Carleton Responsible Investment Committee Annual Report
January 27, 2016
Appendix B: Full Shareholder Resolution Texts for Past Resolutions Falling Under the New Pre-Approval Categories

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for Past Resolutions Falling Under the Proposed Post-Consumer Recycling Pre-Approval Category


WHEREAS, post-consumer packaging and printed paper comprises nearly half of U.S. landfill waste and is a significant consumer of natural resources, energy and source of greenhouse gas emissions. Half of printed paper and packaging is landfilled or burned rather than recycled. Plastic packaging debris migrates to oceans where it damages fisheries, tourism and marine life. There is a growing link between ineffective waste management and plastic debris piling up in Earth’s oceans and waterways, where it injures and kills marine animals, transports invasive species and poses a threat to human health. California spends nearly $500 million annually to prevent trash, much of it packaging, from polluting beaches, rivers and ocean frontage.

The estimated market value of wasted packaging that could be recycled is $11.4 billion. Increased recycling provides more efficient use of valuable resources. It generates less pollution, and requires less energy than using virgin raw materials. In the U.S., taxpayers pay to recycle packaging, but poor infrastructure and strapped municipal budgets have yielded lagging recycling rates: 38% for aluminum, 34% for glass, and only 12% for plastic. Further, Safeway’s house brands, among other products, are recently increasing use of non-recyclable flexible plastic packaging, such as pouches.

More than 40 countries have shifted some or all costs of packaging recycling onto producers. Safeway is already required to contribute to packaging recycling costs in parts of Canada. U.S. producers of packaging-intensive brands can expect to be asked to take more responsibility for recycling of packaging in the future. We believe some measure of responsibility for packaging is a key component of a corporate environmental sustainability policy.

Extended Producer Responsibility (EPR), a corporate and public policy that shifts accountability for financing recycling of materials from taxpayers to producers, is a promising potential solution. Two major brands, Coca-Cola Co. and Nestle Waters NA, have called for producers to adopt EPR programs in the U.S. Legislation is pending in several states. Taking an active role in planning for mandated producer responsibility for packaging will reduce risk, ensure continued high quality packaging, reduce wasted resources, and increase program efficiencies. The company has not moved decisively to lead or participate in such an effort nor addressed its responsibility for post-consumer packaging for its brands.

BE IT RESOLVED THAT shareowners of Safeway request that the board of directors issue a report by September 1, 2014, at reasonable cost and omitting confidential information, developing a policy position on the company's responsibility for post-consumer product packaging of its private label brands, and assessing whether alternative approaches could lead to substantially increased packaging recycling.
Supporting Statement: Options reviewed in the report should include analyses of company-based actions that will increase recyclability of packaging materials, and participation in policy and technical development of EPR or other producer responsibility strategies in collaboration with sector peers, policymakers and suppliers with a goal of greatly increased U.S. recycling rates and reduced energy use and pollution.


WHEREAS Walmart is the second largest U.S. retailer of consumer electronics, and such devices contain toxic materials such as lead, mercury, cadmium, brominated flame retardants, polyvinyl chloride, and are difficult to recycle.

Less than 20% of discarded electronics are collected for recycling, according to the U.S. Environmental Protection Agency. E-waste is the fastest growing and most hazardous component of the municipal waste stream, comprising more than 5%. The estimated collection rate for ewaste lags the U.S. recovery rate for all municipal waste of 34%.

Improper disposal of electronics can result in serious public health and environmental impacts. Analog TV sets and monitors with cathode ray tubes contain large amounts of lead, flat screen monitors contain mercury switches, and computer batteries contain cadmium, which can be harmful to human health if released to the environment.

The company has a zero waste to landfill commitment for operational waste. In Walmart’s 2012 Global Responsibility Report, the top environmental accomplishment cited was keeping 80% of waste generated by U.S. operations out of landfills. However, there is no parallel commitment for keeping waste related to the company’s substantial sales of electronics out of landfills.

While it is important to recycle paper and plastic packaging materials from company operations, it is even more important to develop practices which assure that toxic materials in end-of-life electronics are diverted into responsible recycling streams. Electronics contain valuable metals such as gold, copper and silver that can be profitably reclaimed. Better recycling and reclamation of metals could take pressure off of conflict mineral zones where mining takes place under inhumane and forced labor conditions.

Our competitor Best Buy takes back a wide variety of electronics for free and Staples and Office Depot also offer take back. Best Buy’s actions have kept 180 million pounds of electronics out of landfills in the last three years. After four years of dialogue with proponents, the company has not acknowledged even undertaking a substantive pilot program to test in-store take back of ewaste. Proponents believe our company should develop an in-store take back program using stores or nearby locations convenient for customers.

Electronic goods collected for recycling in the U.S. are often shipped by recyclers to developing countries where they endanger human health and the environment. Reports by Basel Action Network have revealed appalling conditions in China and parts of Africa where migrant workers
break apart and process old electronic equipment under primitive conditions. Electronics collected by our company should be recycled or refurbished by responsible electronics recyclers who are independently verified to meet a leading certification standard such as the e-Stewards standard.

RESOLVED that Walmart’s board of directors prepare a report, at reasonable cost and excluding confidential information, on policy options to provide mechanisms for in-store or nearby take back of electronics, promote reuse of returned working equipment, and prevent improper export of hazardous e-waste and untested or non-working equipment.
**Full Shareholder Resolution Texts**

for Past Resolutions Falling Under the Proposed Tobacco Health Risks Pre-Approval Category

**Educate Re: Health Consequences of Tobacco Products – Altria Group, Inc. (2014)**

WHEREAS, tobacco-use, poverty and lower-educational levels are intrinsically linked. The World Health Organization states: “Tobacco and poverty have become linked in a vicious circle, through which tobacco exacerbates poverty and poverty is also associated with higher prevalence of tobacco use. Several studies from different parts of the world have shown that smoking and other forms of tobacco use are much higher among the poor”

(www.who.int/tobacco/research/economics/rationale/poverty/en/indexx.html)

In the United States, partly due to various tobacco control programs, smoking rates have declined among all demographic groups, including adults and children, except two: people who are poor and less-educated.

The New York Department of Health has shown “the decline in smoking has not occurred among the poor—those least able to afford the cost of cigarettes and the consequences of addiction.” Among those with household incomes less than $15,000 a year, the smoking rate has not changed in the past 10 years.

Regarding those with less education, it stated:

Smoking rates have not changed for the less educated, poorer segments of society. Smoking among those with less than a high school education was unchanged between 2000 and 2010, a period during which tobacco use significantly declined among all other groups with higher educational attainment. Those with less than a high school education now smoke at a rate three times that of college graduates.

On the day of Altria’s 2013 Annual Meeting of Shareholders, The Richmond Times Dispatch, carried a “Letter to the Editor” stating: “The Centers for Disease Control holds that almost 40 percent of adult smokers in Virginia make less than $15,000 a year.” A shareholder noted the letter and asked: “Is there discussion in the company about how to reduce usage among the lower income who also are less educated around such things as the health consequences of their behavior?” In response Mr. Barrington noted the Company’s success in reducing underage tobacco use but did not address the question asked. When asked again by the same shareholder, Mr. Barrington again did not address the specific question about the use of our Company’s tobacco products by poorer and less-educated people. Instead he pointed to other actions to “communicate the health effects of our tobacco products” and the company’s “cessation information.”
Because it seems that Altria has not addressed the critical social and moral issue of the sale of its harm-causing products to precisely those who are most vulnerable, the poor and less-educated . . .

RESOLVED, the Board of Directors of Altria initiate efforts within six months of the annual meeting to prepare appropriate materials (similar to the success that has been noted with parallel materials for youth) informing poor and less formally educated tobacco users of the health consequences of smoking our products along with market-appropriate cessation materials. A report on this material’s preparation and method of distribution shall be made available to requesting shareholders, at an appropriate cost, within one year of the 2014 annual meeting.

Educate Re: Health Consequences of Tobacco Products – Altria Group, Inc. (2015)

WHEREAS, tobacco-use, poverty and lower-educational levels are intrinsically linked. The World Health Organization states: “Tobacco and poverty have become linked in a vicious circle, through which tobacco exacerbates poverty and poverty is also associated with higher prevalence of tobacco use. Several studies from different parts of the world have shown that smoking and other forms of tobacco use are much higher among the poor.” www.who.int/tobacco/research/economics/rationale/poverty/en/;

WHEREAS, according to a January 2104 report from the Centers for Disease Control and Prevention, in 2012 an estimated 42.1 million of U.S. adults were current cigarette smokers. Overall smoking prevalence declined from 20.9% in 2005 to 18.1% in 2012. By race/ethnicity, prevalence was highest among respondents reporting multiple races (26.1%) and lowest among Asians (10.7%). By education, prevalence was highest among persons with a graduate education development certificate (41.9%) and lowest among those with a graduate (5.9%) or undergraduate (9.1%) degree. Prevalence was significantly higher among persons living below the poverty level (27.9%) than those living at or above this level (17.0%). Respondents who reported having a disability/limitation with activities of daily living (disability/limitation) had a significantly higher prevalence (22.7%) than those with no disability/limitation (16.5%);

WHEREAS, the CDC stated: “Variations across racial/ethnic groups might be attributable, in part, to targeted tobacco product marketing or differences in the social acceptability of smoking, whereas disparities by education might be related to differences in understanding of the health hazards of smoking and increased vulnerability to tobacco marketing. Differences by disability/limitation status might be attributable, in part, to smoking-attributable disability in smokers and increased stress associated with disabilities. The high smoking prevalence observed among some population groups underscores the need for enhanced implementation and reach of proven strategies to prevent and reduce tobacco use among these groups.” http://www.cdc.gov/mmwr/preview/mmwrhtml/mm6302a2.htm;
WHEREAS, Altria’s 2013 Corporate Responsibility Report includes information on cessation resources and research the Company supports; however there is no disclosure on efforts to reach populations where smoking prevalence is higher;

RESOLVED, the Board of Directors of Altria initiate efforts within six months of the annual meeting to prepare appropriate materials (similar to the success that has been noted with parallel materials for youth) informing tobacco users who live below the poverty line or have little formal education of the health consequences of smoking our products along with market-appropriate cessation materials. A report on this material’s preparation and method of distribution shall be made available to requesting shareholders, at an appropriate cost, within one year of the 2015 annual meeting.

WHEREAS: Mondelez International’s environmental policy states the company “is committed to reducing the environmental impact of our activities, preventing pollution and promoting the sustainability of the natural resources upon which we depend…” yet a significant amount of brand product packaging is not recyclable and new studies suggest plastic packaging that reaches the ocean is toxic to marine animals and potentially to humans.

Mondelez’ iconic brands like Oreo and Chips Ahoy are increasingly packaged in flexible film or other plastic packaging, such as pouches, that are not recyclable. Using non-recyclable packaging when recyclable alternatives are available wastes valuable resources that could be recycled many times over. Instead, many billions of discarded package wrappers and pouches representing significant amounts of embedded energy are incinerated or lie buried in landfills. Many of these brands could be sold in recyclable fiber or plastic packaging.

Non-recyclable packaging is more likely to be littered and carried into waterways. Millions of plastic wrappers are swept into waterways annually. A recent assessment of marine debris by a panel of the Global Environment Facility concluded that an underlying cause of debris entering oceans is unsustainable production and consumption patterns including “design and marketing of products internationally without appropriate regard to their environmental fate or ability to be recycled in the locations where sold…”

California spends nearly $500 million annually preventing trash, much of it packaging, from polluting beaches, rivers, and oceanfront. In the marine environment, plastics break down into small indigestible particles that birds and marine mammals mistake for food, resulting in illness and death. McDonald’s Corp. is replacing plastic foam beverage cups with degradable paper cups due to such concerns.

Further, studies by U.S. Environmental Protection Agency Region 9 suggest a synergistic effect between persistent, bioaccumulative, toxic chemicals and plastic debris. Plastics concentrate and transfer toxic chemicals such as polychlorinated biphenyls and dioxins from the ocean into the marine food web and potentially to human diets, essentially forming a “toxic cocktail” increasing the risk of adverse effects to wildlife and humans. One study of fish from various parts of the North Pacific found one or more plastic chemicals in all fish tested, independent of location and species.

Making all packaging recyclable, if possible, is the first step to reduce the threat posed by ocean debris. Companies who aspire to corporate sustainability yet use these risky materials must explain why they market non-recyclable instead of recyclable packaging. Companies must also work with recyclers and municipalities to assure that recyclable packaging actually gets collected and recycled.
BE IT RESOLVED THAT: Shareowners of Mondelez International request the Board to issue a report at reasonable cost, omitting confidential information, by October 1, 2014 assessing the environmental impacts of continuing to use non-recyclable brand packaging.

Supporting Statement: Proponents believe the report should include an assessment of the reputational, financial, and operational risks associated with continuing to use non-recyclable brand packaging and, to the extent possible, goals and a timeline to phase out non-recyclable packaging.


WHEREAS: Mondeléz International’s environmental policy states the company “is committed to reducing the environmental impact of our activities, preventing pollution and promoting the sustainability of the natural resources upon which we depend…” yet a significant amount of brand product packaging is not recyclable. New studies suggest plastic packaging that reaches the ocean is toxic to marine animals and potentially to humans.

Mondeléz iconic brands, such as Oreo and Chips Ahoy, are increasingly packaged in flexible film or other plastic packaging, such as pouches, that are not recyclable. Using non-recyclable packaging when recyclable alternatives are available wastes valuable resources that could be recycled many times over. Instead, many billions of discarded package wrappes and pouches representing significant amounts of embedded energy are incinerated or lie buried in landfills. Many of these brands could be sold in recyclable fiber or plastic packaging.

Non-recyclable packaging is more likely to be littered and carried into waterways. Millions of plastic wrappers are swept into waterways annually. A recent assessment of marine debris by a panel of the Global Environment Facility concluded that an underlying cause of debris entering oceans is unsustainable production and consumption patterns including “design and marketing of products internationally without appropriate regard to their environmental fate or ability to be recycled in the locations where sold…”

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Further, studies by U.S. Environmental Protection Agency Region 9 suggest a synergistic effect between persistent, bioaccumulative, toxic chemicals and plastic debris. Plastics concentrate and transfer toxic chemicals such as polychlorinated biphenyls and dioxins from the ocean into the marine food web and potentially to human diets, essentially forming a “toxic cocktail” increasing the risk of adverse effects to wildlife and humans. One study of fish from various parts of the
North Pacific found one or more plastic chemicals in all fish tested, independent of location and species.

Making all packaging recyclable, if possible, is the first step to reduce the threat posed by ocean debris. Companies who aspire to corporate sustainability yet use these risky materials must explain why they market non-recyclable instead of recyclable packaging. Companies must also work with recyclers and municipalities to assure that recyclable packaging actually gets collected and recycled.

**RESOLVED:** Shareowners of Mondeléz International request the Board to issue a report, at reasonable cost, omitting confidential information, by October 1, 2015, assessing the environmental impacts of continuing to use non-recyclable brand packaging.

**Supporting Statement:** Proponents believe the report should include an assessment of the reputational, financial, and operational risks associated with continuing to use non-recyclable brand packaging and, to the extent possible, goals and a timeline to phase out non-recyclable packaging.
Full Shareholder Resolution Texts
for Past Resolutions Falling Under the Proposed Climate Change Risk Pre-Approval Category

Climate Change Report – Dover Corporation (2009)

WHEREAS in 2007, the Intergovernmental Panel on Climate Change’s Fourth Assessment Report stated it is “very likely” that anthropogenic greenhouse gas emissions have heavily contributed to global warming. Furthermore, “there is substantial economic potential for the mitigation of global greenhouse gas emissions over the coming decades, that could offset the projected growth of global emissions or reduce emissions below current levels.”

WHEREAS, the 2006 Stern Review on the Economics of Climate Change, led by the former chief economist at the World Bank, “… estimates that if we don’t act, the overall costs and risks of climate change will be equivalent to losing at least 5% of global GDP each year, now and forever.” Yet, investment of 1% global GDP each year is enough for appropriate mitigation.

WHEREAS, increasingly investors believe that there is an intersection between climate change and corporate financial performance. According to a February, 2007 report by Lehman Brothers, The Business of Climate Change, “companies which are aware of the impact their business practices have on the overall environment, including climate change, and proactively take actions to mitigate any unfavorable impact, may create a significant competitive advantage compared with companies which, through a lack of awareness, become blindsided by regulations.”

WHEREAS, information from corporations on their greenhouse gas emissions and climate change policy is essential to investors as they assess the strengths of corporate securities in the context of climate change and the need for greenhouse gas emissions reductions.

WHEREAS, the Carbon Disclosure Project (CDP) representing 385 institutional investors with trillions of dollars in assets under management requested corporations to disclose their greenhouse gas emissions in 2007 and 2008.

WHEREAS, in 2007 and 2008 Dover Corporation did not respond to the CDP and disclose investment-relevant information concerning its greenhouse gas emissions and climate change.

WHEREAS, more than 250 S&P 500 companies have responded to the CDP, including other manufacturers such as 3M, Ingersoll Rand, and Eaton.

WHEREAS, leading companies such as Johnson Controls, DuPont, and UPS have recognized the advantages that a forward-looking approach to climate change may provide and have disclosed strategies such as carbon sequestration, alternative fuel use, efficient product distribution, and process efficiency improvements, to save energy and reduce emissions.
WHEREAS, companies such as General Electric and Baxter International have described the opportunity of addressing climate change in a responsible manner, as resulting in new product development, external recognition, rewards and energy savings.

RESOLVED: Shareholders request that within 6 months of the 2009 annual meeting, the Board of Directors provide a report to shareholders, prepared at reasonable cost and omitting proprietary information, describing how Dover is assessing the impact of climate change on the corporation, and the corporation’s plans to disclose this assessment to shareholders.

Stranded Assets / Climate Change – Anadarko Petroleum Corp. (2015)

WHEREAS: Investors require information on how Anadarko Petroleum is preparing for the likelihood that demand for oil and gas may be significantly reduced due to regulation or other climate-associated drivers, increasing risk for stranding some portion of its reserves.

Recognizing the severe and pervasive risks associated with a warming climate, global governments have agreed that increases in global temperature should be held below 2 degrees Celsius. To achieve this goal, the International Energy Agency (IEA) states that “No more than one-third of proven reserves of fossil fuels can be consumed prior to 2050 ….” HSBC notes that the equity valuation of oil producers could drop by 40 to 60 percent under such a low carbon consumption scenario.

U.S. and China leaders recently signed an historic accord to limit greenhouse gas emissions; European leaders have committed to a 40 percent reduction by 2030.

In addition to the potential for global treaties, oil demand is being affected by technology innovations, falling renewable energy costs, consumer substitution, and policies related to air quality, fuel efficiency, and lower-carbon energy, cumulatively reducing demand for oil and gas.

A March 2013 Citi report states that market forces could “put in a plateau for global oil demand by the end of this decade.” The IEA and Deutsche Bank forecast global oil demand could peak in the next ten to fifteen years.

Industry production costs – and risk -- are rising as companies invest in higher cost, higher carbon reserves. Kepler Cheuvreux declares a “capex crisis,” noting that, since 2005, annual upstream investment for oil has increased by 100 percent, while crude oil supply has increased by only three percent.

Given the likelihood of slowing demand and increasing costs, Anadarko’s investments in high cost projects, including a range of deep water and ultra-deepwater projects, are increasingly at risk of stranding. Investors are concerned that Anadarko is not adequately accounting for these risks. Investors require additional information on whether and how the company is preparing for these changing market conditions.

RESOLVED: Shareholders request Anadarko to prepare a scenario analysis report by September 2015, omitting proprietary information, on the Company’s strategy to address the risk
of stranded assets presented by global climate change and associated demand reductions for oil and gas, including analysis of long and short term financial and operational risks to the company.

**Supporting Statement:** We recommend the report:

- Evaluate a range of low-carbon, low-demand scenarios, including a scenario in which two thirds of reserves cannot be monetized;
- Provide an assessment of different capital allocation strategies for the low-demand scenarios including diversifying capital investment or returning capital to shareholders;
- Provide information on carbon price and crude oil price assumptions used in each scenario.


**WHEREAS:** Investors require information on how CONSOL Energy is preparing for the likelihood that demand for coal and natural gas may be reduced due to regulation or other climate-associated drivers, increasing risk for stranding some portion of its reserves.

Recognizing the severe and pervasive risks associated with a warming climate, global governments have agreed that increases in global temperature should be held below 2 degrees Celsius. To achieve this goal, the International Energy Agency (IEA) states that “No more than one-third of proven reserves of fossil fuels can be consumed prior to 2050 ….” HSBC notes that the equity valuation of oil producers could drop by 40 to 60 percent under such a low carbon consumption scenario.

U.S. and China leaders recently signed an historic accord to limit greenhouse gas emissions; European leaders have committed to a 40 percent reduction by 2030.

In addition to the potential for global treaties, coal demand is being affected by air quality regulations, federal, state and local carbon regulations, technology innovations, falling renewable energy costs, consumer substitution, and efficiency increases.

Goldman Sachs states “most thermal coal growth projects will struggle to earn a positive return for their owners” and finds that even when carbon prices are low, “the downside risks of future regulation can offset the cost advantage of thermal coal relative to alternative energy sources.” China’s demand for coal is likely to peak by 2020, according to a recent analysis from Standard & Poor’s. Similarly, HSBC indicates that declining coal demand after 2020 could reduce the current discounted cash flow valuation of coal producers by 44%.

The World Bank and European Investment Banks have placed restrictions on the financing of coal projects.

Investors are concerned that actions to significantly reduce greenhouse gas emissions could reduce the value of CONSOL Energy’s coal and gas reserves and/or related infrastructure before the end of their expected useful life. Investors require additional information on how CONSOL is preparing for potential scenarios in which demand for coal and gas is significantly reduced due
to regulation or other climate-associated drivers. Without additional disclosure, shareholders are unable to determine whether CONSOL is adequately managing these risks or seizing related opportunities.

RESOLVED: Shareholders request CONSOL to prepare a report, by September 2015, omitting proprietary information and prepared at reasonable cost, on the Company’s strategy to address the risk of stranded assets presented by global climate change and associated demand reductions, including analysis of long and short term financial and operational risks to the company.

Supporting Statement: We recommend the report:

- Evaluate a range of low-carbon, low-demand scenarios, including a scenario in which two thirds of reserves cannot be monetized;
- Provide an assessment of different capital allocation strategies for such low-demand scenarios including diversifying capital investment or returning capital to shareholders;
- Provide information on carbon price and coal and natural gas price assumptions used in each scenario.

Financial Risk of Lower Than Expected Demand/Prices for Oil – Devon Energy (2015)

WHEREAS: Devon is a leading energy company engaged in the exploration and production of crude oil and natural gas in North America.

Nearly every national government has recognized the need to address climate change and agreed (under the terms of the UN Framework Convention on Climate Change) that "deep cuts in greenhouse gas (GHG) emissions are required... to hold the increase, in global average temperature below 2 degrees Celsius above pre-industrial levels...."

According to the International Energy Agency (IEA), “no more than one-third of proven reserves of fossil fuels can be consumed prior to 2050 it the world is to achieve the 2 degree goal, unless carbon capture and storage technology is widely deployed”.

Given the growing international concern about climate change, public actions to reduce GHG emissions significantly could reduce the value the value of Devon's oil and gas reserves and/or related infrastructure before the end of their expected useful lite.

Several recent studies indicate the importance of adequately accounting for and disclosing the downside risks that could result from lower-than--expected demand or prices for oil.

- A March 2013 research paper by Citigroup stated that market forces could “put in a plateau for global oil demand by the end of this decade."
- HSBC reports that the equity valuation of oil producers could drop by 40 to 60 percent under a low emissions scenario.
In its 2012 10K, Devon acknowledged that climate change regulation could reduce demand for its products; however, Devon does not adequately disclose how it factors climate change risks and opportunities into its long-term strategic planning processes.

Investors need additional information on how Devon is preparing for potential scenarios in which demand for oil and gas is greatly reduced due to evolving policy, technology, or consumer responses to address climate change. Without additional disclosure, it is difficult for shareholder to determine whether Devon is adequately managing these risks or seizing related opportunities.

**RESOLVED:** Shareholders request that Devon prepare a report by October 2015, omitting proprietary information and prepared at reasonable cost, on the company's goals and plans to address global concerns regarding the contribution of fossil fuel use to climate change, including analysis of long and short term financial and operational risks to the company.

**Supporting Statement** We recommend the report include:
- The risks and opportunities associated with various low-carbon scenarios, including reducing GHG emissions by 80 percent by 2050, as well as a scenario in which global oil demand declines;
- How the company's capital allocation plans account for the risks and opportunities in these scenarios, and how it will manage these risks; and,
- The Board of Directors' role in overseeing capital allocation and climate risk reduction strategies.


**WHEREAS:** The three costliest storms in Dominion’s 100 year operating history, Hurricane Isabel, Hurricane Irene and the June 2012 derecho, have occurred in the last decade.

The consensus among climate scientists is that without significant reduction of greenhouse gas emissions, climate change will continue to result in more severe and frequent storms, among other effects. The latest installment of the Intergovernmental Panel on Climate Change (IPCC) reports, released October 2014, is the strongest and most comprehensive assessment of global warming. This report further reinforced scientific certainty of climate impacts to an unprecedented extent, concluding that global warming is “unequivocal”, humanity’s role in causing it is “clear” and “most of the world's electricity can - and must - be produced from low-carbon sources by 2050.” As cited by the United Nations, inaction would cost "much more" than taking the necessary action. Thus, it is unquestioned that climate change will pose significant risk to Dominion, its employees, and customers.

Dominion’s restoration costs amounted to $128 million after Hurricane Isabel in 2003, $59 million after Hurricane Irene in 2011 and $42 million after the June 2012 derecho storm. With the addition of storms like Superstorm Sandy in October 2012, Dominion’s restoration costs for major storm activity in 2012 totaled $81.6 million throughout the year. Additionally, between
2011 and 2012, weather events, earthquakes, and environmental regulations imposed more than $450 million in costs on the company, adversely affecting its earnings.

Dominion is unlikely to recoup such costs from insurance providers. The Virginia Supreme Court ruled in 2012 that utilities are not protected from lawsuits from damage due to greenhouse gas emissions. That means Dominion retains climate liability risks, which could impact shareholders.

Social concerns over emissions and the recently proposed US Clean Power Plan will decrease fossil fuel demand, potentially stranding fossil fuel assets and impacting investments.

Storms also carry reputational risks. After the derecho, more than 1 million customers of Dominion’s regulated electric utility division lost power, some for a full week. “Freak” storms like the derecho are expected to become more common as climate change progresses. Loss of power for customers also means lost sales for Dominion. Lost electricity sales after Hurricane Isabel, for instance, reduced operating earnings by 4 cents per share.

Because of the large risks that climate change carries, many companies are conducting internal assessments of business risks and are becoming more transparent about climate change by adding sections in their 10K, Annual Reports, website and other public statements on present and future risks.

The Board of Directors has the responsibility to share this type of information with shareholders.

Resolved: Shareholders request that within 6 months of the 2015 annual meeting, the Board of Directors provide a report to shareholders, prepared at reasonable cost and omitting proprietary information, describing the financial risks to Dominion Resources posed by climate change and resulting impacts on share value, specifically including the impact of more frequent and more intense storms, as well as any actions the Board plans to address these risks.


WHEREAS: Recognizing the risks of climate change, nearly all nations signed the Cancun Agreement proclaiming, “the increase in global temperature should be below 2 degrees Celsius.” In light of this goal, the International Energy Agency (IEA) has developed scenarios to help policymakers and market participants understand potential energy demand futures. Oil demand would need to begin to decline starting in 2020 under IEA’s 450 scenario (referring to 450 parts per million of CO2 in the atmosphere) consistent with policymakers’ 2 degree target. According to HSBC, the equity valuation of oil producers could drop by 40-60 percent under such a low emissions scenario.
Oil demand is already being affected by policies related to air quality, fuel efficiency, and lower-carbon energy. Analysts from Citi, Deutsche Bank and Statoil, among others, predict that global oil demand could peak in the next 10-15 years. Any global action to address climate change will only accelerate these trends.

Industry production costs have risen significantly in recent years, leaving many companies vulnerable to any downturn in demand. Carbon Tracker estimates that projects with economic breakevens exceeding $95/barrel are clearly in excess of the requirements for global fossil fuel investment in a 2 degree scenario, and that there is an estimated $1.1 trillion of capex earmarked for high cost projects out to 2025 needing a price of over $95 to generate an economic return, raising the risk of stranded, or unprofitable, resources.

We recognize the importance of the oil and gas sector in providing future energy needs. However, we are concerned that Noble Energy’s current business strategy may not be sufficiently sustainable given the changing nature of demand, emerging technologies, and policy interventions aimed at limiting global temperatures.

Investors require additional information on how Noble is preparing for market conditions in which demand growth for oil and gas is reduced due to a combination of factors.

**RESOLVED:** Shareholders request that Noble Energy prepare a report by September 2015, omitting proprietary information and prepared at reasonable cost, on whether the company’s short- and long-term business plans align with the global goal of limiting global warming to below 2 degrees, including an analysis of the impact that such a policy would have upon demand for and pricing of the company’s products and options for aligning company goals with such policy, demand, and pricing trends.

**Supporting Statement:** We recommend the report include:
- A discussion of how the global goal of limiting warming to no more than 2 degrees is factored into the company’s business planning;
- A scenario analysis that considers a range of low-carbon and low-demand scenarios; including the IEA’s 450 Scenario;
- An assessment of different capital allocation strategies in the face of low-demand scenarios.
- The Board of Directors’ role in overseeing capital allocation and climate risk reduction strategies.