



Coalition United for a Responsible Exxon (CURE) Publishes Paper Addressing Long-Term Deterioration in ExxonMobil's Performance and Shareholder Returns

CURE's 135 Signatories with \$2.5 Trillion in AUM Primarily Attribute Value Destruction to Poor Oversight

NEW YORK – May 6, 2021 – The [Coalition United for a Responsible Exxon](#) (“CURE” or the “Coalition”) today published a [paper that analyzes ExxonMobil Corporation's \(NYSE: XOM\) \(“Exxon”\) critical governance failures and poor performance](#). The paper provides a number of concrete **recommendations** to strengthen Exxon's governance and develop a new strategic direction in line with the Paris Agreement on Climate Change. As of today, CURE represents over 135 stakeholder organizations, who collectively represent \$2.5 trillion in assets focused on sustainability and committed to delivering long-term returns that account for the realities of a changing energy sector.

Josh Zinner, Executive Director of Interfaith Center for Corporate Responsibility and a member of CURE, commented, “Once the largest public company in the world, Exxon's current market capitalization is half the size of its peak in 2007. As investors committed to energy transition, we can no longer stand by idly watching Exxon continue on its current path of seemingly reckless value destruction. CURE's 135 members recognize that change is desperately needed at Exxon and applaud our fellow shareholders who are campaigning for meaningful progress. We believe that bold changes in governance and strategy are necessary to steer the company into the sustainable, decarbonized economy we need for the future.”

CURE's paper lays out two main factors – each attributable to poor oversight – that it believes have contributed to Exxon's deteriorating financial performance and shareholder returns over the past decade:

- The Exxon Board's sanctioning of high cost, low return investments, and acquisitions that significantly diluted its return on capital; and
- The Exxon Board's failure to appreciate the cyclicity of oil and gas prices, preferring to invest on the assumption that the high oil prices of 2010-2014 were the new normal.

CURE is concerned that Exxon's Board has little experience of cyclical industries and does not have sufficient confidence or expertise to challenge a powerful CEO/Chairman over questionable investments that have diluted the Company's return on capital relative to its peers. In addition to having limited experience in the Company's core business areas – energy and oil & gas – CURE believes that Exxon's independent directors also seemingly have limited experience for dealing with the changes necessary for navigating the energy transition and a decarbonizing global energy economy disrupting the Company's core business.

CURE has published the following recommendations in an effort to enable Exxon to serve all of its stakeholders responsibly and enhance shareholder value in the emerging clean energy economy:

Strengthen governance to avoid repeating past mistakes

- Split the joint CEO/Chair position
- Broaden Board and management expertise by appointing multiple new directors and senior executives with energy and climate experience
- Align CEO and executive compensation more directly with total shareholder return and GHG reduction performance metrics

Establish and disclose a plan in line with the Paris Agreement to prepare for the Energy Transition

- Set an absolute enterprise-wide net-zero target by 2050, including interim short- and medium-term targets, and a detailed decarbonization strategy for achieving targets
- Develop a climate lobbying position aligned with the Paris Agreement
- Provide scenario analysis disclosure, including carbon price assumptions and asset-level detail
- Provide regular updates on the Company's compliance with climate targets

Several proposals to be voted on at the Company's upcoming annual meeting address certain of the Coalition's concerns, and the members of CURE therefore intend to vote in favor of the following proposals:

Item 4: Independent Chairman

Item 6: Report on Scenario Analysis

Item 10: Report on Climate Lobbying

The Coalition concluded, "The global energy transition has unleashed forces that have eroded business models based on oil and gas. These changes are fundamental, irreversible, and will only accelerate as climate policy is more rigorously implemented around the world. While its better-performing rivals pivot into clean energy technologies and new disruptive players enter the energy market, Exxon has seemingly doubled down on oil and gas. Energy companies that have leaned into the transition have grown rapidly, while oil and gas supermajors have stumbled and shrunk. With qualified leadership overseeing a strategy that acknowledges this reality, Exxon has the opportunity to leverage its scale and the talent of its people to reverse its current declines. In our view, by better aligning with a growing global consensus that we must achieve net zero emissions by 2050, Exxon can avoid further stranded assets and value destruction."

The [full paper](#) and additional information regarding the Coalition United for a Responsible Exxon (CURE) can be found at <https://curexson.org/>.

About

[The Coalition for a Responsible Exxon](#) ("CURE") represents a global spectrum of stakeholders focused on sustainability and committed to delivering long-term returns that account for the realities of a changing climate and energy sector. As of May 3, 2021, CURE brings together over 135 institutional members, who collectively represent \$2.5 trillion in assets.

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