

R2017-02: Climate Change: Corporate Governance

Resolved, that this 143rd Convention of the Diocese of Southern Ohio submit the following resolution to the 79th General Convention of the Episcopal Church:

Resolved, the House of _____ concurring, that the 79th General Convention of The Episcopal Church reaffirm that Global Warming¹ threatens the future of God's good Creation, and the effects of Global Warming disproportionately hurt/impact the lives of the poorest and most vulnerable in the United States and around the world; *and be it further*

Resolved, That Episcopalians and The Episcopal Church at every level support efforts¹ that seek to address Global Warming including shareholder-proposed resolutions² on Climate Change; *and be it further*

Resolved, That we ask that the Committee on Corporate Social Responsibility of the Executive Council (CCSR), in conjunction with the Church Pension Fund, to identify 10 companies that are among the most responsible for global warming and in which CPG owns shares, and to file or co-file shareholder resolutions requiring them to reserve a seat on their governing boards of directors for a climate scientist³; *and be it further*

Resolved, That General Convention budget makes this a priority for the triennial as the Stewardship of Creation pillar of the Jesus Movement by allocating \$12,000 – \$15,000 in addition to CCSR's budget for implementation.

Note to the Secretary of the Convention: *The link and footnotes in this resolution are not an integral part of the resolution, are only for reference by members of the diocesan convention; and will not be forwarded to the General Convention.*

Explanation

Corporate governance processes should be open, with the ultimate purpose of defending shareholder interests. This will ensure open discussion of issues, hold directors and officers accountable for their actions, and secure the rights of shareholders to be represented by competent, independent directors.

Over the past few years, the late Father Michael Crosby, former executive director of the Seventh Generation Interfaith Coalition for Responsible Investment, pushed a shareholder resolution seeking the appointment of a climate change expert on ExxonMobil's board of directors. He was joined at the shareholder meetings by other outspoken advocates, including Sister Patricia Daly of New Jersey, representing the

Interfaith Center on Corporate Responsibility, and the sustainability-focused shareholder advocates from Boston-based Coalition for Environmentally Responsible Economies (CERES).

ExxonMobil argued that a board of directors needs people with a range of views and not someone knowledgeable in just one area. “Not one person has any expertise on climate,” Crosby told shareholders at the 2016 shareholders meeting in May 2016. “ExxonMobil has a chance to restore the public’s trust; it’s a time for conversion.”

This was opposed by the company and was rejected, winning support from investors with 20.9% of the shares. However, a resolution calling on Exxon to open its procedures for nominating directors, known as “proxy access”, won support from 61.9% of the votes. Exxon has been a focus of environmental campaigns for many years, because of its size as the world’s largest listed oil company – and because of its executives’ often dismissive attitude to concerns about climate change.

On January 25, 2017, the ExxonMobil announced the election of Dr. Susan K. Avery to its board of directors. An atmospheric scientist, Dr. Avery is the former president and director of the Woods Hole Oceanographic Institution. Investors have argued the Exxon’s board needed deep understanding of the implications of climate science and policy for its business.

Large institutional investors lead by New York City’s five public pension funds totaling \$150 billion, CalPERS’s \$1.0 billion in Exxon stock, and the Church of England’s £7.9 billion (\$10 billion) fund, backed resolutions to: 1) commission a report on the long-term “impacts of public climate change policies” on Exxon’s business; and 2) that would allow shareholders to nominate candidates to the Exxon board.

A lower-profile newcomer taking one of its first public stands in the U.S., the [Church of England fund](#) finances the church’s mission activities, cathedral costs, and clergy pensions. The CoE has been quietly—and successfully—engaging with European companies in the energy and mining industries for the past few years. BP, BHP Billiton, and Royal Dutch Shell have all voluntarily adopted similar climate change steps to those sought at Exxon

God calls us to be good stewards of God’s good Creation (Gen. 1:31, 2:15). Jesus commands us to care for those who are vulnerable as if we were caring for Him (Mt. 25:40). The Fifth Mark of Mission of the Anglican Communion is “To strive to safeguard

the integrity of creation and sustain and renew the life of the earth.” The Episcopal Church, by its mission, is pledged to the protection and care of God’s people and God’s Creation.

Based on three resolutions (see footnotes below), the Episcopal Church now has established policies on climate change, care of creation, board diversity, and scientific integrity in environmental policy. With the increased call from institutional investors for reporting on climate change impacts to shareholders, it becomes imperative that governing boards include climate scientists among their directors. Therefore, I urge your support of this resolution.

Submitted by

Warren J. Wong, delegate, wjwstjames@gmail.com
St. James Church, Deanery of San Francisco
Committee on Corporate Social Responsibility 2001-09 (formerly SRI)
Interfaith Center on Corporate Responsibility, Climate Change WorkGroup (2016-)

Endorsed by

Episcopal Peace Fellowship – East Bay Chapter

Footnotes:

1 Resolution GC2006-B002: [Acknowledge and Reduce Global Warming](#)

Resolved, That the 75th General Convention affirm that Global Warming threatens the future of God’s good Creation, and the effects of Global Warming disproportionately hurt the lives of the poorest and most vulnerable in the United States and around the world; and be it further

Resolved, That Episcopalians and The Episcopal Church at every level support efforts that seek to reduce Global Warming, including national and international legislation that increase the supply of clean energy and reduce consumption of fossil fuels; and be it further

Resolved, That the Convention commend the Executive Council and particularly its Socially Responsible Investment Committee (SRI) for the work they are now doing with the Global Warming Shareholder Campaign (GWSC), and the Coalition for Environmentally Responsible Economies (CERES) and the leadership they exercise as a member of the Interfaith Center on Corporate Responsibility (ICCR); and be it further

Resolved, That the Convention urge the Executive Council and its SRI to: (a) use resources of The Episcopal Church, including its investments, to promote a sustainable global environment; (b) seek by shareholder resolutions to change current policies and behaviors of those companies that are significant contributors to Global Warming, and if necessary, divest from those companies; (c) call upon the expertise of Episcopalians who are closely connected with the GWSC to assist in this initiative; (d) report the results of this initiative to Executive Council no later than its fall meeting in 2007.

2 Executive Council Minutes, February 21, 2010: [Resolves of Executive Council – Instructions for Shareholder Resolution](#)

[Regarding Inclusiveness/Diversity]

Resolved, That the Executive Council instructs the Treasurer to vote in favor of all shareholder resolutions asking companies to adopt policies regarding inclusiveness on the board of directors (based on The Episcopal Church’s filing of such resolutions in the current triennium and the Executive Council Resolution of November 1995 on equality in organizations) (Att. 9); and be it further

[Regarding Care for Creation]

Resolved, That the Executive Council instructs the Treasurer to vote in favor of all shareholder resolutions asking companies to adopt principles for national and international action to stop global warming (based on Resolution D041 of the 1991 General Convention and Resolution C018 of the 2006 General Convention) (Att. 11); and be it further

Resolved, That the Executive Council instructs the Treasurer to vote in favor of all shareholder resolutions asking companies to report on the financial risks resulting from climate change and their impact on shareholder value (based on Resolution C018 of the 2006 General Convention; further, the resolution is consistent with others that The Episcopal Church has supported and the U.S. Securities and Exchange Commission has recently issued a directive to corporations regarding the disclosure of such information) (Att. 12); and be it further

Resolved, That the Executive Council instructs the Treasurer to vote in favor of all shareholder resolutions asking companies to report on how their board of directors manage risk (although there is no specific Episcopal Church policy on this issue, the CCSR is of the opinion that the resolution addresses a significant issue related to environmental and risk management, and is consistent with good corporate practice) (Att. 13); and be it further

Resolved, That the Executive Council instructs the Treasurer to vote in favor of all shareholder resolutions asking companies to report on the implications of policies for reducing harm associated with catastrophic chemical releases (based on The Episcopal Church’s long-standing support for shareholder resolutions regarding environmental responsibility) (Att. 28); and be it further

Resolved, That the Executive Council instructs the Treasurer to vote in favor of all shareholder resolutions asking companies to engage in sustainability reporting (based on The Episcopal Church's previous support of such resolutions) (Att. 29)...

3 Resolution GC2009-C012: [Urges Scientific Integrity in Environmental Policy](#)

Resolved, That the 76th General Convention of The Episcopal Church urges that policy decisions affecting the health and well-being of humans and ecosystems must be based on scientifically evaluated data and any peer-reviewed data; and be it further

Resolved, That the General Convention supports legislative efforts to maintain the highest degree of scientific integrity, including the ability to conduct thorough, independent, peer-reviewed research, and to communicate the findings of that research openly and accurately for the benefit of all.

Submitted By

Episcopal Network for Economic Justice (Ariel Miller, Mike Maloney)

Episcopal Ecological Network

The Rev. Deniray Mueller, Legislative Liaison