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April 8, 2016

The Honorable Ted W. Lieu
Member of Congress
415 Cannon House Office Building
Washington, DC 20515

The Honorable Mark DeSaulnier
Member of Congress
327 Cannon House Office Building
Washington, DC 20515

Dear Representatives Lieu and DeSaulnier:

Re: EXXONMOBIL

Thank you for your letter dated March 29, 2016. On behalf of the California Public Employees' Retirement System (CalPERS), let me assure you that CalPERS is committed to addressing climate change. We continue to believe that, as a long-term investor, it is essential to remain engaged with our portfolio companies in order to bring about positive, lasting corporate changes.

CalPERS has an aggressive, three-part strategy to address climate change: engagement with our portfolio companies, advocacy with policymakers, and integration of climate related issues into our portfolio decisions. We are actively pushing for change at companies, and have had many successes. CalPERS played a lead role in the \$10 trillion Investor Network on Climate Risk, which worked hard to support the Paris agreement, and has called for a price on carbon and removal of fossil fuel subsidies. Internally, we factor a company's climate risk decisions into our own investment decisions. We have mapped our carbon footprint to identify those companies responsible for greenhouse gas emissions: 80 companies, including ExxonMobil, account for 50% of emissions. This analysis sets the stage for our long term engagement as an owner, working with our fellow investors.

We are also currently working with New York City pension funds through the Board Accountability Project to achieve the right for long-term investors to nominate directors to the Board. Last year, we attended the Exxon Annual General Meeting to speak in support of the proposal and following an extensive shareowner campaign we won the highest-ever vote for a shareowner proposal at ExxonMobil, losing by less than 1 percent of the votes. At other major energy companies we have already achieved that right; this is a game changer.

CalPERS is returning to ExxonMobil again this year to campaign in support of giving investors the right to put forward new directors and given how high the vote was last year, we are optimistic. As outlined in CalPERS' new Principles of Global Governance, we will then advocate for board members who are "climate competent" to ensure that ExxonMobil and other company boards have directors with the skills and experience to address climate change.

CalPERS has also fought hard to keep the issue of climate risk on the ballot at ExxonMobil. The company went to the Securities Exchange Commission (SEC) asking to be allowed to exclude the proposal. The SEC ruled against ExxonMobil, and as a result, this year investors will have a vitally important opportunity to vote on the company's long term risk scenarios.

It is through the patient work engaging companies, partnering with our fellow investors, and petitioning regulators that change will come. We are the owners of companies, and we fully intend to continue taking up our rights and responsibilities so that their long term strategies are aligned with ours. If we were to walk away, we would lose that opportunity. As a shareowner in ExxonMobil, we will have two transformative votes this year at the company's upcoming annual meeting - proxy access and climate risk reporting.

I hope you find this information helpful. We would welcome the opportunity to meet with you or your staff to discuss this matter further. If you have any additional questions, please contact me at (916) 795-3818, or your staff may contact Mary Anne Ashley, Chief of our Legislative Affairs Division, at (916) 795-2565. In addition, you may contact CalPERS' Federal Investment Policy Representative, Dan Crowley of K&L Gates at (202) 778-9447.

Sincerely,



ANNE STAUSBOLL
Chief Executive Officer

cc: The Honorable Jerry Brown, Governor, State of California
The Honorable Kevin de Leon, President pro Tempore, California State Senate
The Honorable Anthony Rendon, Speaker, California State Assembly
The Honorable Jason Chaffetz, Chairman, House Committee on Oversight and Government Reform
The Honorable Elijah Cummings, Ranking Member, House Committee on Oversight and Government Reform

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bcc: Mary Anne Ashley, CalPERS
Dan Crowley, K&L Gates