item number 10 in agenda was closely linked with a proper management of the risks connected with the potential changes in American regulations regarding climate change and CO_2 emissions.[4] The proposal requested to introduce goals for reducing total greenhouse gases emission from your direct and indirect operations (the ones deriving from your products). As underlined, the attention of both public opinion and government action towards climate change is growing, and this will likely lead to new laws and regulations that could imply limitations of greenhouse gases emissions, posing at risk the profitability of your Company if the implications of these issues are not identified in a timely manner. We understand the concerns you have raised on the concrete formulation of targets so specific for reducing emissions, but we believe that a specific commitment on this could help Exxon to respond to the global movement that is pushing investor to divest from the companies more exposed to issues connected with climate change.

Even the resolution presented as item 11 is connected to an environmental topic. The proposal requested the Board of Directors to publish a report, by the end of 2015, regarding the policies and practices implemented by Exxon to minimize the environmental and social risks of hydraulic fracturing (*fracking*). In a market where higher transparency and broader dialogue between Companies and investors is seen as an important driver to collect equity capital, the fact that your company may be considered negatively regarding the information made available to the public[5] should be addressed by your management promptly.

This is especially important for Exxon because, as you stated in your 2014 financial report, a strong growth in the extraction of unconventional resources is expected for the next years.[6] Fracking and deep water drilling expose Companies to significant risks, especially if the oil fields are located in the Artic region, which is an extremely delicate area from the environmental point of view. These unconventional extraction

[1] http://www.cop21.gouv.fr/en/cop21-cmp11/what-cop
[2] http://www.iea.org/etp/
[3] Item 6 – "Climate expert on board"
[4] Which is one of the risks identified by Exxon in its 2014 Financial Report: "Government and Political Factors – Climate change and greenhouse gas restrictions."
[5] Report "Disclosing the facts: transparency and risk in hydraulic fracturing operations" by As You Sow, Boston Common Asset Management and Green Century Capital Management – December 2014
[6] *"Business environment and risk assessment – Upstream"* from Exxon 2014 Financial Report

Via Bari, 20 00161 ROMA - Tel. 199.40.10.26 - fax 06.4554.6298
e-mail eurofer@fondoeurofer.it
C.F. 97179100587

techniques are strongly criticized by the public opinion and by investors for their high impact on the environment, and the first studies seems to confirm these concerns. Environmental issues are exacerbated by the doubt raised by several financial analysts, who highlighted that these extraction projects require an oil price much higher than the current one.

EUROFER Pension Fund, given its mandate and in the interest and on behalf of its members, hopes that Exxon will take into account (and act consequently) of the high percentage of votes in favor of the minority resolutions mentioned in this letter, which testimony that these topics constitute an important part in the investment process of Institutional investors, both “traditional” and “socially responsible” ones.

We hope that the considerations and requirements set forth herein could represent an incentive for Exxon to strengthen its activities aimed at achieving the satisfaction of all your stakeholders.

We look forward to analyze carefully any further documentation that you will provide us concerning the highlighted issues.

Please feel free to contact us if you have any questions.

Sincerely,

Stefano Pierini

President

EUROFER Pension Fund

Via Bari, 20 00161 ROMA - Tel. 199.40.10.26 - fax 06.4554.6298
e-mail eurofer@fondoeurofer.it
C.F. 97179100587