

January 22, 2024

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

RE: Exxon Mobil Corporation  
Exclusion of Shareholder Proposal – Proxy Impact  
Securities Exchange Act of 1934 – Rule 14a-8

Ladies and Gentlemen:

On behalf of Exxon Mobil Corporation, a New Jersey corporation (the “**Company**” or “**ExxonMobil**”), and in accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), we are filing this letter with respect to the shareholder proposal (the “**Proposal**”) submitted by Proxy Impact on behalf of Broz Family Investments LLC (the “**Proponent**”) for inclusion in the proxy materials the Company intends to distribute in connection with its 2024 Annual Meeting of Shareholders (the “**2024 Proxy Materials**”). The Proposal and related correspondence are attached hereto as Exhibit A.

We hereby request confirmation that the Staff of the Division of Corporation Finance (the “**Staff**”) will not recommend any enforcement action if, in reliance on Rule 14a-8, the Company omits the Proposal from the 2024 Proxy Materials.

In accordance with relevant Staff guidance, we are submitting this letter and its attachments to the Staff through the Staff’s online Shareholder Proposal Form. In accordance with Rule 14a-8(j), we are simultaneously sending a copy of this letter and its attachments to the Proponent as notice of the Company’s intent to omit the Proposal from the 2024 Proxy Materials. This letter constitutes the Company’s statement of the reasons it deems the omission of the Proposal to be proper. We have been advised by the Company as to the factual matters set forth herein.

## **THE PROPOSAL**

The Proposal states:

**Resolved:** Shareholders request Exxon Mobil report on both quantitative median and adjusted pay gaps across race and gender, including associated policy, reputational, competitive, and operational risks, and risks related to recruiting and retaining diverse talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy and legal compliance information.

Racial/gender pay gaps are defined as the difference between non-minority and minority/male and female median earnings expressed as a percentage of non-minority/male earnings (Wikipedia/OECD, respectively).

## REASON FOR EXCLUSION OF THE PROPOSAL

### *The Proposal May Be Excluded Because Proxy Impact Has Violated Rule 14a-8(c).*

The Proposal may be excluded because Proxy Impact impermissibly submitted multiple proposals in contravention of the “one proposal rule” and such deficiency was not remedied following the Company’s clear notification that such submissions violated Rule 14a-8(c). Rule 14a-8(c), as amended, states, “[e]ach person may submit no more than one proposal, directly or indirectly, to a company for a particular shareholders’ meeting” (the “**One Proposal Rule**”).

By email sent on December 22, 2023, within 14 days of the submission of the Proposal, the Company notified the Proponent as required by Rule 14a-8(f) that the Proponent must demonstrate eligibility under Rule 14a-8 (the “**Deficiency Notice**,” which is included as Exhibit B). The Deficiency Notice specifically advised the Proponent that each person cannot submit more than one proposal to a company, either directly or indirectly, and that the Company believed that the Proponent had submitted multiple proposals in violation of that rule. As required by Rule 14a-8(f), the Deficiency Notice advised the Proponent that a response addressing the deficiencies noted must be postmarked or transmitted electronically to the Company no later than 14 calendar days from the date the Proponent received the notice.

On December 27, 2023, the Proponent responded to the Deficiency Notice via email and disputing the Company’s argument that the Proponent had submitted multiple proposals. See Exhibit C. To date, the Proponent has not cured the multiple proposal deficiency identified in the Deficiency Notice.

#### *A. Background*

Almost a half century ago, the Commission adopted a limit on the number of proposals that a shareholder was permitted to submit under Rule 14a-8 to address the concern that some “proponents . . . [exceed] the bounds of reasonableness . . . by submitting excessive numbers of proposals.” See Exchange Act Release No. 34-12999 (Nov. 22, 1976), at 52996 (the “**1976 Release**”). The Commission further stated that “[s]uch practices are inappropriate under Rule 14a-8 not only because they constitute an unreasonable exercise of the right to submit proposals at the expense of other shareholders but also because they tend to obscure other material matters in the proxy statements of issuers, thereby reducing the effectiveness of such documents.” *Id.* Thus, the Commission adopted a two-proposal limitation (subsequently amended to a one-proposal limit) but presciently warned of the “possibility that some proponents may attempt to evade the [rule’s] limitations through various maneuvers.” *Id.* The Commission went on to warn that “such tactics” could result in the granting of no-action requests permitting exclusion of multiple proposals.

In 1982, when the Commission proposed amendments to Rule 14a-8 to reduce the proposal limit from two proposals to one proposal, it stated that its changes to the Rule and the interpretations thereunder were in part due to “the susceptibility of certain provisions of the rule and the Staff’s interpretations thereunder to abuse by a few proponents and issuers.” See Exchange Act Release No. 34-19135, at 47421 (Oct. 14, 1982). Subsequently, in adopting the One Proposal Rule, it stated, “[t]he Commission believes that this change is one way to reduce issuer costs and to improve the readability of proxy statements without substantially limiting the ability of proponents to bring important issues to the shareholder body at large.” See Exchange Act Release No. 34-20091 (Aug. 16, 1983).

In 2020, the Commission approved further amendments to Rule 14a-8 to apply the One Proposal Rule to “each person” rather than “each shareholder” and clarified that the Rule applies to proposals submitted “directly or indirectly” by such person. See Exchange Act Release No. 34-89964 (Sept. 23, 2020), at 57-58 (the “**2020 Release**”). The Commission further explained that the amendments would not prevent a

stockholder from seeking assistance from a representative or other person, but stated, “[h]owever, to the extent that the provider of such services submits a proposal, either as a proponent or as a representative, it will be subject to the one-proposal limit and will not be permitted to submit more than one proposal in total to the same company for the same meeting.” *Id.* at 59.

The Commission’s long-standing and well-founded concern regarding certain shareholders submitting multiple proposals at the expense of other shareholders remains an important concern, if not more so, today. For example, a proponent, who is only required to hold a de minimis amount of a company’s securities, that submits multiple proposals under Rule 14a-8 would incur relatively little cost, but a company’s shareholders would indirectly bear the cost for each additional proposal, which can range higher than \$20,000–\$150,000 per proposal. See Exchange Act Release No. 34-95267 (July 13, 2022), at 51 (estimating that the direct costs associated with addressing a single shareholder proposal can exceed the \$20,000–\$150,000 range provided in the 2020 Release). Furthermore, allowing persons to submit more than one proposal obfuscates the Company’s proxy statement with many different issues, as certain registrants, including the Company, are regularly required to place ten or more Rule 14a-8 shareholder proposals on their proxy statement each year. Accordingly, the amendments adopted in the 2020 Release focused on “representatives” and “persons,” instead of “shareholders,” precisely to curb the circumvention of the One Proposal Rule by persons or entities that relied upon nominal shareholders to include two or more proposals on a company’s proxy statement.

*B. Proxy Impact and As You Sow Are Acting in Concert as a Single “Person” and Have Submitted More Than One Proposal.*

As detailed above, Proxy Impact submitted the Proposal for inclusion in the 2024 Proxy Materials. In addition, As You Sow submitted two proposals for inclusion in the 2024 Proxy Materials: (1) on December 15, 2023, As You Sow submitted a proposal on behalf of Yagan Family Foundation relating to a report on divestitures of assets with material climate impact (the “**AYS Divestitures Proposal**”) and (2) on December 14, 2023, United Church Funds submitted a proposal relating to the Company’s report on petrochemicals, naming two employees of As You Sow—Conrad MacKerron and Genevieve Abedon—as the “agents” to handle all communications, engagements and presentation of the proposal (the “**AYS Petrochemicals Proposal**”).<sup>1</sup>

Based on the group behavior and joint solicitations outlined below, Proxy Impact and As You Sow are acting in concert as a single person to further their shareholder proposal goals, and yet they have submitted more than one proposal for inclusion in the 2024 Proxy Materials. This violates Rule 14a-8(c) and accordingly, the Proposal may be excluded.

For nine consecutive years, Proxy Impact and As You Sow have worked in concert to publish “Proxy Preview,” an annual report and related webinar that analyzes the shareholder proposals submitted each proxy season. Proxy Impact and As You Sow in their own words describe Proxy Preview as a “unique collaboration” between their two organizations that is designed to help shareholders “successfully vote [their] shares.”

[Webinar: Proxy Preview 2023 Press Release](#)

<sup>1</sup> For an analysis of (i) As You Sow’s status as representative of the AYS Petrochemicals Proposal, (ii) As You Sow’s submission of the AYS Petrochemicals Proposal and (iii) the applicability of the One Proposal Rule to representatives, please refer to the Company’s letters dated January 22, 2024 requesting that the Staff concur in the exclusion of the AYS Petrochemicals Proposal and the AYS Divestitures Proposal, as submitted to the SEC Office of Corporation Finance in the same manner as the Proposal.

[<sup>2</sup>](https://www.asyousow.org/community-calendar/proxy-preview-2023)

Proxy Preview is a **unique collaboration** between **As You Sow**, the **Sustainable Investments Institute (SI2)**, and **Proxy Impact**.

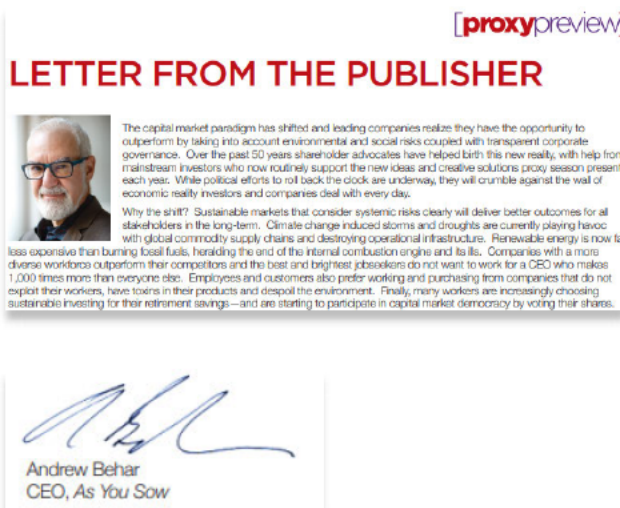
wide range of shareholder voices. Over 30 guest authors provide analysis and expert insight to **help you navigate the issues** and **successfully vote your shares**.

This “unique collaboration” between the two entities starts at the top. The leaders of Proxy Impact and As You Sow identify themselves as having key roles in the publication of Proxy Preview:

- Andrew Behar, CEO of As You Sow, pens the publication’s introductory letter and is listed as the “Publisher.” He also leads the webinar associated with Proxy Preview.
- Michael Passoff, Founder and CEO of Proxy Impact, is listed in the publication as one of the two primary authors of Proxy Preview. In other publications that Mr. Passoff authors, his biographies state that he also “founded” Proxy Preview.

## 2023 Proxy Preview


2023 Proxy Preview downloadable at <https://www.proxypreview.org/>




**LETTER FROM THE PUBLISHER**

The capital market paradigm has shifted and leading companies realize they have the opportunity to outperform by taking into account environmental and social risks coupled with transparent corporate governance. Over the past 50 years shareholder advocates have helped birth this new reality, with help from mainstream investors who now routinely support the new ideas and creative solutions proxy session presents each year. While political efforts to roll back the clock are underway, they will crumble against the wall of economic reality investors and companies deal with every day.

Why the shift? Sustainable markets that consider systemic risks clearly will deliver better outcomes for all stakeholders in the long-term. Climate change induced storms and droughts are currently playing havoc with global commodity supply chains and destroying operational infrastructure. Renewable energy is now far less expensive than burning fossil fuels, heralding the end of the internal combustion engine and its ills. Companies with a more diverse workforce outperform their competitors and the best and brightest job seekers do not want to work for a CEO who makes 1,000 times more than everyone else. Employees and customers also prefer working and purchasing from companies that do not exploit their workers, have toxins in their products and despoil the environment. Finally, many workers are increasingly choosing sustainable investing for their retirement savings—and are starting to participate in capital market democracy by voting their shares.

  
Andrew Behar  
CEO, As You Sow



**ABOUT THE AUTHORS**

**Heidi Welsh**  
Heidi Welsh, the founding executive director of the Sustainable Investments Institute (SI2), has analyzed corporate responsibility issues for more than 30 years. Starting at the Investor Responsibility Research Center in 1987, she provided detailed coverage of shareholder advocacy and monitored corporate compliance with a fair employment code in Northern Ireland for 15 years. In addition, she co-authored CDP's S&P 500 report in 2007, headed up sustainability research within a unit of what is now MSCI, and consulted on Global Reporting Initiative guidelines. Welsh is the lead author of several SI2 studies about corporate political activity governance and spending. She received her B.A. from Carleton College, cum laude, and an M.S. from the Institute for Conflict Analysis and Resolution at George Mason University.

**Michael Passoff**  
Michael Passoff is the founder and CEO of Proxy Impact, shareholder advocacy and proxy voting service for sustainable and responsible investing. **SI2's Michael Passoff is a founder** in corporate social responsibility, shareholder advocacy, and philanthropy. For more than a decade Michael served as the Senior Program Director for the As You Sow Foundation's Corporate Social Responsibility Program. In 2005 he founded the Proxy Preview to alert foundations, SRI, pension funds, labor, and faith-based communities to upcoming shareholder resolutions that are relevant to their mission. Michael has led and participated in more than 400 shareholder dialogues and resolutions on environmental, social and governance issues. His shareholder advocacy work led him to be named as one of 2009's "100 Most Influential People in Business Ethics" by *Entrepreneur Magazine* and he also received the Climate Change Business Journal award for a shareholder campaign that achieved the first majority vote for a climate resolution and prompted greenhouse gas emission reductions and renewable energy development at public utilities.

The ties go beyond leadership. As You Sow also appears to control the assets and funding of Proxy Preview. For example, Proxy Preview includes a trademark that belongs to As You Sow, and donations to Proxy Preview are directed first to As You Sow.

<sup>2</sup> Each of the websites cited herein were last visited on January 18, 2024.

Trademark Ownership stated in Proxy Preview  
2023 Proxy Preview downloadable at  
<https://www.proxypreview.org/>

Proxy Preview and As You Sow are trademarks of As You Sow

Funding from As You Sow  
<https://www.proxypreview.org/donate>

## Make a Donation

Please donate to support our efforts. (Donations received on ProxyPreview.org will be used solely for Proxy Preview)  
We are a 501(c)(3) nonprofit. Your gifts are tax-deductible to the maximum extent allowed by law. Our Federal Tax ID# is 94-1686481. View our IRS Form 990 [here](#).

Donate online: please scroll down

Donate by mail: [please check payable to As You Sow](#) and mail to:

As You Sow  
ATTN: Proxy Preview  
Main Post Office  
PO Box 751  
Berkeley, CA 94701

Please make your check payable to "As You Sow," and in the memo line write "Proxy Preview".

Accordingly, Proxy Preview is merely an extension of the collective views and goals of Proxy Impact and As You Sow.

Another way in which Proxy Impact and As You Sow collaborate is that they publish and promote the As You Vote Proxy Voting Guidelines (the "**As You Vote Guidelines**"), a "comprehensive set of guidelines"<sup>3</sup> intended to "inform all investors on how to vote in an ESG-aligned way."<sup>4</sup>

The As You Vote Guidelines are not a mere expression or publication of Proxy Impact's and As You Sow's viewpoints. Rather, the As You Vote Guidelines are wielded by Proxy Impact and As You Sow to solicit proxies from shareholders and vote such shareholders' ballots according to the As You Vote Guidelines. This is accomplished via an online shareholder voting platform called "As You Vote." The voting platform was created by As You Sow (in partnership with Iconik) and allows shareholders to virtually send their ballots to As You Vote to vote on their behalf, consistent with the recommendations contained in the As You Vote Guidelines. When a shareholder signs up for the service, the platform pre-populates the As You Vote Guidelines' voting recommendations into each ballot. Unless the shareholder changes the pre-populated votes on a ballot-by-ballot basis, As You Vote will vote the ballots according to the preferences in the As You Vote Guidelines.

The As You Vote Guidelines and voting platform address and facilitate more than just the voting for non-binding shareholder resolutions. They provide detailed guidance to shareholders about how to vote for director nominees, and do not limit the advice to uncontested elections. For example, the As You Vote Guidelines indicate when shareholders should oppose and withhold votes against director nominees. They also apply an "additional level of scrutiny on director votes for about two dozen companies that are major contributors to climate change." Unsurprisingly, the list of companies includes ExxonMobil.

As You Vote Platform  
<https://www.iconikapp.com/as-you-sow>

<sup>3</sup> <https://www.iconikapp.com/as-you-sow>

<sup>4</sup> <https://www.asyousow.org/reports/proxy-voting-guidelines-2023>






## WE VOTE EVERY BALLOT ITEM: DIRECTOR NOMINATIONS AUDITOR, CEO PAY, AND SHAREHOLDER RESOLUTIONS

Your proxy ballot contains many critical items to vote including selecting the Board of Directors, CEO Pay, auditors, as well as shareholder resolutions. As You Vote is a comprehensive set of guidelines that not only votes for every item, we do it in an interlocked and synergistic way.

### As You Vote Proxy Voting Guidelines

<https://www.asyousow.org/reports/proxy-voting-guidelines-2023>



As You Sow, in partnership with Proxy Impact has introduced AS YOU VOTE, an environmental, social and governance (ESG) proxy voting service for institutional and retail shareholders. AS YOU VOTE offers a simple way to incorporate ESG guidelines into your proxy voting. Shareholders can opt to use this as a resource for their own voting decisions or have these automatically set as their default vote (which can be adapted or customized with your own guidelines).

AS YOU VOTE guidelines were developed to be automated "rules based" votes available for institutional investors on the Broadridge Proxy Edge platform. This year we are also offering our services for retail investors through Iconik and for pass-thru with Tumelo platform.

**Rules Based Voting**

Rules-based automated voting follows the simple premise that we can set standard recommendations in response to standard proxy items. Rules apply to information reported on a company's proxy. For example, AS YOU VOTE recommends a vote against the CEO if they also serve as board chair. That information is easily identifiable in the proxy and a rule can be set for it; some exceptions apply.

**Case-By-Case Recommendations**

Proxy items on issues such as mergers, acquisitions and contested elections are beyond the scope of standardized rules. Consequently, those recommendations will be listed as case-by-case and left to the subscriber to vote. Similarly, there are rare occurrences of items (generally on international proxies) that are written in a way that are not identifiable under our rules. These too would be listed as case-by-case votes.

**Additional ESG Screens**

We do incorporate selected outside research that enhances our ESG vote guidelines. For example, we go beyond automated rules and apply an additional level of scrutiny on director votes for about two dozen companies that are major contributors to climate change. These companies, as identified by Majority Action, encompass industry leaders from the electrical utility, oil and gas, bank and insurance, and forestry sectors. We also vote against anti-ESG resolutions (see page 18) and we utilize As You Sow's annual reports "Pay for Climate Performance" and "100 Most Overpaid CEOs 2022" in making recommendations for about 150 publicly traded companies.

**Accountability**

We oppose the election of a director when:

**Independence**

- The board is not majority independent;
- The CEO serves as the board chair;

**Poor attendance**

- Board members attend less than 75% of board meetings without a valid reason for their absence.

In those cases where we disagree with management's vote recommendation, we may also vote against the compensation committee members responsible for the action we are opposing.

For example, we withhold votes for:

**Nominating committee members**

- If they nominate the CEO to serve as board chair;
- If they nominate a slate of candidates that lacks gender or racial diversity (note: NASDAQ 5605(f) Board Diversity Rule is available in proxy statements but not yet actionable on the As You Vote platform);
- If they nominate a board that is not majority independent.

**Compensation committee members**

- If executive compensation exceeds 75% of its peer group;
- If there is more than a 100:1 CEO to median worker pay ratio;
- If company CEO has been listed among 100 Most Overpaid CEOs and have not changed practices.

As recently explained by the Staff in Exchange Act Release Nos. 33-11253; 34-98704 (Oct. 10, 2023) (the "2023 Beneficial Ownership Final Rules"), shareholders who merely express how they intend to vote and the reasons why, *without more*, are unlikely to engage in conduct that would give rise to group formation under Section 13 (emphasis added). Even "vote no" campaigns against individual directors in uncontested elections may not give rise to group behavior, so long as the strategy is not control related. *Id.* at 134.

In describing the As You Vote voting platform, As You Sow does not mince words when expressing the goal of controlling companies through the As You Vote Guidelines and voting platform. It describes As You Vote

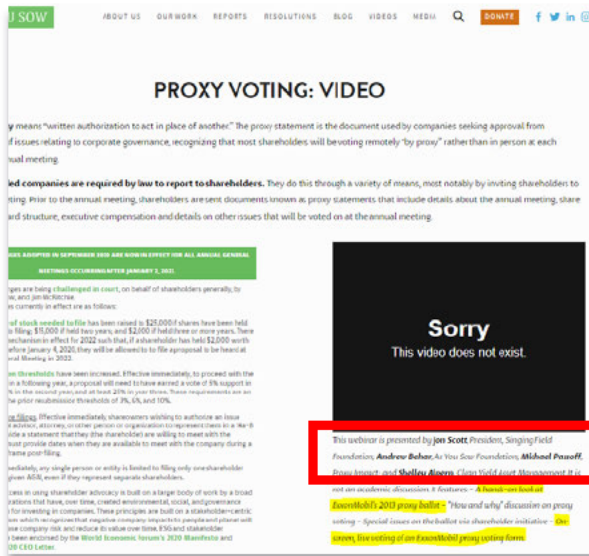
as “**compel[ling]** climate action” and states that its “data **empowers real change**.” Most telling, it states that it seeks to “empower individuals to **change corporations for good**.”<sup>5</sup>

By incorporating the As You Vote Guidelines into the voting platform, Proxy Impact and As You Sow go beyond making a simple and straightforward communication intended to inform investors as to how they would vote shares. Rather, Proxy Impact’s and As You Sow’s viewpoints are published with the intent to incorporate those viewpoints into solicited ballots that are then voted with the goal of compelling action and change at the Company. Accordingly, Proxy Impact and As You Sow are soliciting proxies with an intent to control the Company via its director nominations and all other matters put to a shareholder vote.

Proxy Impact and As You Sow have a history of working together to influence shareholder votes and, particularly, director nominations. In 2013, Proxy Impact and As You Sow jointly posted a video to show on-screen, live voting of an ExxonMobil voting form to demonstrate the voting process. In 2021, Proxy Impact and As You Sow campaigned together against the Company’s director nominees in the Engine No. 1 proxy fight through their membership in Coalition United for a Responsible Exxon (“CURE”). The CURE website also stated that As You Sow “operat[ed]” CURE, suggesting it controlled the group.

## As You Vote Website

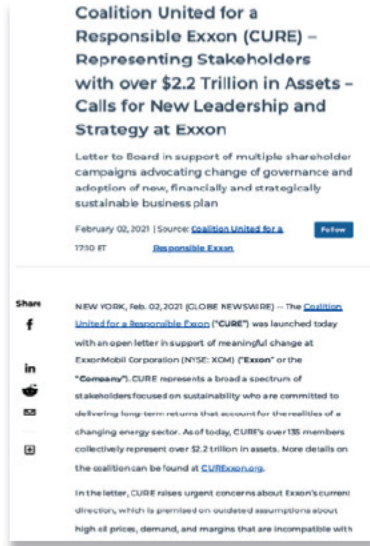
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## CURE Press Release

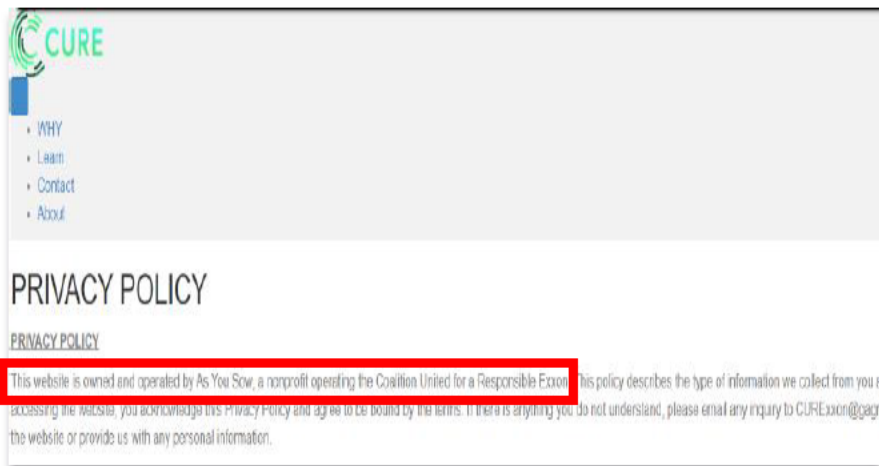
<https://www.globenewswire.com/news-release/2021/02/02/2168665/0/en/Coalition-United-for-a-Responsible-Exxon-CURE-Representing-Stakeholders-with-over-2-2-Trillion-in-Assets-Calls-for-New-Leadership-and-Strategy-at-Exxon.html>

<sup>5</sup> <https://vimeo.com/821443970>



## CURE Website

<https://curexxon.org/privacy-policy/> via <https://web.archive.org/>



It is important to note the connection between Proxy Preview and the As You Vote Guidelines and voting platform. Proxy Preview serves as the first step of a continuous plan to lay the groundwork for soliciting ballots through the As You Vote Guidelines and voting platform.<sup>6</sup> For example, in 2023, Proxy Preview

<sup>6</sup> A "solicitation" under Regulation 14A is broadly characterized as a "communication that is furnished to security holders under circumstances reasonably calculated to result in the procurement, withholding or revocation of a proxy...." See Rule 14a-1(l)(1)(iii). To note, one can "solicit" a proxy even if not specifically requesting a proxy. The Second Circuit has held that the proxy rules are applicable to initial steps which are part of "a continuous plan"

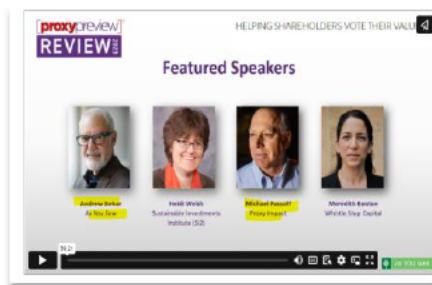


conducted a “Review” of the proxy season, hosting a webinar to summarize the proxy season’s key votes and trends. In the webinar, Mr. Behar promoted the “As You Vote” voting platform by directing investors to the As You Vote website and stating, “we actually offer a free retail proxy voting, you can click on it, and As You Sow has an ESG aligned proxy voting policy that will be **voted on your behalf** if you should choose to, so have a look at [asyouvote.org](https://asyouvote.org), we also have an institutional [inaudible], we work closely with Michael [Passoff] at Proxy Impact.”

Accordingly, each of Proxy Preview, the As You Vote Guidelines and the voting platform are a joint solicitation made by Proxy Impact and As You Sow.

## 2023 Proxy Preview Review

<https://www.proxypreview.org/review/2023-webinar>



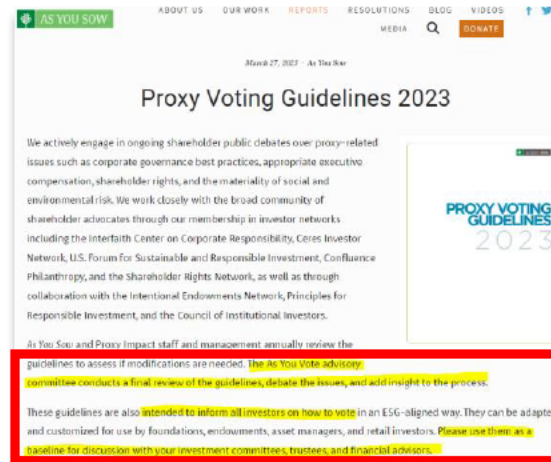
In addition to showing Proxy Impact’s and As You Sow’s intent to control the Company and solicit votes, the As You Vote Guidelines and related voting platform also demonstrate concerted group behavior between Proxy Impact and As You Sow. Together, they have authored and published the As You Vote Guidelines for the past eight years. The introductory letter to the As You Vote Guidelines is signed by both Mr. Passoff of Proxy Impact and Mr. Behar of As You Sow.

The As You Vote Guidelines are also “audited” by the As You Vote “advisory committee,” which consists of five members. Two of the members are executives of As You Sow (Mr. Behar and Danielle Fugere, the President and Chief Counsel of As You Sow) and one of the members is a representative from Proxy Impact (Mr. Passoff). Therefore, a majority of the As You Vote advisory committee is comprised of individuals from Proxy Impact and As You Sow, evidencing not just coordination between Proxy Impact and As You Sow, but also their joint control.

intended to end in solicitation and to prepare the way for success.” *Trans World Corp. v. Odyssey Partners*, 561 F. Supp. 1315, 1319 (S.D.N.Y. 1983) (quoting *SEC v. Okin*, 132 F.2d 784, 786 (2d Cir. 1943)); see also *Gas Nat. Inc. v. Osborne*, 624 F. App’x 944, 950–51 (6th Cir. 2015) (adopting the Second Circuit’s construction of solicitation to mean a “continuous plan”). Proxy Preview and the Guidelines are the joint and coordinated soliciting materials that serve as the initial steps in Proxy Impact’s and As You Sow’s “continuous plan” to request the Company’s shareholders’ proxies via As You Vote. The question as to whether their solicitation materials are exempt from the Regulation 14A filing requirements is not addressed here.

## As You Vote Proxy Voting Guidelines

<https://www.asyousow.org/reports/proxy-voting-guidelines-2023>



## METHODOLOGY

In 2012, As You Sow and Proxy Impact conducted an in-depth review of proxy voting policies. We found few guidelines utilizing ESG principles, and almost none that were applied outside the scope of shareholder proposals. From the beginning, ESG principles have been the starting point for our vote guidelines, and for over a decade we have applied them to all key issues including board composition, board accountability, executive compensation, auditor independence, as well as environmental and social shareholder proposals.

We actively engage in ongoing shareholder public debates over proxy-related issues such as corporate governance best practices, appropriate executive compensation, shareholder rights, and the materiality of social and environmental risk. We work closely with the broad community of shareholder advocates through our membership in investor networks including the Interfaith Center on Corporate Responsibility, Ceres Investor Network, U.S. Forum for Sustainable and Responsible Investment, Confluence Philanthropy, and the Shareholder Rights Network, as well as through collaboration with the Intentional Endowments Network, Principles for Responsible Investment, and the Council of Institutional Investors.

As You Sow and Proxy Impact staff and management annually review the guidelines to assess if modifications are needed. The As You Vote advisory committee conducts a final review of the guidelines, debate the issues, and add insight to the process.

The Advisory Committee currently has five members:

Andrew Behar, CEO, As You Sow

Danielle Fugere, President & Chief Counsel, As You Sow

Neil Minow, Vice Chair, ValueEdge Advisors; co-founder and former President, Institutional Shareholder Services (ISS)

Renee Morgan, Social Justice Director, Adasina Social Capital

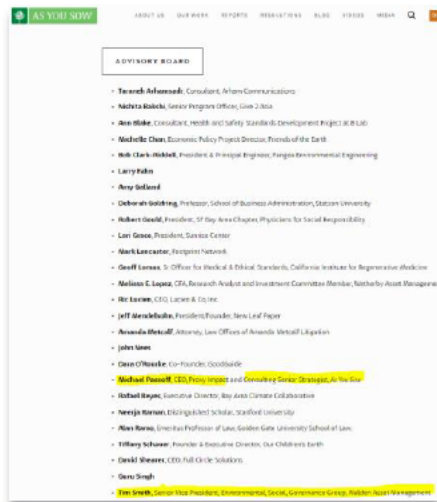
Michael Passoff, CEO, Proxy Impact

Finally, the connections between Proxy Impact and As You Sow are not limited to their joint conduct through Proxy Preview and the As You Vote Guidelines and voting platform. There is also substantial leadership overlap between Proxy Impact and As You Sow. For example, Mr. Passoff is a member of As You Sow's Advisory Board, as well as a Consulting Senior Strategist for As You Sow.

As for Proxy Impact, 50% of its advisory board is controlled by, or affiliated with, As You Sow. The interlocking relationship between Proxy Impact and As You Sow is further evidence of that Proxy Impact and As You Sow are acting as one.

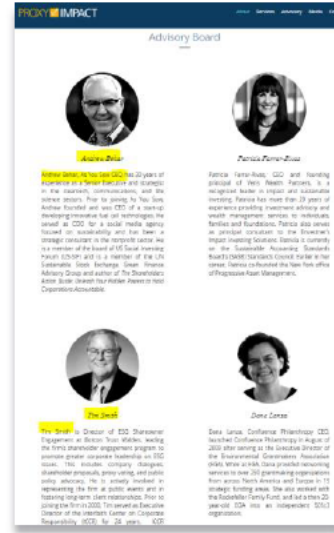
## As You Vote Website

<https://www.asyousow.org/about-us/staff/board-of-directors>



## Proxy Impact Website

<https://www.proxyimpact.com/about>



Congress and the SEC have long been concerned about the effects of this type of coordinated and concerted action by groups that try to pass themselves off as independent actors. Parallel statutory schemes under the Exchange Act reflect the notion that multiple people who act as a coordinated group or take concerted actions may be treated as a single person.

For example, under Rule 14a-8, if a person indirectly submits a proposal in reliance upon another person's securities, they are together considered one "person." Similarly, a group, such as individuals employed at the same entity, is treated as the same "person" and may only submit one proposal. See Exchange Act Release No. 34-89964 (Sept. 23, 2020), at 61.

Further, the Staff has specifically addressed what constitutes group behavior with respect to shareholder proposals. See the 2023 Beneficial Ownership Final Rules. For example, the Staff has stated that:

- Shareholders may only discuss their views in a "public forum" without satisfying the "acting as a group" standard if the discussion only "involves an *independent and free exchange* of ideas and views among shareholders, *alone and without more*." *Id.* at 134 (emphasis added). As shown above, Proxy Impact and As You Sow are not merely expressing their views in a public forum—Proxy Preview and As You Vote are proprietary tools used by Proxy Impact and As You Sow to promote a singular viewpoint.
- Behavior that "*extend[s] beyond*" the types of permitted communications outlined above, such as "consenting or committing to a course of action" or the "*joint or coordinated publication of soliciting materials* with an activist investor," might indicate group formation. *Id.* at 136-137. As shown above, Proxy Preview and the As You Vote Guidelines are "joint or coordinated publication of soliciting materials" and the As You Vote voting platform is, of course, a straightforward joint solicitation of proxies.
- Unless joint conduct by shareholders is "*limited to the creation, submission, and/or presentation of a non-binding proposal*," such behavior is considered "group" behavior. See Exchange Act Release Nos. 33-11253; 34-98704 (Oct. 10, 2023), at 134 (emphasis added). As shown, Proxy Impact and As You

# Davis Polk

Sow acted in concert to solicit proxies from the Company's shareholders, going far beyond the creation, submission, and/or presentation of a non-binding proposal. Also, Proxy Impact and As You Sow sought to influence director elections—both contested and uncontested—which are binding on the Company.

Proxy Impact and As You Sow do not merely coordinate to submit shareholder proposals or provide information for shareholders to vote their own shares in an informed way. Rather, they are coordinating a continuous plan of concerted efforts to solicit proxies from the Company's shareholders for both shareholder proposals and director elections. These joint solicitations render Proxy Impact and As You Sow a "group" and therefore a "person" under Rule 14a-8(c).

Under Rule 14a-8(f)(1), it is permissible to exclude proposals submitted by a proponent who fails to satisfy the eligibility requirements under Rule 14a-8(c). Therefore, pursuant to Rules 14a-8(c) and 14a-8(f)(1), the Company believes that it may exclude the Proposal from its 2024 Proxy Materials.

## CONCLUSION

The Proposal is excludable because Proxy Impact's coordinated actions with As You Sow should cause them to be treated as the same "person" who have impermissibly submitted a total of three proposals. For each of the reasons set forth above, the Company believes that the Proposal may be excluded from its 2024 Proxy Materials pursuant to Rule 14a-8(c).

We would be happy to provide you with any additional information and answer any questions that you may have regarding this request. Please do not hesitate to call me at (212) 450-4539 or James Parsons at [james.e.parsons@exxonmobil.com](mailto:james.e.parsons@exxonmobil.com). If the Staff does not concur with the Company's position, we would appreciate an opportunity to confer with the Staff concerning these matters prior to the issuance of its response.

Respectfully yours,

Louis Goldberg

Attachment

cc w/ att: James E. Parsons, Exxon Mobil Corporation  
Michael Passoff, CEO, Proxy Impact

**Proposal**

**Whereas:** Pay inequities persist across race and gender and pose substantial risks to companies and society. Black workers' median annual earnings represent 77 percent of white wages. The median income for women working full time is 84 percent that of men. Intersecting race, Black women earn 76 percent and Latina women 63 percent.<sup>1</sup> At the current rate, women will not reach pay equity until 2059, Black women in 2130, and Latina women in 2224.<sup>2</sup>

Citigroup estimates closing minority and gender wage gaps 20 years ago could have generated 12 trillion dollars in additional national income. PwC estimates closing the gender pay gap could boost Organization for Economic Cooperation and Development (OECD) countries' economies by 2 trillion dollars annually.<sup>3</sup>

Actively managing pay equity is associated with improved representation. Diversity in leadership is linked to superior stock performance and return on equity.<sup>4</sup> Minorities represent 64 percent of Exxon's global workforce and 28 percent of executives. Women represent 34 percent of the global workforce and 27 percent of executives.<sup>5</sup>

Best practice pay equity reporting consists of two parts:

1. *unadjusted* median pay gaps, assessing equal opportunity to high paying roles,
2. statistically *adjusted* gaps, assessing whether minorities and non-minorities, men and women, are paid the same for similar roles.

Exxon Mobil does not report quantitative unadjusted or adjusted pay gaps. About 50 percent of the 100 largest U.S. employers currently report adjusted gaps, and an increasing number of companies disclose unadjusted gaps to address the structural bias women and minorities face regarding job opportunity and pay.<sup>6</sup>

Racial and gender *unadjusted* median pay gaps are accepted as *the* valid way of measuring pay inequity by the United States Census Bureau, Department of Labor, OECD, and International Labor Organization. The United Kingdom and Ireland mandate disclosure of median gender pay gaps.<sup>7</sup> Exxon Mobil already provides this information for United Kingdom employees, and investors should be able to expect the same level of disclosure for all employers.

**Resolved:** Shareholders request Exxon Mobil report on both quantitative *median and adjusted* pay gaps across race and gender, including associated policy, reputational, competitive, and operational risks, and risks related to recruiting and retaining diverse talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy and legal compliance information.

Racial/gender pay gaps are defined as the difference between non-minority and minority/male and female *median* earnings expressed as a percentage of non-minority/male earnings (Wikipedia/OECD, respectively).

<sup>1</sup> <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html> - par. textimage 24

<sup>2</sup> [https://www.proxyimpact.com/files/ugd/b07274\\_d88f00b8786f4bd8bcf27a0c4bb66e35.pdf](https://www.proxyimpact.com/files/ugd/b07274_d88f00b8786f4bd8bcf27a0c4bb66e35.pdf)

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> <https://corporate.exxonmobil.com/-/media/global/files/sustainability/social/investing-in-people-old.pdf>

<sup>6</sup> <https://diversiQ.com/which-sp-500-companies-disclose-gender-pay-equity-data/>

<sup>7</sup> [https://www.proxyimpact.com/files/ugd/b07274\\_d88f00b8786f4bd8bcf27a0c4bb66e35.pdf](https://www.proxyimpact.com/files/ugd/b07274_d88f00b8786f4bd8bcf27a0c4bb66e35.pdf)



**Supporting Statement:** An annual report adequate for investors to assess performance could, with board discretion, integrate base, bonus and equity compensation to calculate:

- percentage median and adjusted gender pay gap, globally and/or by country, where appropriate
- percentage median and adjusted racial/minority/ethnicity pay gap, US and/or by country, where appropriate

**Wittrig, Ashley M**

---

**From:** Michael Passoff [REDACTED]  
**Sent:** Friday, December 15, 2023 4:57 PM  
**To:** Shareholder Relations /SM  
**Subject:** Pay Gap shareholder proposal  
**Attachments:** Exxon Mobil pay gap resolution 2024.pdf; Exxon pay gap filing letter 12-15-23.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Dear Mr. Morford,

Proxy Impact is filing a Racial and Gender Pay Gap shareholder proposal at Exxon Mobil, on behalf of Broz Family Investments LLC.

Attached is our filing letter and the shareholder proposal for inclusion in the company's 2024 proxy statement.

**Please confirm receipt of this email.**

Yours,  
Michael Passoff

Michael Passoff  
CEO  
Proxy Impact  
[REDACTED]

[www.proxyimpact.com](http://www.proxyimpact.com)  
[www.proxypreview.org](http://www.proxypreview.org)

## Exxon Mobil: Racial and Gender Pay Gap Reporting, 2024

Whereas: Pay inequities persist across race and gender and pose substantial risks to companies and society. Black workers' median annual earnings represent 77 percent of white wages. The median income for women working full time is 84 percent that of men. Intersecting race, Black women earn 76 percent and Latina women 63 percent.<sup>1</sup> At the current rate, women will not reach pay equity until 2059, Black women in 2130, and Latina women in 2224.<sup>2</sup>

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**Resolved:** Shareholders request Exxon Mobil report on both quantitative *median and adjusted* pay gaps across race and gender, including associated policy, reputational, competitive, and operational risks, and risks related to recruiting and retaining diverse talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy and legal compliance information.

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**Supporting Statement:** An annual report adequate for investors to assess performance could, with board discretion, integrate base, bonus and equity compensation to calculate:

- percentage median and adjusted gender pay gap, globally and/or by country, where appropriate
- percentage median and adjusted racial/minority/ethnicity pay gap, US and/or by country, where appropriate

1 <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html> - par textimage 24

2 [https://www.proxyimpact.com/files/ugd/b07274\\_d88f00b8786f4bd8bcf27a0c4bb66e35.pdf](https://www.proxyimpact.com/files/ugd/b07274_d88f00b8786f4bd8bcf27a0c4bb66e35.pdf)

3 Ibid.

4 Ibid.

5 <https://corporate.exxonmobil.com/-/media/global/files/sustainability/social/investing-in-people-old.pdf>

6 <https://diversiq.com/which-sp-500-companies-disclose-gender-pay-equity-data/>

7 [https://www.proxyimpact.com/files/ugd/b07274\\_d88f00b8786f4bd8bcf27a0c4bb66e35.pdf](https://www.proxyimpact.com/files/ugd/b07274_d88f00b8786f4bd8bcf27a0c4bb66e35.pdf)

December 15, 2023

Craig S. Morford  
Secretary  
Exxon Mobil Corporation  
22777 Springwoods Village Parkway  
Spring, TX 77389  
Via email: [shareholderrelations@exxonmobil.com](mailto:shareholderrelations@exxonmobil.com)

Dear Mr. Morford,

Proxy Impact is filing a Racial and Gender Pay Gap Reporting shareholder proposal at Exxon Mobil Corp, on behalf of Broz Family Investments LLC (the “Proponent”) in order to protect their shareholder right to raise this issue in the proxy statement. The Proponent is submitting the enclosed shareholder proposal for inclusion in the 2024 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

The Proponent has continuously owned an amount of Exxon Mobil stock for a duration of time that enables them to file a shareholder proposal for inclusion in the company’s proxy statement and will hold the required amount of stock through the date of the Exxon annual meeting in 2024. An authorization letter and proof of ownership from Broz Family Investments LLC is being sent separately.

Please forward any correspondence on this matter to Proxy Impact and not to the Proponent.  
A representative of the Proponent will attend the stockholders’ meeting to move the proposal as required.

The Proponent and/or Proxy Impact will be available to speak with the Company via teleconference on January 4, 2024, from 12-12:30 p.m. or 12:30-1:00 pm CT.

We look forward to a productive dialogue that will make the need for this resolution moot.

Sincerely,



Michael Passoff  
CEO  
Proxy Impact

Enclosure:

- Racial and Gender Pay Gap Reporting shareholder proposal

## Englande, Sherry M

---

**From:** Englande, Sherry M on behalf of Shareholder Relations /SM  
**Sent:** Monday, December 18, 2023 6:49 PM  
**To:** Michael Passoff  
**Cc:** Englande, Sherry M  
**Subject:** RE: Pay Gap shareholder proposal - invitation to engagement

Hello Mr. Passoff -

We are in the process of reviewing the proposal you've submitted on behalf of the Broz Family Investments, LLC. We will send a separate acknowledgement letter with more information soon.

In the meantime, we would like to invite you and the proponent to engagement to discuss the proposal.

Can you join us for a call either:

- Thursday, January 11, 2024 from 7:30-8:00am PT / 9:30-10:00am CT, or
- Friday, January 12, 2024 from 11:30-Noon PT / 1:30-2:00pm CT

If one of these days/times works for you, I'd be glad to send you a meeting notice with Zoom link to block our calendars. Thank you and we look forward to talking with you soon.

Sherry

**Sherry M. Englande**

ESG Manager  
Investor Relations

**Exxon Mobil Corporation**

22777 Springwoods Village Parkway, [REDACTED]  
Spring, TX 77389  
Telephone: [REDACTED]  
(please note new telephone and physical address)

---

**From:** Michael Passoff [REDACTED]  
**Sent:** Friday, December 15, 2023 4:57 PM  
**To:** Shareholder Relations /SM <shareholderrelations@exxonmobil.com>  
**Subject:** Pay Gap shareholder proposal

Dear Mr. Morford,

Proxy Impact is filing a Racial and Gender Pay Gap shareholder proposal at Exxon Mobil, on behalf of Broz Family Investments LLC.

Attached is our filing letter and the shareholder proposal for inclusion in the company's 2024 proxy statement.



**Please confirm receipt of this email.**

Yours,

Michael Passoff

Michael Passoff  
CEO  
Proxy Impact



[www.proxyimpact.com](http://www.proxyimpact.com)

[www.proxypreview.org](http://www.proxypreview.org)

## Englande, Sherry M

---

**From:** Microsoft Outlook  
**To:** Michael Passoff  
**Sent:** Monday, December 18, 2023 6:49 PM  
**Subject:** Relayed: RE: Pay Gap shareholder proposal - invitation to engagement

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

[Michael Passoff](#) [REDACTED]

Subject: RE: Pay Gap shareholder proposal - invitation to engagement



RE: Pay Gap  
shareholder pro...

## Englande, Sherry M

---

**From:** Englande, Sherry M on behalf of Shareholder Relations /SM  
**Sent:** Tuesday, December 19, 2023 7:18 PM  
**To:** Michael Passoff  
**Cc:** Englande, Sherry M  
**Subject:** RE: Pay Gap shareholder proposal - invitation to engagement

Hi Michael –  
Sounds good – I will send you a meeting notice with Zoom dial in shortly.  
Please forward to the proponent as I do not have their email address.  
We look forward to talking with you soon.  
Thank you  
Sherry

---

**From:** Michael Passoff [REDACTED]  
**Sent:** Tuesday, December 19, 2023 1:44 PM  
**To:** Shareholder Relations /SM <shareholderrelations@exxonmobil.com>  
**Cc:** Englande, Sherry M [REDACTED]  
**Subject:** Re: Pay Gap shareholder proposal - invitation to engagement

External Email - Think Before You Click

**Hi Sherry,**  
**The best time for us would be:**  
• Friday, January 12, 2024 from 11:30-Noon PT / 1:30-2:00pm CT  
**Thanks,**  
**Michael**

---

**From:** Englande, Sherry M [REDACTED] on behalf of Shareholder Relations /SM  
<[shareholderrelations@exxonmobil.com](mailto:shareholderrelations@exxonmobil.com)>  
**Sent:** Monday, December 18, 2023 4:48 PM  
**To:** Michael Passoff [REDACTED]  
**Cc:** Englande, Sherry M [REDACTED]  
**Subject:** RE: Pay Gap shareholder proposal - invitation to engagement

Hello Mr. Passoff -

We are in the process of reviewing the proposal you've submitted on behalf of the Broz Family Investments, LLC. We will send a separate acknowledgement letter with more information soon.

In the meantime, we would like to invite you and the proponent to engagement to discuss the proposal.

Can you join us for a call either:

- Thursday, January 11, 2024 from 7:30-8:00am PT / 9:30-10:00am CT, or
- Friday, January 12, 2024 from 11:30-Noon PT / 1:30-2:00pm CT

If one of these days/times works for you, I'd be glad to send you a meeting notice with Zoom link to block our calendars.

Thank you and we look forward to talking with you soon.

Sherry

**Sherry M. Englande**

ESG Manager

Investor Relations

**Exxon Mobil Corporation**

22777 Springwoods Village Parkway, [REDACTED]

Spring, TX 77389

[REDACTED]

(please note new telephone and physical address)

---

From: Michael Passoff [REDACTED]  
Sent: Friday, December 15, 2023 4:57 PM  
To: Shareholder Relations /SM <[shareholderrelations@exxonmobil.com](mailto:shareholderrelations@exxonmobil.com)>  
Subject: Pay Gap shareholder proposal

Dear Mr. Morford,

Proxy Impact is filing a Racial and Gender Pay Gap shareholder proposal at Exxon Mobil, on behalf of Broz Family Investments LLC.

Attached is our filing letter and the shareholder proposal for inclusion in the company's 2024 proxy statement.

**Please confirm receipt of this email.**

Yours,

Michael Passoff

Michael Passoff

CEO

Proxy Impact

[REDACTED]

[REDACTED]

[www.proxyimpact.com](http://www.proxyimpact.com)

[www.proxypreview.org](http://www.proxypreview.org)



Englande, Sherry M

---

**From:** Microsoft Outlook  
**To:** Michael Passoff  
**Sent:** Tuesday, December 19, 2023 7:18 PM  
**Subject:** Relayed: RE: Pay Gap shareholder proposal - invitation to engagement

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

[REDACTED]

Subject: RE: Pay Gap shareholder proposal - invitation to engagement



RE: Pay Gap  
shareholder pro...

## Englande, Sherry M

---

**Subject:** Proxy Impact / ExxonMobil Proponent Call

**Location:**

**Start:** Fri 1/12/2024 1:30 PM

**End:** Fri 1/12/2024 2:00 PM

**Recurrence:** (none)

**Meeting Status:** Meeting organizer

**Organizer:** Investor-Relations /SM

**Required Attendees:** 'Michael Passoff'; Englande, Sherry M

---

### Zoom Meeting Invite

[Join Meeting](#)

**Meeting URL:**

**Meeting ID:**

**Phone One Tap:**

(Tacoma)

### Join by Telephone

**Dial by your location:**

+1 346 248 7799 US (Houston) +1 253 215 8782 US (Tacoma) +1 669 444 9171 US +1 669 900 9128 US (San Jose) +1 719 359 4580 US +1 253 205 0468 US +1 309 205 3325 US +1 312 626 6799 US (Chicago) +1 360 209 5623 US +1 386 347 5053 US +1 507 473 4847 US +1 564 217 2000 US +1 646 558 8656 US (New York) +1 646 931 3860 US +1 689 278 1000 US +1 301 715 8592 US (Washington DC) +1 305 224 1968 US

**Find your local number:** <https://exxonmobil.zoom.us/j/apvglZLF7>

### Join from a Zoom room

**Meeting ID:**

**Password:**

### Join by SIP

910 6567 4654@zoomcrc.com

Want more Zoom tips? Visit [goto/zoom](https://goto.zoom.us).

[Data Privacy Policy](#)

## Englande, Sherry M

---

**From:** Englande, Sherry M on behalf of Shareholder Relations /SM  
**Sent:** Friday, December 22, 2023 4:28 PM  
**To:** Michael Passoff  
**Cc:** Englande, Sherry M  
**Subject:** RE: Pay Gap shareholder proposal  
**Attachments:** Proxy Impact Acknowledgement Letter.pdf; § 240.14a-8 Shareholder proposals\_.pdf; Attachments\_SEC Rule 14a-8\_Nov-4-2020 and SLB 14F\_Oct-18-2011.pdf; Attachments\_SEC Rule 14a-8\_SLB 14\_July-13-2001.pdf; Attachments\_SEC Rule 14a-8\_SLB 14L Nov-3-2021.pdf

### **Sent on behalf of Jennifer Driscoll:**

Please see the communication attached regarding your shareholder proposal.

---

**From:** Michael Passoff [REDACTED]  
**Sent:** Friday, December 15, 2023 4:57 PM  
**To:** Shareholder Relations /SM <shareholderrelations@exxonmobil.com>  
**Subject:** Pay Gap shareholder proposal

Dear Mr. Morford,

Proxy Impact is filing a Racial and Gender Pay Gap shareholder proposal at Exxon Mobil, on behalf of Broz Family Investments LLC.

Attached is our filing letter and the shareholder proposal for inclusion in the company's 2024 proxy statement.

**Please confirm receipt of this email.**

Yours,

Michael Passoff

Michael Passoff  
CEO  
Proxy Impact  
[REDACTED]

[www.proxyimpact.com](http://www.proxyimpact.com)  
[www.proxypreview.org](http://www.proxypreview.org)



**VIA EMAIL**

December 22, 2023

Michael Passoff  
CEO  
Proxy Impact  
5011 Esmond Ave.  
Richmond, CA, 94805

Dear Mr. Passoff:

Thank you for your interest in ExxonMobil. This letter acknowledges that we've received your shareholder proposal concerning Racial and Gender Pay Gap (the "Proposal"), which you have submitted on behalf of Broz Family Investments (the "Proponent") in connection with ExxonMobil's 2024 annual meeting of shareholders. The Proposal contains certain deficiencies, which the Securities and Exchange Commission ("SEC") regulations require us to bring to your attention.

*Does Not Meet Ownership Eligibility*

In order to be eligible to submit a shareholder proposal, Rule 14a-8, as amended (copy enclosed), requires that Broz Family Investments must have continuously held, as of the date the proposal was submitted at least (i) \$2,000 in market value of the company's securities entitled to vote on the proposal at the meeting for at least three years, (ii) \$15,000 in market value of the company's securities entitled to vote on the proposal at the meeting for at least two years, or (iii) \$25,000 in market value of the company's securities entitled to vote on the proposal at the meeting for at least one year, for the applicable period through and including the date the shareholder proposal was submitted.

For this Proposal, the date of submission is December 15, 2023, which is the date the Proposal was received electronically by email.

Note that the SEC rules do not permit a shareholder to aggregate the proponent's shareholdings with those of another shareholder or group of shareholders to meet the ownership eligibility requirement.

You do not appear in our records as a registered shareholder. Moreover, to date we have not received proof that Broz Family Investments has satisfied these ownership requirements. To remedy this defect, you must submit sufficient proof verifying your continuous ownership of the requisite number of ExxonMobil shares for the applicable time period preceding and including December 15, 2023.



As explained in Rule 14a-8(b) and SEC staff guidance, sufficient proof must be in the form of:

- a written statement from the "record" holder of your shares (usually a broker or a bank) verifying that you continuously held the requisite number of ExxonMobil shares for the applicable time period preceding and including December 15, 2023; or
- if you have filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting your ownership of the requisite number of ExxonMobil shares as of or before the date on which the required holding period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that you continuously held the requisite number of ExxonMobil shares for the applicable time period preceding and including December 15, 2023.

If you intend to demonstrate ownership by submitting a written statement from the "record" holder of your shares as set forth in the first bullet point above, please note that most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company ("DTC"), a registered clearing agency that acts as a securities depository (DTC is also known through the account name of Cede & Co.). Such brokers and banks are often referred to as "participants" in DTC. In Staff Legal Bulletin No. 14F (October 18, 2011) (copy enclosed), the SEC staff has taken the view that only DTC participants should be viewed as "record" holders of securities that are deposited with DTC. As the SEC adopted amendments to Rule 14a-8 that became effective in 2021, please note that Staff Legal Bulletin No. 14F does not reflect those amendments, and to the extent any provisions are inconsistent, Rule 14a-8 governs in all respects.

You can confirm whether your broker or bank is a DTC participant by asking your broker or bank or by checking the listing of current DTC participants, which is available online at: <https://www.dtcc.com/client-center/dtc-directories>. In these situations, shareholders need to obtain proof of ownership from the DTC participant through which the securities are held, as follows:

- If your broker or bank is a DTC participant, then you need to submit a written statement from your broker or bank verifying that you continuously held the requisite number of ExxonMobil shares for the applicable time period preceding and including December 15, 2023.
- If your broker or bank is not a DTC participant, then you need to submit proof of ownership from the DTC participant through which the securities are held verifying that you continuously held the requisite number of ExxonMobil shares for the applicable time period preceding and including December 15, 2023. You should be able to find out who this DTC participant is by asking your broker or bank. If your broker is an introducing broker, you may also be able to learn the identity and telephone number of the DTC participant through your account statements because the clearing broker identified on your account statements will generally be a DTC participant. If the DTC participant that holds your shares knows your broker's or bank's holdings, but does not know your holdings, you need to satisfy the proof of ownership requirement by obtaining and submitting two proof of ownership statements verifying that for the applicable period preceding and including December 15, 2023, the required amount of securities were continuously held – one from your broker or bank, confirming your ownership, and the other from the DTC participant, confirming the broker or bank's ownership.

SEC rules require that a shareholder who elects to use a representative for the purpose of submitted a proposal provide written documentation that must:

- identify the company to which the proposal is directed;
- identify the annual or special meeting for which the proposal is submitted;
- identify the shareholder as the proponent and identify the person acting on his or her behalf as his or her representative;
- include the shareholder's statement authorizing the designated representative to submit the proposal and otherwise act on his or her behalf;
- identify the specific topic of the proposal to be submitted;
- include the shareholder's statement supporting the proposal; and
- be signed and dated by the shareholder.

This Proposal lacks proper documentation of authority to the representative to submit the Proposal. To remedy the deficiency, you must provide documentation that meets the requirements described above.

#### *Deficiency in Intent to Hold Shares*

SEC rules require that a proponent must provide to the company a written statement of his or her intent to continue to hold the required number or amount of shares through the date of the annual meeting. To remedy this defect, you must provide us with a statement of your intent to continue to hold the required number or amount of the company's shares through the date of the company's 2024 annual meeting.

#### *One Proposal Per Person/Control Group*

Under Rule 14a-8(c), a person cannot submit more than one proposal to a company, either directly or indirectly. The SEC has long recognized that multiple people controlled by a single entity or acting as a coordinated group or taking concerted actions may be treated as a single person under the SEC's rules. Congress created the concepts of "control" and "group" to protect against the evasion of disclosure requirements by people who collectively seek to change or influence control over a public company. Accordingly, the SEC takes an expansive view of who or what may qualify as a person.<sup>1</sup>

Relationships of control or the creation of a group among different shareholder proponents creates a deficiency in the submission of each of the proposals submitted by the controlled entities or group as the proponents, acting as a single "person," are now submitting multiple proposals.

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<sup>1</sup> As an example of the SEC's focus on the concept of "control," in the adopting release for the final rule relating to the "Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8" (<https://www.sec.gov/files/rules/final/2020/34-89964.pdf>), the SEC did not define "person" as a natural person or single entity. Instead, it stated that any entities and all persons under their control (emphasis added) will be treated as a "person" under Rule 14a-8(c).

As an example of the SEC's interpretation of the concept of a "group," in the adopting release for the final rule and guidance relating to the "Modernization of Beneficial Ownership Reporting" (<https://www.sec.gov/files/rules/final/2023/33-11253.pdf>), the SEC clarified that the joint or coordinated publication of soliciting materials with an activist investor could indicate "group" formation under Rule 13D.

We believe your concerted work on the “Racial & Gender Pay Scorecard,”<sup>2</sup> Proxy Preview<sup>3</sup> and Proxy Review<sup>4</sup> with As You Sow, Arjuna Capital and others, and your membership in CURE (Coalition for a Responsible Exxon), as further described below, should cause you and each of the aforementioned entities to be recognized as a single “person.” Accordingly, there is a deficiency in your submission since, in addition to the Proposal, the following proposals have also been submitted by As You Sow and Arjuna Capital for the 2024 annual meeting (see attached):

1. Report on Plastic Production Under SCS Scenario (As You Sow)
2. Report on Climate Impacts of Divestments (As You Sow)
3. Emission Reduction Targets (Arjuna Capital)

This deficiency may be remedied by all but one of the above proposals being withdrawn. Otherwise, each of the proposals may be excluded from the proxy statement this year given that they violate Rule 14a-8.

The increasing professionalization of anti-oil and gas activists submitting shareholder proposals has created a question of whether some proposals should be considered separate proposals from separate persons or represent multiple proposals from the same person. Many other types of coordination, such as funding relationships, joint service or employment relationships, joint publication of filed and unfiled solicitation materials, and other efforts that go beyond the creation, submission, or presentation of a shareholder proposal, can give rise to a control relationship or a “group” that should be treated as a single person to avoid the subversion of the shareholder proposal process. For example, if shareholders have an arrangement, understanding, or agreement—written or otherwise—to vote against certain directors or management proposals if their shareholder proposal(s) are not included in the proxy statement, the SEC would deem that “group” behavior. Proxy Impact’s work with As You Sow, Arjuna Capital and others on CURE during our proxy contest in 2021, where you created your own organized coalition to oppose ExxonMobil’s directors, is further evidence of the long-standing nature of your concerted coordination through multiple proxy seasons.<sup>5</sup>

The SEC currently asks proponents to self-identify. As a result, relationships among proponents, including overlapping control or governance relationships, are often not immediately clear to the company and hinder our ability to notify you of any deficiency in your Proposal. We note that public records show significant connections between Proxy Impact and these groups today that may create control, affiliate or group relationships, though perhaps not the full extent of these relationships. We encourage you to disclose any current or planned coordinated efforts or group relationships or activities so that we can work with you to find appropriate remedies that minimize costs to shareholders and to the proponents, and that comply with the SEC’s rules.

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<sup>2</sup>

<https://static1.squarespace.com/static/5bc65db67d0c9102cca54b74/t/640f22770d7c0634287c57c3/1678713464/204/Racial+and+Gender+Pay+Scorecard+2023.pdf>

<sup>3</sup> <https://www.proxypreview.org/2023/report>

<sup>4</sup> <https://www.proxypreview.org/review/2023-key-findings>

<sup>5</sup> <https://www.globenewswire.com/news-release/2021/02/02/2168665/0/en/Coalition-United-for-a-Responsible-Exxon-CURE-Representing-Stakeholders-with-over-2-2-Trillion-in-Assets-Calls-for-New-Leadership-and-Strategy-at-Exxon.html>

ExxonMobil believes information on these relationships and behavior is important in both the proposal submission process and the disclosure in the proxy statement since professional activists may not share the same incentives as other shareholders. For example, if activists are being paid for the submission of proposals, they are likely to be less sensitive than other shareholders to both the monetary costs and significant management burden created by responding to a large number of shareholder proposals. This belief has been confirmed by our shareholders, who have stated that information on an activist's activities is material to them and does influence their voting behavior similar to the information disclosed in a 13D filing on a group's investment strategy and plans for a company.

Accordingly, ExxonMobil believes that if you choose not to disclose any of these relationships or behaviors, you may be making a material omission in violation of the SEC's Rule 14a-9 antifraud rules. As such, we strongly encourage you to disclose now any relationships, actions or intended actions that you will undertake that could suggest you are coordinating with others in a concerted effort to influence the voting of securities either as a "group" or in violation of SEC rules. To the extent we later become aware of undisclosed relationships or actions in violation of these rules, we plan to share the information with shareholders and the SEC, as appropriate. We continue to believe this is an important issue as ExxonMobil regularly receives among the highest number of proposals of any U.S. company.

#### *Cure Period/Springing Deficiencies*

The SEC's rules require that these defects we have identified be remedied, and any response to this letter must be postmarked or transmitted electronically to us no later than 14 calendar days from the date this letter is received. Please mail any response to me at ExxonMobil at the address shown above. Alternatively, you may send your response to me by email to [shareholderrelations@exxonmobil.com](mailto:shareholderrelations@exxonmobil.com). The failure to correct the deficiencies within this time period will provide the company with a basis to exclude the Proposal from the company's proxy statement for the 2024 annual meeting.

It is possible that, based on information not disclosed in your submission, or as a result of your future actions or information of which ExxonMobil otherwise becomes aware, additional deficiencies in your Proposal may arise. These "springing deficiencies" include actions contrary to Rule 14a-8, which limits each proponent to no more than one proposal per meeting, such as:

- (1) submission of another proposal by you, including submissions under alternate names or aliases;
- (2) joint publication with the proponent of another proposal of filed or unfiled solicitation materials, or other concerted actions together on one or more proxy matters, whether such actions are taken under common control or by the continuation or creation of a "group" (as discussed above); or
- (3) the discovery by the company of "affiliate" or "control" relationships between you and another proponent, meaning that the multiple proponents should be considered a single "person."

Upon the discovery of a springing deficiency, the company will send you an additional deficiency notice similar to this letter. To the extent permitted by the timing of the springing deficiency, we will seek to provide an additional 14 calendar days from the date that the springing deficiency notice is received for any response. However, we are notifying you now of the potential for these springing deficiencies. To the extent that any may exist that have not been disclosed, you may address them with the company in the 14 calendar days from the date this letter is received.

The company reserves the right, as any current relationships among and activities of proponents come to light or as future group activities are started prior to the annual meeting, to provide you notice of the deficiency, consistent with SEC rules, and potentially either exclude the proposal from the proxy statement or, if already filed, cancel a vote on an ineligible matter. The later discovery of these deficiencies by the company, even if within 14 days of the mailing of the proxy or 14 days of the annual meeting, will not prevent the company from determining that you have been notified of the deficiency in a timely manner and excluding the Proposal or, if already filed, canceling a vote on an ineligible matter.

You should note that, if the Proposal is not withdrawn or excluded, you or your representative, who is qualified under New Jersey law to present the Proposal on your behalf, must attend the annual meeting to present the Proposal. Under New Jersey law, only shareholders or their duly constituted proxies are entitled as a matter of right to attend the meeting.

If you intend for a representative to present the Proposal, you must provide documentation that specifically identifies your intended representative by name and specifically authorizes the representative to act as your proxy at the annual meeting.

To be a valid proxy entitled to attend the annual meeting, the representative must have the authority to vote your shares at the meeting. A copy of this authorization meeting state law requirements should be sent to my attention in advance of the meeting. The authorized representative should also bring an original signed copy of the proxy documentation to the meeting so that our counsel may verify the representative's authority to act on your behalf prior to the start of the meeting.

In the event there are co-filers for this Proposal and in light of the guidance in SEC Staff Legal Bulletin No. 14F dealing with co-filers of shareholder proposals, it is important to ensure that the lead filer has clear authority to act on behalf of all co-filers, including with respect to any potential negotiated withdrawal of the proposal. Unless the lead filer can represent that it holds such authority on behalf of all co-filers, and considering SEC staff guidance, it will be difficult for us to engage in productive dialogue concerning this Proposal.

Note that under Staff Legal Bulletin No. 14F, the SEC will distribute no-action responses under Rule 14a-8 by email to companies and proponents. We encourage you, and all proponents and any co-filers, to include an email contact address on any additional correspondence to ensure timely communication in the event the Proposal is subject to a no-action request.

I hope that's helpful to you.

Last, we are interested in discussing this Proposal and look forward to our virtual meeting scheduled in January.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jennifer D. Smith", written in a cursive style.

JKD/sme

Enclosures

### **Attached Proposals**

1. Report on Plastic Production Under SCS Scenario (As You Sow)
2. Report on Climate Impacts of Divestments (As You Sow)
3. Emission Reduction Targets (Arjuna Capital)



**WHEREAS:** Plastic, with a lifecycle social cost at least ten times its market price, threatens the world's oceans, wildlife, and public health.<sup>1</sup> Concern about the growing scale and impact of global plastic pollution has elevated the issue to crisis levels.<sup>2</sup> Of particular concern are single-use plastics (SUPs), which make up the bulk of the 24-34 million metric tons of plastic ending up in waterways annually.<sup>3</sup> Without drastic action, this amount could triple by 2040.<sup>4</sup>

A shift from virgin plastic production is critical to reducing plastic pollution.<sup>5</sup> The Environmental Protection Agency's draft strategy to prevent plastic pollution calls for voluntary reduction in production.<sup>6</sup> A robust pathway addressing plastic pollution is presented in the widely respected *Breaking the Plastic Wave* report, which found that plastic leakage into the ocean can be reduced 80 percent under its System Change Scenario (SCS), but requires a significant absolute reduction of virgin SUPs.<sup>7</sup>

In response to the plastic pollution crisis and the necessity of reducing plastic production, countries and major packaging brands are beginning to drive reductions in plastic use.<sup>8</sup> This will affect the plastic production supply chain. BP has recognized the potential disruption global SUP reductions could have on the oil industry, finding a global SUP ban by 2040 would reduce oil demand growth by 60 percent.<sup>9</sup>

The Company faces growing risk from continued investment in virgin plastic production infrastructure. Several implications of the SCS, including a one-third absolute demand reduction of mostly of virgin SUPs and immediate reductions in new investment in virgin production, are at odds with ExxonMobil's planned investments. The Company has been identified as the largest global producer of SUP-bound polymers (11.5 million metric tons in 2021).<sup>10</sup> It has committed to increased use of recycled polymers but uses pyrolysis oil to generate plastic feedstock, a controversial process cited as inefficient and greenhouse gas-intensive with toxic byproducts and emissions, which may increase financial and reputational risk.<sup>11</sup>

Exxon's efforts to reduce plastic waste fail to address the potential for regulatory restrictions or a

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<sup>1</sup> [https://wwfint.awsassets.panda.org/downloads/wwf\\_pctsee\\_report\\_english.pdf](https://wwfint.awsassets.panda.org/downloads/wwf_pctsee_report_english.pdf), p.15

<sup>2</sup> <https://www.unep.org/resources/pollution-solution-global-assessment-marine-litter-and-plastic-pollution>

<sup>3</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L0904&from=EN#page=8>;  
<https://www.minderoo.org/plastic-waste-makers-index/>

<sup>4</sup> <https://www.nationalgeographic.com/science/article/plastic-trash-in-seas-will-nearly-triple-by-2040-if-nothing-done>

<sup>5</sup> <https://www.theguardian.com/environment/2021/jul/01/call-for-global-treaty-to-end-production-of-virgin-plastic-by-2040>

<sup>6</sup> [https://www.epa.gov/system/files/documents/2023-04/Draft\\_National\\_Strategy\\_to\\_Prevent\\_Plastic\\_Pollution.pdf](https://www.epa.gov/system/files/documents/2023-04/Draft_National_Strategy_to_Prevent_Plastic_Pollution.pdf), p.17

<sup>7</sup> [https://www.pewtrusts.org/-/media/assets/2020/07/breakingtheplasticwave\\_report.pdf](https://www.pewtrusts.org/-/media/assets/2020/07/breakingtheplasticwave_report.pdf)

<sup>8</sup> <https://www.pbs.org/newshour/science/bold-single-use-plastic-ban-kicks-europes-plastic-purge-into-high-gear>;  
<https://www.businessforplasticstreaty.org/>

<sup>9</sup> <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/energy-outlook/bp-energy-outlook-2019.pdf#page=18>

<sup>10</sup> <https://cdn.minderoo.org/content/uploads/2023/02/04205527/Plastic-Waste-Makers-Index-2023.pdf>

<sup>11</sup> <https://eandt.theiet.org/content/articles/2022/11/is-chemical-recycling-greenwashing>;  
<https://theintercept.com/2023/09/28/braven-plastic-recycling-toxic-waste/>

significant disruption in demand for virgin plastic, which could result in stranded assets.<sup>12</sup>

**RESOLVED:** Shareholders request that ExxonMobil issue a report, at reasonable cost and omitting proprietary information, addressing whether and how a significant reduction in virgin plastic demand, as set forth in *Breaking the Plastic Wave's* System Change Scenario, would affect the Company's financial position and the assumptions underlying its financial statements.

**SUPPORTING STATEMENT:** Proponents recommend that, at Board discretion, the report include:

- Quantification of its polymer production for SUP markets;
- A summary of existing and planned investments that may be materially impacted by the SCS; and
- Disclosure of key metrics for chemical recycling processes, including inputs, outputs/yield, energy use, carbon and waste emissions, and any related measures taken to ensure safe operations.

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<sup>12</sup> <https://www.forbes.com/sites/scottcarpenter/2020/09/05/why-the-oil-industrys-400-billion-bet-on-plastics-could-backfire/?sh=6e099bd843fe>



**WHEREAS:** Transferring emissions from one company to another may reduce balance sheet emissions, but it does not mitigate company or stakeholder exposure to climate risk or contribute to the goal of limiting global temperature rise to 1.5 degrees Celsius (1.5°C). In the aggregate, upstream oil and gas assets are moving from operators with stronger climate targets and disclosures to operators with weaker climate commitments.<sup>1</sup> The Glasgow Financial Alliance for Net Zero warns that divestment from high-emitting assets can “have the unintended consequence of prolonging the life of high-emitting assets and even worsen emissions profiles.”<sup>2</sup> It is therefore essential that oil and gas operators adhere to industry-wide best climate practices for asset transfers and acquisition, such as reporting transferred emissions and working with buyers to ensure transferred assets retain climate standards.

ExxonMobil reports an operational emissions reduction of 5.4% on an equity basis and 12.5% on an operated basis since 2016.<sup>3</sup> However, between 2017 and 2021, Exxon sold more assets than any other American oil and gas company except Chevron, ranking fourth globally among sellers.<sup>4</sup> Exxon does not disclose the climate impacts of its divestments. This reporting gap leaves investors with an incomplete understanding of Exxon’s actions to mitigate its contribution to climate change.

To address this issue, Exxon should follow best practices for divestitures, including conducting climate-related due diligence on acquirers, including an evaluation of purchasers’ emissions reporting and reduction targets. Doing so would allow Exxon to ensure that purchasers maintain or enhance existing climate standards for divested assets, reducing the likelihood that transferred assets would result in higher emissions.<sup>5</sup>

By increasing transparency and providing greenhouse gas emissions-related disclosures for asset transfers, Exxon can position itself as a leader on climate change, increase the legitimacy of the its climate targets, and provide essential information to its investors about its efforts to mitigate climate risk.

**RESOLVED:** Shareholders request that ExxonMobil annually report on divestitures of assets with material climate impact, including whether each asset purchaser discloses its GHG emissions and has 1.5°C-aligned or other greenhouse gas reduction targets.

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<sup>1</sup> <https://business.edf.org/files/Transferred-Emissions-How-Oil-Gas-MA-Hamper-Energy-Transition.pdf>, p.17

<sup>2</sup> <https://assets.bbhub.io/company/sites/63/2022/10/GFANZ-2022-Progress-Report.pdf>, p. 36

<sup>3</sup> <https://corporate.exxonmobil.com/-/media/global/files/advancing-climate-solutions-progress-report/2023/2023-acs-ghg-data-supplement.pdf>, p. 4

<sup>4</sup> <https://business.edf.org/files/Transferred-Emissions-How-Oil-Gas-MA-Hamper-Energy-Transition.pdf>, p. 22

<sup>5</sup> <https://business.edf.org/wp-content/blogs.dir/90/files/Climate-Principles-Asset-Transfer.pdf>, p.3

## Emission Reduction Targets

**Resolved:** Shareholders support the Company, by an advisory vote, to go beyond current plans, further accelerating the pace of emission reductions in the medium-term for its greenhouse gas (GHG) emissions across Scope 1, 2, and 3, and to summarize new plans, targets, and timetables.

**Whereas:** In the absence of effective climate change mitigation, up to 10 percent of global economic value could be lost by 2050.<sup>1</sup> The Intergovernmental Panel on Climate Change (IPCC) has advised that GHG emissions must be halved by 2030 and reach net zero by 2050 to limit global warming to 1.5 degrees Celsius. Every incremental increase in temperature above 1.5 degrees will increase physical, transition, and systemic risks for companies and investors alike.<sup>2</sup>

**Current Goals:** Exxon has acknowledged the importance of reduction goals for Scope 1 and 2 emissions by setting intensity targets across its value chain. The Company has also set GHG intensity targets for its upstream sector and upstream operations in the Permian.

Yet, Exxon's current 2030 targets are significantly below the IPCC's recommendation of 50 percent absolute emission reductions. The Company's current metrics are all on an intensity basis, which allow the Company to increase its absolute emissions. Furthermore, Exxon lacks any Scope 3 target, which account for 90 percent of its carbon footprint.<sup>3</sup>

**Capital Expenditures:** The International Energy Agency reports peak global demand for coal, oil, and gas could be reached before 2030.<sup>4</sup> Despite this trajectory, Exxon anticipates total annual capital expenditures and exploration expenses of 23 to 25 billion in 2024, increasing up to 27 billion per year from 2025 to 2027. While Exxon plans 20 billion in total low carbon spending through 2027, this amounts to only about 15 percent of its overall total planned capital expenditures. This spending will increase Exxon's oil and gas output by 10 percent.<sup>5</sup> Carbon Tracker projects that even under a moderate transition scenario, continued oil and gas investments could lead to commodity oversupply, resulting in lower pricing, negatively impacting existing and new project revenue.<sup>6</sup>

**Cost of Capital:** Exxon's cost of capital may substantially increase if it fails to control transition risks by significantly reducing absolute emissions. In October, federal bank regulatory agencies issued Principles for Climate-Related Financial Risk Management for Large Financial Institutions, warning such institutions to thoroughly address risks associated with climate change within their investments.<sup>7</sup>

**Peer Targets:** Oil and gas peers BP, TotalEnergies, Repsol, and Eni recognize climate transition risks and have set more ambitious, medium-term emission reduction targets. These companies aim to reduce absolute Scope 1, 2, and 3 targets by at least 30 percent by 2030. Other peers Chevron, Equinor, Shell, and Suncor have set goals to decrease Scope 3 emissions.

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<sup>1</sup> [https://www.swissre.com/dam/jcr:5d558fa2-9c15-419d-8dce-73c080fca3ba/SRI\\_%20Expertise\\_Publication\\_EN\\_LITE\\_The%20Economics\\_of\\_climate\\_change.pdf](https://www.swissre.com/dam/jcr:5d558fa2-9c15-419d-8dce-73c080fca3ba/SRI_%20Expertise_Publication_EN_LITE_The%20Economics_of_climate_change.pdf)

<sup>2</sup> <https://www.ipcc.ch/2022/04/04/ipcc-ar6-wgiii-pressrelease/>

<sup>3</sup> <https://corporate.exxonmobil.com/news/reporting-and-publications/advancing-climate-solutions-progress-report>

<sup>4</sup> <https://www.nytimes.com/2023/10/24/climate/international-energy-agency-peak-demand.html>

<sup>5</sup> <https://investor.exxonmobil.com/news-events/press-releases/detail/1154/exxonmobil-corporate-plan-more-than-doubles-earnings>

<sup>6</sup> <https://carbontracker.org/reports/navigating-peak-demand/>

<sup>7</sup> <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231024b.htm>

## Englande, Sherry M

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**From:** Microsoft Outlook  
**To:** Michael Passoff  
**Sent:** Friday, December 22, 2023 4:29 PM  
**Subject:** Relayed: RE: Pay Gap shareholder proposal

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

[Michael Passoff](#) [REDACTED]

Subject: RE: Pay Gap shareholder proposal



RE: Pay Gap  
shareholder pro...

## Englande, Sherry M

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**From:** Michael Passoff [REDACTED]  
**Sent:** Wednesday, December 27, 2023 12:27 PM  
**To:** Shareholder Relations /SM  
**Cc:** Englande, Sherry M  
**Subject:** Re: Pay Gap shareholder proposal  
**Attachments:** Broz\_XOM\_proof of ownership 12-22-23.pdf; Broz XOM authorization 12-15-23.pdf  
**Categories:** External Sender

External Email - Think Before You Click

Dear Sherry,

Attached are authorization and proof of ownership letters for the Broz Family Investments' Racial and Gender Pay shareholder proposal. Please let me know if you have further concerns or need any additional information regarding these letters.

As for the "one person" proposal - let me be clear that Proxy Impact's resolution is not part of an organized group effort at Exxon on this or any other issue.

Proxy Impact, As You Sow and Arjuna are all separate organizations with their own agendas, strategies, company engagements, clients, staff, etc.

Proxy Impact collaborates with both As You Sow and Arjuna on one annual shareholder education publication, which is a far cry from being "one group."

As for CURE - to the best of my memory, that was a one-time sign-on letter from a few years ago - and it was not a membership organization - that as far as I know only existed for that letter (or at least I heard from it again since that letter went out years ago).

Furthermore, you mischaracterize our racial and gender pay proposal as being part of an anti-oil and gas movement, when this resolution is clearly on diversity and pay equity issues and not climate issues. In fact, most of Proxy Impact's shareholder resolutions focus on the sexual exploitation of children, child safety, and gender pay issues.

I think that it will be easy to prove to the SEC that these are separate groups, and that this resolution is not part of a anti oil and gas agenda and I recommend that you reconsider this as a "deficiency."

Please confirm receipt of this email.

Thanks,  
Michael

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From: Englande, Sherry M [REDACTED] on behalf of Shareholder Relations /SM  
<shareholderrelations@exxonmobil.com>  
Sent: Friday, December 22, 2023 2:28 PM

To: Michael Passoff [REDACTED]  
Cc: Englande, Sherry M [REDACTED]  
Subject: RE: Pay Gap shareholder proposal

**Sent on behalf of Jennifer Driscoll:**

Please see the communication attached regarding your shareholder proposal.

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From: Michael Passoff [REDACTED]  
Sent: Friday, December 15, 2023 4:57 PM  
To: Shareholder Relations /SM <shareholderrelations@exxonmobil.com>  
Subject: Pay Gap shareholder proposal

Dear Mr. Morford,

Proxy Impact is filing a Racial and Gender Pay Gap shareholder proposal at Exxon Mobil, on behalf of Broz Family Investments LLC.

Attached is our filing letter and the shareholder proposal for inclusion in the company's 2024 proxy statement.

**Please confirm receipt of this email.**

Yours,  
Michael Passoff

Michael Passoff  
CEO  
Proxy Impact  
[REDACTED]

[www.proxyimpact.com](http://www.proxyimpact.com)  
[www.proxypreview.org](http://www.proxypreview.org)

December 15, 2023

Craig S. Morford  
Secretary  
Exxon Mobil Corporation  
22777 Springwoods Village Parkway  
Spring, TX 77389  
Via email: [shareholderrelations@exxonmobil.com](mailto:shareholderrelations@exxonmobil.com)

Re: Authorization for Proxy Impact to File Shareholder Resolution

Dear Mr. Morford,

On December 14, 2023, Broz Family Investments, LLC (BFI) authorized Proxy Impact to file a Gender and Racial Pay Gap shareholder resolution on its behalf with Exxon Mobil, and that it be included in the 2024 proxy statement, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. BFI supports this resolution.


BFI has continuously owned more than the required amount of Exxon Mobil stock for a duration of time that enables it to file a shareholder resolution for inclusion in the Company's proxy statement and intends to hold the stock through the date of the company's annual meeting in 2024.

BFI gives Proxy Impact the authority to act on its behalf with any and all aspects of the shareholder resolution, including engaging with the company, withdrawing the resolution, representing us at the Annual General Meeting, or designating another entity as lead filer and representative of the shareholder.

Please forward any correspondence on this matter, including deficiency notices, no-action letters, or engagement scheduling to Michael Passoff, CEO, Proxy Impact at [REDACTED]

BFI and/or Proxy Impact will be available to speak with the Company via teleconference on January 4, 2024, from 12-12:30 p.m. or 12:30-1:00 pm CT.

Sincerely,

A handwritten signature in black ink, appearing to read 'Broz', with a small flourish at the end.

Constance Broz  
Managing Member

Fidelity Institutional<sup>SM</sup>

100 Crosby Parkway KCLJ  
Covington, KY 41015



[REDACTED]

December 22, 2023

Dear Broz Family Investments LLC:

Please accept this letter as confirmation of your Fidelity Investments brokerage account ending with [REDACTED] PII

As the date of this letter, and also preceding and including 12/15/23, Broz Family Investments LLC, beneficially owned, and had beneficially owned continuously for at least three years, shares of ExxonMobil common stock worth (Symbol XOM) worth at least \$2,000 (the "Shares").

Fidelity Investments acted as record holder of the Shares and is a DTC participant. If you have any questions, or require further information, please do not hesitate to contact your Registered Investment Advisor (RIA), Veris Wealth Partners, at [REDACTED]

Sincerely,

A handwritten signature in cursive script that reads "Thomas M. Gillet".

Thomas M. Gillet  
Client Service Manager

Our file: [REDACTED]



**Deficiency Notice**

## Englande, Sherry M

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**From:** Englande, Sherry M on behalf of Shareholder Relations /SM  
**Sent:** Friday, December 22, 2023 4:28 PM  
**To:** Michael Passoff  
**Cc:** Englande, Sherry M  
**Subject:** RE: Pay Gap shareholder proposal  
**Attachments:** Proxy Impact Acknowledgement Letter.pdf; § 240.14a-8 Shareholder proposals\_.pdf; Attachments\_SEC Rule 14a-8\_Nov-4-2020 and SLB 14F\_Oct-18-2011.pdf; Attachments\_SEC Rule 14a-8\_SLB 14\_July-13-2001.pdf; Attachments\_SEC Rule 14a-8\_SLB 14L Nov-3-2021.pdf

### **Sent on behalf of Jennifer Driscoll:**

Please see the communication attached regarding your shareholder proposal.

---

**From:** Michael Passoff [REDACTED]  
**Sent:** Friday, December 15, 2023 4:57 PM  
**To:** Shareholder Relations /SM <shareholderrelations@exxonmobil.com>  
**Subject:** Pay Gap shareholder proposal

Dear Mr. Morford,

Proxy Impact is filing a Racial and Gender Pay Gap shareholder proposal at Exxon Mobil, on behalf of Broz Family Investments LLC.

Attached is our filing letter and the shareholder proposal for inclusion in the company's 2024 proxy statement.

**Please confirm receipt of this email.**

Yours,

Michael Passoff

Michael Passoff  
CEO  
Proxy Impact  
[REDACTED]

[www.proxyimpact.com](http://www.proxyimpact.com)  
[www.proxypreview.org](http://www.proxypreview.org)



**VIA EMAIL**

December 22, 2023

Michael Passoff  
CEO  
Proxy Impact  
5011 Esmond Ave.  
Richmond, CA, 94805

Dear Mr. Passoff:

Thank you for your interest in ExxonMobil. This letter acknowledges that we've received your shareholder proposal concerning Racial and Gender Pay Gap (the "Proposal"), which you have submitted on behalf of Broz Family Investments (the "Proponent") in connection with ExxonMobil's 2024 annual meeting of shareholders. The Proposal contains certain deficiencies, which the Securities and Exchange Commission ("SEC") regulations require us to bring to your attention.

*Does Not Meet Ownership Eligibility*

In order to be eligible to submit a shareholder proposal, Rule 14a-8, as amended (copy enclosed), requires that Broz Family Investments must have continuously held, as of the date the proposal was submitted at least (i) \$2,000 in market value of the company's securities entitled to vote on the proposal at the meeting for at least three years, (ii) \$15,000 in market value of the company's securities entitled to vote on the proposal at the meeting for at least two years, or (iii) \$25,000 in market value of the company's securities entitled to vote on the proposal at the meeting for at least one year, for the applicable period through and including the date the shareholder proposal was submitted.

For this Proposal, the date of submission is December 15, 2023, which is the date the Proposal was received electronically by email.

Note that the SEC rules do not permit a shareholder to aggregate the proponent's shareholdings with those of another shareholder or group of shareholders to meet the ownership eligibility requirement.

You do not appear in our records as a registered shareholder. Moreover, to date we have not received proof that Broz Family Investments has satisfied these ownership requirements. To remedy this defect, you must submit sufficient proof verifying your continuous ownership of the requisite number of ExxonMobil shares for the applicable time period preceding and including December 15, 2023.

As explained in Rule 14a-8(b) and SEC staff guidance, sufficient proof must be in the form of:

- a written statement from the "record" holder of your shares (usually a broker or a bank) verifying that you continuously held the requisite number of ExxonMobil shares for the applicable time period preceding and including December 15, 2023; or
- if you have filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting your ownership of the requisite number of ExxonMobil shares as of or before the date on which the required holding period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that you continuously held the requisite number of ExxonMobil shares for the applicable time period preceding and including December 15, 2023.

If you intend to demonstrate ownership by submitting a written statement from the "record" holder of your shares as set forth in the first bullet point above, please note that most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company ("DTC"), a registered clearing agency that acts as a securities depository (DTC is also known through the account name of Cede & Co.). Such brokers and banks are often referred to as "participants" in DTC. In Staff Legal Bulletin No. 14F (October 18, 2011) (copy enclosed), the SEC staff has taken the view that only DTC participants should be viewed as "record" holders of securities that are deposited with DTC. As the SEC adopted amendments to Rule 14a-8 that became effective in 2021, please note that Staff Legal Bulletin No. 14F does not reflect those amendments, and to the extent any provisions are inconsistent, Rule 14a-8 governs in all respects.

You can confirm whether your broker or bank is a DTC participant by asking your broker or bank or by checking the listing of current DTC participants, which is available online at: <https://www.dtcc.com/client-center/dtc-directories>. In these situations, shareholders need to obtain proof of ownership from the DTC participant through which the securities are held, as follows:

- If your broker or bank is a DTC participant, then you need to submit a written statement from your broker or bank verifying that you continuously held the requisite number of ExxonMobil shares for the applicable time period preceding and including December 15, 2023.
- If your broker or bank is not a DTC participant, then you need to submit proof of ownership from the DTC participant through which the securities are held verifying that you continuously held the requisite number of ExxonMobil shares for the applicable time period preceding and including December 15, 2023. You should be able to find out who this DTC participant is by asking your broker or bank. If your broker is an introducing broker, you may also be able to learn the identity and telephone number of the DTC participant through your account statements because the clearing broker identified on your account statements will generally be a DTC participant. If the DTC participant that holds your shares knows your broker's or bank's holdings, but does not know your holdings, you need to satisfy the proof of ownership requirement by obtaining and submitting two proof of ownership statements verifying that for the applicable period preceding and including December 15, 2023, the required amount of securities were continuously held – one from your broker or bank, confirming your ownership, and the other from the DTC participant, confirming the broker or bank's ownership.

SEC rules require that a shareholder who elects to use a representative for the purpose of submitted a proposal provide written documentation that must:

- identify the company to which the proposal is directed;
- identify the annual or special meeting for which the proposal is submitted;
- identify the shareholder as the proponent and identify the person acting on his or her behalf as his or her representative;
- include the shareholder's statement authorizing the designated representative to submit the proposal and otherwise act on his or her behalf;
- identify the specific topic of the proposal to be submitted;
- include the shareholder's statement supporting the proposal; and
- be signed and dated by the shareholder.

This Proposal lacks proper documentation of authority to the representative to submit the Proposal. To remedy the deficiency, you must provide documentation that meets the requirements described above.

#### *Deficiency in Intent to Hold Shares*

SEC rules require that a proponent must provide to the company a written statement of his or her intent to continue to hold the required number or amount of shares through the date of the annual meeting. To remedy this defect, you must provide us with a statement of your intent to continue to hold the required number or amount of the company's shares through the date of the company's 2024 annual meeting.

#### *One Proposal Per Person/Control Group*

Under Rule 14a-8(c), a person cannot submit more than one proposal to a company, either directly or indirectly. The SEC has long recognized that multiple people controlled by a single entity or acting as a coordinated group or taking concerted actions may be treated as a single person under the SEC's rules. Congress created the concepts of "control" and "group" to protect against the evasion of disclosure requirements by people who collectively seek to change or influence control over a public company. Accordingly, the SEC takes an expansive view of who or what may qualify as a person.<sup>1</sup>

Relationships of control or the creation of a group among different shareholder proponents creates a deficiency in the submission of each of the proposals submitted by the controlled entities or group as the proponents, acting as a single "person," are now submitting multiple proposals.

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<sup>1</sup> As an example of the SEC's focus on the concept of "control," in the adopting release for the final rule relating to the "Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8" (<https://www.sec.gov/files/rules/final/2020/34-89964.pdf>), the SEC did not define "person" as a natural person or single entity. Instead, it stated that any entities and all persons under their control (emphasis added) will be treated as a "person" under Rule 14a-8(c).

As an example of the SEC's interpretation of the concept of a "group," in the adopting release for the final rule and guidance relating to the "Modernization of Beneficial Ownership Reporting" (<https://www.sec.gov/files/rules/final/2023/33-11253.pdf>), the SEC clarified that the joint or coordinated publication of soliciting materials with an activist investor could indicate "group" formation under Rule 13D.

We believe your concerted work on the “Racial & Gender Pay Scorecard,”<sup>2</sup> Proxy Preview<sup>3</sup> and Proxy Review<sup>4</sup> with As You Sow, Arjuna Capital and others, and your membership in CURE (Coalition for a Responsible Exxon), as further described below, should cause you and each of the aforementioned entities to be recognized as a single “person.” Accordingly, there is a deficiency in your submission since, in addition to the Proposal, the following proposals have also been submitted by As You Sow and Arjuna Capital for the 2024 annual meeting (see attached):

1. Report on Plastic Production Under SCS Scenario (As You Sow)
2. Report on Climate Impacts of Divestments (As You Sow)
3. Emission Reduction Targets (Arjuna Capital)

This deficiency may be remedied by all but one of the above proposals being withdrawn. Otherwise, each of the proposals may be excluded from the proxy statement this year given that they violate Rule 14a-8.

The increasing professionalization of anti-oil and gas activists submitting shareholder proposals has created a question of whether some proposals should be considered separate proposals from separate persons or represent multiple proposals from the same person. Many other types of coordination, such as funding relationships, joint service or employment relationships, joint publication of filed and unfiled solicitation materials, and other efforts that go beyond the creation, submission, or presentation of a shareholder proposal, can give rise to a control relationship or a “group” that should be treated as a single person to avoid the subversion of the shareholder proposal process. For example, if shareholders have an arrangement, understanding, or agreement—written or otherwise—to vote against certain directors or management proposals if their shareholder proposal(s) are not included in the proxy statement, the SEC would deem that “group” behavior. Proxy Impact’s work with As You Sow, Arjuna Capital and others on CURE during our proxy contest in 2021, where you created your own organized coalition to oppose ExxonMobil’s directors, is further evidence of the long-standing nature of your concerted coordination through multiple proxy seasons.<sup>5</sup>

The SEC currently asks proponents to self-identify. As a result, relationships among proponents, including overlapping control or governance relationships, are often not immediately clear to the company and hinder our ability to notify you of any deficiency in your Proposal. We note that public records show significant connections between Proxy Impact and these groups today that may create control, affiliate or group relationships, though perhaps not the full extent of these relationships. We encourage you to disclose any current or planned coordinated efforts or group relationships or activities so that we can work with you to find appropriate remedies that minimize costs to shareholders and to the proponents, and that comply with the SEC’s rules.

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<https://static1.squarespace.com/static/5bc65db67d0c9102cca54b74/t/640f22770d7c0634287c57c3/1678713464/204/Racial+and+Gender+Pay+Scorecard+2023.pdf>

<sup>3</sup> <https://www.proxypreview.org/2023/report>

<sup>4</sup> <https://www.proxypreview.org/review/2023-key-findings>

<sup>5</sup> <https://www.globenewswire.com/news-release/2021/02/02/2168665/0/en/Coalition-United-for-a-Responsible-Exxon-CURE-Representing-Stakeholders-with-over-2-2-Trillion-in-Assets-Calls-for-New-Leadership-and-Strategy-at-Exxon.html>

ExxonMobil believes information on these relationships and behavior is important in both the proposal submission process and the disclosure in the proxy statement since professional activists may not share the same incentives as other shareholders. For example, if activists are being paid for the submission of proposals, they are likely to be less sensitive than other shareholders to both the monetary costs and significant management burden created by responding to a large number of shareholder proposals. This belief has been confirmed by our shareholders, who have stated that information on an activist's activities is material to them and does influence their voting behavior similar to the information disclosed in a 13D filing on a group's investment strategy and plans for a company.

Accordingly, ExxonMobil believes that if you choose not to disclose any of these relationships or behaviors, you may be making a material omission in violation of the SEC's Rule 14a-9 antifraud rules. As such, we strongly encourage you to disclose now any relationships, actions or intended actions that you will undertake that could suggest you are coordinating with others in a concerted effort to influence the voting of securities either as a "group" or in violation of SEC rules. To the extent we later become aware of undisclosed relationships or actions in violation of these rules, we plan to share the information with shareholders and the SEC, as appropriate. We continue to believe this is an important issue as ExxonMobil regularly receives among the highest number of proposals of any U.S. company.

#### *Cure Period/Springing Deficiencies*

The SEC's rules require that these defects we have identified be remedied, and any response to this letter must be postmarked or transmitted electronically to us no later than 14 calendar days from the date this letter is received. Please mail any response to me at ExxonMobil at the address shown above. Alternatively, you may send your response to me by email to [shareholderrelations@exxonmobil.com](mailto:shareholderrelations@exxonmobil.com). The failure to correct the deficiencies within this time period will provide the company with a basis to exclude the Proposal from the company's proxy statement for the 2024 annual meeting.

It is possible that, based on information not disclosed in your submission, or as a result of your future actions or information of which ExxonMobil otherwise becomes aware, additional deficiencies in your Proposal may arise. These "springing deficiencies" include actions contrary to Rule 14a-8, which limits each proponent to no more than one proposal per meeting, such as:

- (1) submission of another proposal by you, including submissions under alternate names or aliases;
- (2) joint publication with the proponent of another proposal of filed or unfiled solicitation materials, or other concerted actions together on one or more proxy matters, whether such actions are taken under common control or by the continuation or creation of a "group" (as discussed above); or
- (3) the discovery by the company of "affiliate" or "control" relationships between you and another proponent, meaning that the multiple proponents should be considered a single "person."

Upon the discovery of a springing deficiency, the company will send you an additional deficiency notice similar to this letter. To the extent permitted by the timing of the springing deficiency, we will seek to provide an additional 14 calendar days from the date that the springing deficiency notice is received for any response. However, we are notifying you now of the potential for these springing deficiencies. To the extent that any may exist that have not been disclosed, you may address them with the company in the 14 calendar days from the date this letter is received.



The company reserves the right, as any current relationships among and activities of proponents come to light or as future group activities are started prior to the annual meeting, to provide you notice of the deficiency, consistent with SEC rules, and potentially either exclude the proposal from the proxy statement or, if already filed, cancel a vote on an ineligible matter. The later discovery of these deficiencies by the company, even if within 14 days of the mailing of the proxy or 14 days of the annual meeting, will not prevent the company from determining that you have been notified of the deficiency in a timely manner and excluding the Proposal or, if already filed, canceling a vote on an ineligible matter.

You should note that, if the Proposal is not withdrawn or excluded, you or your representative, who is qualified under New Jersey law to present the Proposal on your behalf, must attend the annual meeting to present the Proposal. Under New Jersey law, only shareholders or their duly constituted proxies are entitled as a matter of right to attend the meeting.

If you intend for a representative to present the Proposal, you must provide documentation that specifically identifies your intended representative by name and specifically authorizes the representative to act as your proxy at the annual meeting.

To be a valid proxy entitled to attend the annual meeting, the representative must have the authority to vote your shares at the meeting. A copy of this authorization meeting state law requirements should be sent to my attention in advance of the meeting. The authorized representative should also bring an original signed copy of the proxy documentation to the meeting so that our counsel may verify the representative's authority to act on your behalf prior to the start of the meeting.

In the event there are co-filers for this Proposal and in light of the guidance in SEC Staff Legal Bulletin No. 14F dealing with co-filers of shareholder proposals, it is important to ensure that the lead filer has clear authority to act on behalf of all co-filers, including with respect to any potential negotiated withdrawal of the proposal. Unless the lead filer can represent that it holds such authority on behalf of all co-filers, and considering SEC staff guidance, it will be difficult for us to engage in productive dialogue concerning this Proposal.

Note that under Staff Legal Bulletin No. 14F, the SEC will distribute no-action responses under Rule 14a-8 by email to companies and proponents. We encourage you, and all proponents and any co-filers, to include an email contact address on any additional correspondence to ensure timely communication in the event the Proposal is subject to a no-action request.

I hope that's helpful to you.

Last, we are interested in discussing this Proposal and look forward to our virtual meeting scheduled in January.

Sincerely,



JKD/sme

Enclosures



### **Attached Proposals**

1. Report on Plastic Production Under SCS Scenario (As You Sow)
2. Report on Climate Impacts of Divestments (As You Sow)
3. Emission Reduction Targets (Arjuna Capital)

**WHEREAS:** Plastic, with a lifecycle social cost at least ten times its market price, threatens the world's oceans, wildlife, and public health.<sup>1</sup> Concern about the growing scale and impact of global plastic pollution has elevated the issue to crisis levels.<sup>2</sup> Of particular concern are single-use plastics (SUPs), which make up the bulk of the 24-34 million metric tons of plastic ending up in waterways annually.<sup>3</sup> Without drastic action, this amount could triple by 2040.<sup>4</sup>

A shift from virgin plastic production is critical to reducing plastic pollution.<sup>5</sup> The Environmental Protection Agency's draft strategy to prevent plastic pollution calls for voluntary reduction in production.<sup>6</sup> A robust pathway addressing plastic pollution is presented in the widely respected *Breaking the Plastic Wave* report, which found that plastic leakage into the ocean can be reduced 80 percent under its System Change Scenario (SCS), but requires a significant absolute reduction of virgin SUPs.<sup>7</sup>

In response to the plastic pollution crisis and the necessity of reducing plastic production, countries and major packaging brands are beginning to drive reductions in plastic use.<sup>8</sup> This will affect the plastic production supply chain. BP has recognized the potential disruption global SUP reductions could have on the oil industry, finding a global SUP ban by 2040 would reduce oil demand growth by 60 percent.<sup>9</sup>

The Company faces growing risk from continued investment in virgin plastic production infrastructure. Several implications of the SCS, including a one-third absolute demand reduction of mostly of virgin SUPs and immediate reductions in new investment in virgin production, are at odds with ExxonMobil's planned investments. The Company has been identified as the largest global producer of SUP-bound polymers (11.5 million metric tons in 2021).<sup>10</sup> It has committed to increased use of recycled polymers but uses pyrolysis oil to generate plastic feedstock, a controversial process cited as inefficient and greenhouse gas-intensive with toxic byproducts and emissions, which may increase financial and reputational risk.<sup>11</sup>

Exxon's efforts to reduce plastic waste fail to address the potential for regulatory restrictions or a

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<sup>1</sup> [https://wwfint.awsassets.panda.org/downloads/wwf\\_pctsee\\_report\\_english.pdf](https://wwfint.awsassets.panda.org/downloads/wwf_pctsee_report_english.pdf), p.15

<sup>2</sup> <https://www.unep.org/resources/pollution-solution-global-assessment-marine-litter-and-plastic-pollution>

<sup>3</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L0904&from=EN#page=8>;  
<https://www.minderoo.org/plastic-waste-makers-index/>

<sup>4</sup> <https://www.nationalgeographic.com/science/article/plastic-trash-in-seas-will-nearly-triple-by-2040-if-nothing-done>

<sup>5</sup> <https://www.theguardian.com/environment/2021/jul/01/call-for-global-treaty-to-end-production-of-virgin-plastic-by-2040>

<sup>6</sup> [https://www.epa.gov/system/files/documents/2023-04/Draft\\_National\\_Strategy\\_to\\_Prevent\\_Plastic\\_Pollution.pdf](https://www.epa.gov/system/files/documents/2023-04/Draft_National_Strategy_to_Prevent_Plastic_Pollution.pdf), p.17

<sup>7</sup> [https://www.pewtrusts.org/-/media/assets/2020/07/breakingtheplasticwave\\_report.pdf](https://www.pewtrusts.org/-/media/assets/2020/07/breakingtheplasticwave_report.pdf)

<sup>8</sup> <https://www.pbs.org/newshour/science/bold-single-use-plastic-ban-kicks-europes-plastic-purge-into-high-gear>;  
<https://www.businessforplasticstreaty.org/>

<sup>9</sup> <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/energy-outlook/bp-energy-outlook-2019.pdf#page=18>

<sup>10</sup> <https://cdn.minderoo.org/content/uploads/2023/02/04205527/Plastic-Waste-Makers-Index-2023.pdf>

<sup>11</sup> <https://eandt.theiet.org/content/articles/2022/11/is-chemical-recycling-greenwashing>;  
<https://theintercept.com/2023/09/28/braven-plastic-recycling-toxic-waste/>

significant disruption in demand for virgin plastic, which could result in stranded assets.<sup>12</sup>

**RESOLVED:** Shareholders request that ExxonMobil issue a report, at reasonable cost and omitting proprietary information, addressing whether and how a significant reduction in virgin plastic demand, as set forth in *Breaking the Plastic Wave's* System Change Scenario, would affect the Company's financial position and the assumptions underlying its financial statements.

**SUPPORTING STATEMENT:** Proponents recommend that, at Board discretion, the report include:

- Quantification of its polymer production for SUP markets;
- A summary of existing and planned investments that may be materially impacted by the SCS; and
- Disclosure of key metrics for chemical recycling processes, including inputs, outputs/yield, energy use, carbon and waste emissions, and any related measures taken to ensure safe operations.

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<sup>12</sup> <https://www.forbes.com/sites/scottcarpenter/2020/09/05/why-the-oil-industrys-400-billion-bet-on-plastics-could-backfire/?sh=6e099bd843fe>

**WHEREAS:** Transferring emissions from one company to another may reduce balance sheet emissions, but it does not mitigate company or stakeholder exposure to climate risk or contribute to the goal of limiting global temperature rise to 1.5 degrees Celsius (1.5°C). In the aggregate, upstream oil and gas assets are moving from operators with stronger climate targets and disclosures to operators with weaker climate commitments.<sup>1</sup> The Glasgow Financial Alliance for Net Zero warns that divestment from high-emitting assets can “have the unintended consequence of prolonging the life of high-emitting assets and even worsen emissions profiles.”<sup>2</sup> It is therefore essential that oil and gas operators adhere to industry-wide best climate practices for asset transfers and acquisition, such as reporting transferred emissions and working with buyers to ensure transferred assets retain climate standards.

ExxonMobil reports an operational emissions reduction of 5.4% on an equity basis and 12.5% on an operated basis since 2016.<sup>3</sup> However, between 2017 and 2021, Exxon sold more assets than any other American oil and gas company except Chevron, ranking fourth globally among sellers.<sup>4</sup> Exxon does not disclose the climate impacts of its divestments. This reporting gap leaves investors with an incomplete understanding of Exxon’s actions to mitigate its contribution to climate change.

To address this issue, Exxon should follow best practices for divestitures, including conducting climate-related due diligence on acquirers, including an evaluation of purchasers’ emissions reporting and reduction targets. Doing so would allow Exxon to ensure that purchasers maintain or enhance existing climate standards for divested assets, reducing the likelihood that transferred assets would result in higher emissions.<sup>5</sup>

By increasing transparency and providing greenhouse gas emissions-related disclosures for asset transfers, Exxon can position itself as a leader on climate change, increase the legitimacy of the its climate targets, and provide essential information to its investors about its efforts to mitigate climate risk.

**RESOLVED:** Shareholders request that ExxonMobil annually report on divestitures of assets with material climate impact, including whether each asset purchaser discloses its GHG emissions and has 1.5°C-aligned or other greenhouse gas reduction targets.

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<sup>1</sup> <https://business.edf.org/files/Transferred-Emissions-How-Oil-Gas-MA-Hamper-Energy-Transition.pdf>, p.17

<sup>2</sup> <https://assets.bbhub.io/company/sites/63/2022/10/GFANZ-2022-Progress-Report.pdf>, p. 36

<sup>3</sup> <https://corporate.exxonmobil.com/-/media/global/files/advancing-climate-solutions-progress-report/2023/2023-acs-ghg-data-supplement.pdf>, p. 4

<sup>4</sup> <https://business.edf.org/files/Transferred-Emissions-How-Oil-Gas-MA-Hamper-Energy-Transition.pdf>, p. 22

<sup>5</sup> <https://business.edf.org/wp-content/blogs.dir/90/files/Climate-Principles-Asset-Transfer.pdf>, p.3

## Emission Reduction Targets

**Resolved:** Shareholders support the Company, by an advisory vote, to go beyond current plans, further accelerating the pace of emission reductions in the medium-term for its greenhouse gas (GHG) emissions across Scope 1, 2, and 3, and to summarize new plans, targets, and timetables.

**Whereas:** In the absence of effective climate change mitigation, up to 10 percent of global economic value could be lost by 2050.<sup>1</sup> The Intergovernmental Panel on Climate Change (IPCC) has advised that GHG emissions must be halved by 2030 and reach net zero by 2050 to limit global warming to 1.5 degrees Celsius. Every incremental increase in temperature above 1.5 degrees will increase physical, transition, and systemic risks for companies and investors alike.<sup>2</sup>

**Current Goals:** Exxon has acknowledged the importance of reduction goals for Scope 1 and 2 emissions by setting intensity targets across its value chain. The Company has also set GHG intensity targets for its upstream sector and upstream operations in the Permian.

Yet, Exxon's current 2030 targets are significantly below the IPCC's recommendation of 50 percent absolute emission reductions. The Company's current metrics are all on an intensity basis, which allow the Company to increase its absolute emissions. Furthermore, Exxon lacks any Scope 3 target, which account for 90 percent of its carbon footprint.<sup>3</sup>

**Capital Expenditures:** The International Energy Agency reports peak global demand for coal, oil, and gas could be reached before 2030.<sup>4</sup> Despite this trajectory, Exxon anticipates total annual capital expenditures and exploration expenses of 23 to 25 billion in 2024, increasing up to 27 billion per year from 2025 to 2027. While Exxon plans 20 billion in total low carbon spending through 2027, this amounts to only about 15 percent of its overall total planned capital expenditures. This spending will increase Exxon's oil and gas output by 10 percent.<sup>5</sup> Carbon Tracker projects that even under a moderate transition scenario, continued oil and gas investments could lead to commodity oversupply, resulting in lower pricing, negatively impacting existing and new project revenue.<sup>6</sup>

**Cost of Capital:** Exxon's cost of capital may substantially increase if it fails to control transition risks by significantly reducing absolute emissions. In October, federal bank regulatory agencies issued Principles for Climate-Related Financial Risk Management for Large Financial Institutions, warning such institutions to thoroughly address risks associated with climate change within their investments.<sup>7</sup>

**Peer Targets:** Oil and gas peers BP, TotalEnergies, Repsol, and Eni recognize climate transition risks and have set more ambitious, medium-term emission reduction targets. These companies aim to reduce absolute Scope 1, 2, and 3 targets by at least 30 percent by 2030. Other peers Chevron, Equinor, Shell, and Suncor have set goals to decrease Scope 3 emissions.

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<sup>1</sup> [https://www.swissre.com/dam/jcr:5d558fa2-9c15-419d-8dce-73c080fca3ba/SRI\\_%20Expertise\\_Publication\\_EN\\_LITE\\_The%20economics\\_of\\_climate\\_change.pdf](https://www.swissre.com/dam/jcr:5d558fa2-9c15-419d-8dce-73c080fca3ba/SRI_%20Expertise_Publication_EN_LITE_The%20economics_of_climate_change.pdf)

<sup>2</sup> <https://www.ipcc.ch/2022/04/04/ipcc-ar6-wgiii-pressrelease/>

<sup>3</sup> <https://corporate.exxonmobil.com/news/reporting-and-publications/advancing-climate-solutions-progress-report>

<sup>4</sup> <https://www.nytimes.com/2023/10/24/climate/international-energy-agency-peak-demand.html>

<sup>5</sup> <https://investor.exxonmobil.com/news-events/press-releases/detail/1154/exxonmobil-corporate-plan-more-than-doubles-earnings>

<sup>6</sup> <https://carbontracker.org/reports/navigating-peak-demand/>

<sup>7</sup> <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231024b.htm>

**Shareholder Correspondence**

## Englande, Sherry M

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**From:** Michael Passoff [REDACTED]  
**Sent:** Wednesday, December 27, 2023 12:27 PM  
**To:** Shareholder Relations /SM  
**Cc:** Englande, Sherry M  
**Subject:** Re: Pay Gap shareholder proposal  
**Attachments:** Broz\_XOM\_proof of ownership 12-22-23.pdf; Broz XOM authorization 12-15-23.pdf  
**Categories:** External Sender

External Email - Think Before You Click

Dear Sherry,

Attached are authorization and proof of ownership letters for the Broz Family Investments' Racial and Gender Pay shareholder proposal. Please let me know if you have further concerns or need any additional information regarding these letters.

As for the "one person" proposal - let me be clear that Proxy Impact's resolution is not part of an organized group effort at Exxon on this or any other issue.

Proxy Impact, As You Sow and Arjuna are all separate organizations with their own agendas, strategies, company engagements, clients, staff, etc.

Proxy Impact collaborates with both As You Sow and Arjuna on one annual shareholder education publication, which is a far cry from being "one group."

As for CURE - to the best of my memory, that was a one-time sign-on letter from a few years ago - and it was not a membership organization - that as far as I know only existed for that letter (or at least I heard from it again since that letter went out years ago).

Furthermore, you mischaracterize our racial and gender pay proposal as being part of an anti-oil and gas movement, when this resolution is clearly on diversity and pay equity issues and not climate issues. In fact, most of Proxy Impact's shareholder resolutions focus on the sexual exploitation of children, child safety, and gender pay issues.

I think that it will be easy to prove to the SEC that these are separate groups, and that this resolution is not part of a anti oil and gas agenda and I recommend that you reconsider this as a "deficiency."

Please confirm receipt of this email.

Thanks,  
Michael

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From: Englande, Sherry M [REDACTED] on behalf of Shareholder Relations /SM  
<shareholderrelations@exxonmobil.com>  
Sent: Friday, December 22, 2023 2:28 PM

To: Michael Passoff [REDACTED]  
Cc: Englande, Sherry M [REDACTED]  
Subject: RE: Pay Gap shareholder proposal

**Sent on behalf of Jennifer Driscoll:**

Please see the communication attached regarding your shareholder proposal.

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From: Michael Passoff [REDACTED]  
Sent: Friday, December 15, 2023 4:57 PM  
To: Shareholder Relations /SM <shareholderrelations@exxonmobil.com>  
Subject: Pay Gap shareholder proposal

Dear Mr. Morford,

Proxy Impact is filing a Racial and Gender Pay Gap shareholder proposal at Exxon Mobil, on behalf of Broz Family Investments LLC.

Attached is our filing letter and the shareholder proposal for inclusion in the company's 2024 proxy statement.

**Please confirm receipt of this email.**

Yours,  
Michael Passoff

Michael Passoff  
CEO  
Proxy Impact  
[REDACTED]

[www.proxyimpact.com](http://www.proxyimpact.com)  
[www.proxypreview.org](http://www.proxypreview.org)



December 15, 2023

Craig S. Morford  
Secretary  
Exxon Mobil Corporation  
22777 Springwoods Village Parkway  
Spring, TX 77389  
Via email: [shareholderrelations@exxonmobil.com](mailto:shareholderrelations@exxonmobil.com)

Re: Authorization for Proxy Impact to File Shareholder Resolution

Dear Mr. Morford,

On December 14, 2023, Broz Family Investments, LLC (BFI) authorized Proxy Impact to file a Gender and Racial Pay Gap shareholder resolution on its behalf with Exxon Mobil, and that it be included in the 2024 proxy statement, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. BFI supports this resolution.

BFI has continuously owned more than the required amount of Exxon Mobil stock for a duration of time that enables it to file a shareholder resolution for inclusion in the Company's proxy statement and intends to hold the stock through the date of the company's annual meeting in 2024.

BFI gives Proxy Impact the authority to act on its behalf with any and all aspects of the shareholder resolution, including engaging with the company, withdrawing the resolution, representing us at the Annual General Meeting, or designating another entity as lead filer and representative of the shareholder.

Please forward any correspondence on this matter, including deficiency notices, no-action letters, or engagement scheduling to Michael Passoff, CEO, Proxy Impact at [REDACTED]

BFI and/or Proxy Impact will be available to speak with the Company via teleconference on January 4, 2024, from 12-12:30 p.m. or 12:30-1:00 pm CT.

Sincerely,



Constance Broz  
Managing Member

Fidelity Institutional<sup>SM</sup>

100 Crosby Parkway KCLJ  
Covington, KY 41015



[REDACTED]

December 22, 2023

Dear Broz Family Investments LLC:

Please accept this letter as confirmation of your Fidelity Investments brokerage account ending with [REDACTED] PII

As the date of this letter, and also preceding and including 12/15/23, Broz Family Investments LLC, beneficially owned, and had beneficially owned continuously for at least three years, shares of ExxonMobil common stock worth (Symbol XOM) worth at least \$2,000 (the "Shares").

Fidelity Investments acted as record holder of the Shares and is a DTC participant. If you have any questions, or require further information, please do not hesitate to contact your Registered Investment Advisor (RIA), Veris Wealth Partners, at [REDACTED]

Sincerely,

A handwritten signature in cursive script that reads "Thomas M. Gillet".

Thomas M. Gillet  
Client Service Manager

Our file: [REDACTED]