Good afternoon and thank you to the Congressional Progressive Caucus for the opportunity to address you today. My name is Natasha Lamb, and I am a managing partner at Arjuna Capital.

We have heard much about the damage caused by past climate change denial and campaigns of misinformation. Yet, behavior that distorts or denies the warnings from the scientific community continues. Just 3 weeks ago, at Exxon's annual meeting, CEO Rex Tillerson described a fundamental dissonance between Exxon's view of the future and that of the global community, who through the Paris Agreement, has agreed that global temperature rise must not exceed 2 degrees Celsius. Yet Mr. Tillerson (while assuring investors Exxon is in full agreement on the climate science) asserted a much wider band of tolerance for future temperature rise. His logic? We do not know what the planet can safely withstand.

Exxon's higher tolerance for uncertainty rests on the back of society. Scientists project a greater than 2-degree rise will result in catastrophic climate disruption and the IPCC asserts that disruption will weigh heaviest on the world's poor. Ironically Exxon makes the case that growing fossil fuel assets is in service to the world's poor who needs their energy.

Investors are concerned Exxon is headed down an unsustainable path. In 2013, Arjuna Capital filed a shareholder resolution asking Exxon to disclose the risks the company faces from unburnable carbon assets, as the best climate science tells us that up to two-thirds of all fossil fuel reserves must remain in the ground if we are to avoid catastrophic climate change. After a failed attempt to block our proposal at the SEC from going to a vote of shareholders, the company agreed to our request and wrote a 30-page report, entitled "Managing the Risks," which described the company's vulnerability, or claimed lack there of, to a low carbon future.

The company claimed global governments would not act to limit global temperatures to a 2 degree increase, citing "substantial costs for CO2 mitigation" and impacts on economic development. Therefore, Exxon concluded, the company is confident none of their reserves will be rendered "stranded," or unburnable.

This current investor disclosure went so far as to project that moving to a 2-degree compliant world would cost consumers 44% of their total income by 2090. Yet independent economists consistently estimate the cost to consumers of a low carbon future would be far less — more like 2% of income if we act today. 44% is a number that seems designed to inspire inaction and progresses a self-protective narrative misaligned with economic consensus.

The narrative that a low carbon future is too expensive, ignores the cost of complacency, and serves no one. It does not serve the world's poor, it does not serve societies who have agreed a low carbon future is necessary, and it does not serve Exxon's investors.

Climate change is the biggest business risk Exxon faces this century. Citibank estimates unburnable fossil fuel reserves could amount to over $100 trillion in stranded assets out to 2050 for the global community to meet its Paris commitments.

Yet Exxon has doubled down on a growth path, investing historic levels of investor capital looking for more oil. And while the business plan of extracting as much carbon as quickly as possible was a winner last century, that same plan will destroy value this century—and already has.

Historic levels of capital spending looking for more oil has eroded profitability and Exxon's risk profile. Return on Equity is at a historic low, operating profitability has fallen 68% over the last decade (and had fallen over 40% even before the oil price decline, at the same time oil had gone from $60 to over $100), and Exxon's sterling credit rating has just been downgraded for the first time since the great depression.

It's clear growing high cost fossil fuel reserves in the face of global climate change, disruptive technology development, and the Paris Climate Agreement is no longer a prudent path forward for Exxon and its investors.

Since our initial engagement with Exxon in 2013, Arjuna Capital has filed shareholder proposals asking Exxon to return more profits to shareholders as a prudent use of investor capital in the face of global climate change. We believe Exxon must shift from a growth plan to one focused on value and right size its business for a 2-degree demand level.

This strategy is not only prudent, it is being endorsed by some of the world's most influential think tanks and acknowledged in major media. In the words of the Economist, "the supermajors are being forced to rethink their business model." And just days after the Exxon annual meeting, the Financial Times Editorial Board, endorsed the same strategy Arjuna has recommended for 2 years, stating:

"Rather than investing in potentially stranded oil and gas projects, or gambling on new technologies that they do not fully understand, the oil companies would do better to continue returning money to shareholders through dividends and share buybacks."

Exxon is at a crossroads, and denying that a low carbon future will come to pass is no longer a credible business plan. We also can't deny that Big Oil needs to shrink.