Via electronic mail  
February 27, 2020

Office of Chief Counsel  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Re: Exxon Mobil Corporation Stockholder  
Proposal of Andy Behar et al.  
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

Andy Behar (the “Proponent”) is beneficial owner of common stock of Exxon Mobil Corporation (the “Company”) and has submitted a shareholder proposal (the “Proposal”) to the Company together with numerous co-filers. ¹ I wrote previously in response to the Company's no action request and have been asked by the Proponents to respond to the Company’s supplemental letter (“Supplement”) dated February 25, 2020 sent to the Securities and Exchange Commission by James E. Parsons. A copy of this letter is being emailed concurrently to James E. Parsons.

It is apparent from the Company’s latest letter, that the Company has no plausible argument in support of any of its exclusion claims. The Supplemental Letter truncates and rewrites the Resolved clause in order to find an essential purpose that aligns with the Company’s limited efforts to date. What is asked in the Proposal is whether the Company is aligning its operations and investments with the Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees Celsius. To read the Resolved as asking whether the company is reducing its total contribution to climate change is to ignore fully half of the Resolved clause.

The Company also makes the claim that it would be “meaningless” to answer yes or no to the question of “if and how” it intends to align with the Paris Agreement’s well below 2 degree goal. Proponents disagree. If the Company does not intend to reduce its total carbon footprint in alignment with the below 2 degree Paris goal, as described by shareholders, it should tell shareowners that is the case. If it does intend to do so, shareowners ask for it to describe its plan for doing so. As described in the Proposal, other oil and gas companies are making commitments to align their greenhouse gas emissions (including Scope 3) with the Paris goal and are providing information to shareowners as to how they intend to do so. None have every detail figured out as to how they will do so, but they provide sufficient information that shareowners can compare companies and measure progress.

The Company may not like the question asked by Proponents – if and how their operations and investments are aligned with the Paris 2 degree goal, but that is the essential objective. The Company Supplemental Letter blurs the topic to find a looser essential objective, redefining this as a proposal about “Paris goals” and any reductions from the Company, leaving out alignment with the Paris two degree goal.
This is a highly relevant question to shareowners. Each company can only control its own actions. If every company aligned its total carbon footprint, including Scope 3\(^1\) product emissions, with the Paris goal, global temperatures would likely be controlled.

The Company has described its current actions and short term goals. Proponents, however, are asking the larger question of whether the Company intends to reduce its total contribution to climate change and, if so, to disclose how it plans to align its operations and investments with the Paris goal. This is a different question.

The proposal seeks clarity from the Company, not a continuing cloud of obfuscation about “contributing” to the Paris Agreement. The question is whether it intends to align with the goal, not whether it is making some reductions that may or may not align with the goal. The proposal is a clear and appropriate vehicle for getting a no-nonsense answer from the company.

For the reasons previously stated in our reply, the Company has not demonstrated a basis for exclusion.

Sincerely,

Sanford Lewis

cc:  
James E. Parsons  
Danielle Fugere

\(^1\) Proponents agree that the Company has discussed why it will not disclose Scope 3 emissions. That answer does not, however, equate to fulfilling the Proposal’s essential objective.
February 25, 2020

VIA Email

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549
via email: shareholderproposals@sec.gov

Ladies and Gentlemen:

On behalf of Exxon Mobil Corporation, a New Jersey corporation (the “Company”), we are writing to respond to the letter from Sanford J. Lewis on behalf of Andrew Behar and As You Sow (the “Proponent”) dated February 19, 2020 (the “Proponent Response Letter”) with respect to the request from the Company, dated January 17, 2020 and supplemented on February 5, 2020 (collectively, the “No-Action Letter”), regarding the exclusion of a shareholder proposal (the “Proposal”) submitted by the Proponent from the Company’s proxy statement for its 2020 Annual Meeting of Shareholders (the “2020 Proxy Materials”). Capitalized terms not defined herein are used as defined in the No-Action Letter. A copy of both the No-Action Letter and the Proponent Response Letter (each without the attachments) are included with this letter as Exhibit A.

1. As described in the No-Action Letter, the Company’s 2020 ECS demonstrate substantial implementation pursuant to Rule 14a-8(i)(10), and the Proponent Response Letter’s narrow focus on the Proposal’s “if, and how” language ignores the Proposal’s essential objective

The Proponent Response Letter takes an overly narrow view of the Proposal by asserting that the Proposal’s essential objective is a report that only describes “if, and how” the Company will align itself with the Paris Agreement’s goal. As noted in the No-Action Letter and in prior Staff decisions cited in the No-Action Letter, substantial implementation does not require implementation in full or exactly as prescribed in the Proposal. Instead, the key test is whether the Company has substantially implemented the “essential objective” of the Proposal. The Proponent Response Letter’s argues that the essential objective of the Proposal is limited to whether the Company has disclosed “if, and how” it plans to align with the Paris Agreement, but instead, in reviewing both the resolution and the supporting statement, the entirety of the Proposal clearly reflects that the essential objective is much broader in scope and covers multiple areas of disclosure that the Company has already provided in its existing reports.

As stated in the No-Action Letter, the essential objective is for a report that describes if, and how, the Company plans to reduce its total contribution to climate change in alignment with the Paris Agreement. Instead, the Proponent Response Letter focuses solely on whether the Company has stated that it will or will not “align” with the Paris Agreement and ignores the actual key part of the
Proposal, which requests that the Company describe “if, and how, it plans to reduce its total contribution to climate change.” This request makes up the bulk of the Proposal’s essential objective as it provides shareholders with full and detailed information about the Company’s efforts to make meaningful changes in support of the Paris Agreement, and as described in the No-Action Letter, the Company’s 2019 and 2020 ECS disclosure more than amply demonstrate that the Company has satisfied the Proposal’s essential objective.

It would be meaningless, and clearly not worth shareholders’ time, to simply seek a report on whether the Company intends to literally “align” with the Paris Agreement where, as the Proponent Response Letter suggests, the Company could simply say “no” and be viewed as responsive. As we describe below, we believe that such a commitment is not even possible to make, rendering the Proposal false and misleading.

Even if the Proposal’s essential objective is limited only to a report by the Company stating if and how it plans to align with the Paris Agreement, the disclosures outlined in the No-Action Letter demonstrate that this has been substantially implemented. As stated in the Letter from the Chairman in the 2020 ECS, ExxonMobil supports the Paris Agreement and is committed to doing its part to help society meet the dual challenge of meeting the world’s growing demand for energy while reducing environmental impacts and the risks of climate change. Because any individual company is not and cannot be a signatory to the Paris Agreement, all that a company can do is take actions within its own capacity to help further the national goals of the Paris Agreement and to describe those actions, thereby implementing the Proposal’s directive on disclosing “plans to reduce its total contribution to climate change.”

As described in the No-Action Letter, the Company has made detailed disclosure regarding the four key ways in which the Company is seeking to contribute to the Paris Agreement’s goals. Namely, the Company is reducing emissions from its own operations; providing products to enable customers to significantly reduce their own emissions; investing extensively in research and deployment of new energy and other technologies to reduce emissions and even to remove carbon dioxide from the atmosphere; and engaging with governments and policy makers to help develop the most effective policies to address the risks of climate change. In this way, the Company has fulfilled the Proposal’s request regarding its efforts to reduce its contribution to climate change and to disclose “if and how” it is contributing to the goals of the Paris Agreement.

The Proponent Response Letter claims that the lack of disclosure of Scope 3 emissions shows that the Proposal has not been substantially implemented, because one item of information requested by the Proposal is “the relative benefits and drawbacks of . . . disclosing Scope 3 emissions.” But the 2020 ECS includes a section titled “Why doesn’t ExxonMobil report Scope 3 emissions?” that then describes in detail the reasons the Company does not disclose these emissions. The Proposal does not mandate disclosure of the emissions; rather, it asks for a discussion of the Company’s decisionmaking about whether to report those emissions, which the 2020 ECS provides.

For these reasons as well as those stated in the No-Action Letter, we believe that the Company may exclude the Proposal pursuant to Rule 14a-8(i)(10), because it has been substantially implemented by the Company, and the Company’s practices, policies and procedures compare favorably to the Proposal.
2. As described in the No-Action Letter, the Proposal is materially false and misleading and should be excluded pursuant to Rule 14a-8(i)(3).

The Proponent Response Letter claims that the Proposal is not materially false and misleading. While the Company disagrees, as set out in the relevant section in the No-Action Letter, we would like to briefly emphasize our initial argument here.

As noted in the No-Action Letter, the Paris Agreement is a government-to-government accord under which participating countries seek to reduce their national greenhouse gas emissions according to pledges that represent commitments made by the parties to the Paris Agreement and reflect the parties’ support for that Agreement. The only way to effect change is through the specifics of each country-level policy, each of which must ultimately resolve to alter the demand for energy in their own national markets. Achieving national goals of reducing greenhouse gas emissions will, as discussed in more detail in the No-Action Letter, necessarily have a variety of differing implications for individual companies within the national and global economy. However, the Proposal misleadingly implies that any one company can “align” itself with the Paris Agreement. Perhaps the Proposal intends that the Company should commit to meeting any emissions reduction goals implemented by individual signatories to the Paris Agreement (which the Company is doing and will continue to do as described in the 2020 ECS and other public disclosure). Or perhaps the Proposal intends that the Company should voluntarily commit to even more emissions reduction and efficiency goals than it already has (as described in the 2020 ECS). The key point is that the Proposal does not make clear what is intended by the request to align with the Paris Agreement, and that this lack of clarity is materially misleading as shareholders would not have a clear understanding of the actions they are being asked to support.

As discussed in the No-Action Letter, we believe that the Proposal’s lack of clarity suggests that the intended focus is to have the Company exit its oil and gas holdings and change its business practices in the near term. The Proposal obfuscates these goals via the materially false idea that any one company can “align” with the Paris Agreement, whereas that Agreement can only truly be accomplished by individual countries establishing, and enforcing, specific GHG emissions reduction measures in a way that has not yet occurred, as well as the notion that a reduction or elimination of the Company’s oil and gas production activities would have a meaningful impact on reducing global greenhouse gas emissions when, as described in the No-Action Letter, any such reduction in or elimination of the Company’s contributions to meeting global energy demand would not reduce that demand and would likely work contrary to the goals of the Paris Agreement by ceding market share to producers who do not share the Company’s commitment to efficient operations, advanced technology, investments in new energy technology, and positive engagement on climate policy.

For these reasons and those described in the No-Action Letter, the Proposal is excludable under Rule 14a-8(i)(3).

Sincerely,

James Earl Parsons
Enclosures

cc w/ enc:  Sanford J. Lewis
            Andrew Behar
            As You Sow
            Louis Goldberg
            Davis Polk & Wardwell LLP
            Louis.goldberg@davispolk.com
Exhibit A

No-Action Letter and Proponent Response Letter
February 5, 2020

VIA Email

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549
via email: shareholderproposals@sec.gov

Ladies and Gentlemen:

On behalf of Exxon Mobil Corporation, a New Jersey corporation (the “Company”), we are writing to supplement the request from the Company, dated January 17, 2020 (the “No-Action Letter”), regarding the exclusion of a shareholder proposal (the “Proposal”) submitted by As You Sow as a representative for certain beneficial owners of the Company’s common stock (the “Proponent”) from the Company’s proxy statement for its 2020 Annual Meeting of Shareholders (the “2020 Proxy Materials”). A copy of the No-Action Letter is included with this letter as Exhibit A.

The Company’s recently published 2020 Energy and Carbon Summary provides further proof that the Company may omit the Proposal pursuant to Rule 14a-8(i)(10) as it has been substantially implemented.

As noted in the No-Action Letter, in 2019 the Company published its Energy and Carbon Summary (“2019 ECS”), which included a number of disclosures regarding the subject matter of the Proposal that demonstrate the Company has already substantially implemented the Proposal. After the date of the No-Action Letter, the Company published the 2020 version of its ECS (the “2020 ECS”);¹ while we believe that the 2019 ECS and the other Company public disclosures cited in the No-Action Letter demonstrate substantial implementation, we are submitting this letter to briefly highlight the ways in which the 2020 ECS, which updates and enhances the 2019 ECS and other intervening Company disclosures in a single comprehensive report, strengthens this substantial implementation argument.

¹ [Link to the 2020 ECS report]
In the table below we have succinctly demonstrated how the 2020 ECS and 2019 ECS reports are responsive to the Proposal’s request for “a report . . . describing if, and how, it plans to reduce its total contribution to climate change [in alignment with] the Paris Agreement’s goal.” Following the summary table, we have provided a more detailed discussion of some of the disclosures provided in the table and how they address the essential objective of the Proposal (the No-Action Letter includes a detailed discussion of the disclosures contained in the 2019 ECS).

<table>
<thead>
<tr>
<th>Proposal request</th>
<th>ExxonMobil 2020 and 2019 ECS Disclosures</th>
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<tbody>
<tr>
<td>“report . . . describing if, and how, it plans to reduce its total contribution</td>
<td>2020 ECS pp. 18-22—Developing and Deploying Scalable Technology Solutions</td>
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<tr>
<td>to climate change”</td>
<td>2020 ECS p. 26—Mitigating Emissions in Our Operations</td>
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<td></td>
<td>2020 ECS p. 25—Providing Products to Help Our Customers Reduce Their Emissions</td>
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<td></td>
<td>2020 ECS p. 28—Tracking our GHG emissions performance</td>
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<td>2020 ECS p. 36—Has ExxonMobil set long-term emissions targets consistent with 2°C scenarios?</td>
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<td>See also 2019 ECS pp. 1-2, 16-29.</td>
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<td>“report . . . describing if, and how, it plans to . . . align its operations</td>
<td>2020 ECS p. 35—How are ExxonMobil’s operations and investments aligned with the Paris Agreement?</td>
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<tr>
<td>and investments with the Paris Agreement’s goal”</td>
<td>2020 ECS p. 35—Does ExxonMobil have to reduce its production to align with the Paris Agreement?</td>
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<td>2020 ECS p. 36—What is ExxonMobil doing to prepare for a lower-carbon future while meeting energy needs for a growing population?</td>
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<td></td>
<td>2020 ECS pp. 9-12—Considering 2°C scenarios</td>
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<td>2020 ECS p. 13—Signposts for the evolving energy landscape</td>
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<td>2020 ECS p. 14-16—Potential impact on proved reserves and resources considering 2°C Scenarios</td>
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<td>2020 ECS p. 17—Positioning for a lower-carbon energy future</td>
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<td>2020 ECS p. 28—Tracking our GHG emissions performance</td>
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<td></td>
<td>See also 2019 ECS pp. 1-2, 7-29</td>
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<td>“information . . . on the relative benefits and drawbacks of . . . disclosing</td>
<td>2020 ECS pp. 37-38—Why doesn’t ExxonMobil report Scope 3 emissions?</td>
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<td>Scope 3 product emissions”</td>
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<td>“information . . . on the relative benefits and drawbacks of . . . adopting</td>
<td>2020 ECS p. 35—Does ExxonMobil have to reduce its production to align with the Paris Agreement?</td>
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<td>greenhouse gas emission reduction targets for the company’s full carbon</td>
<td>2020 ECS p. 36—Has ExxonMobil set long-term emissions targets consistent with 2°C scenarios?</td>
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<td>footprint, inclusive of product-related emissions”</td>
<td>2020 ECS pp. 37-38—Why doesn’t ExxonMobil report Scope 3 emissions?</td>
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<td>2020 ECS p. 26—Mitigating Emissions in our Operations</td>
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<td></td>
<td>2020 ECS p. 25—Providing Products to Help Our Customers Reduce Their Emissions</td>
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<td>See also 2019 ECS p. 25.</td>
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<td>“information . . . on the relative benefits and drawbacks of . . . reducing . .</td>
<td>2020 ECS pp. 9-14—Significant Investment Still Needed in 2°C Scenarios</td>
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<td>reducing ‘non-Paris aligned’ capital investments in oil and/or gas resource</td>
<td>2020 ECS p. 15—Reducing costs using technology to improve competitive position</td>
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<td>development”</td>
<td>2020 ECS p. 16—Dynamic resource development planning</td>
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<td></td>
<td>2020 ECS p. 34—Resiliency: Protection of our assets, the community and the environment</td>
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</table>
The 2020 ECS describes near- and long-term actions and plans the Company is taking to “reduce its total contribution to climate change,” including:  

- Capturing and storing carbon today from its current operations and investing in the carbon capture technology of the future  
- Reducing flaring and methane emissions today from operations  
- Providing progress updates on meeting our current goals to reduce emissions  
- Developing products today and for the future to help consumers improve efficiency and reduce emissions  
- Improving energy efficiency in operations through projects like cogeneration  
- Researching and testing advanced biofuels for the future  
- Using new industrial processes, like nanoengineering, to reduce emissions in refining and chemical manufacturing  

The 2020 ECS describes how the Company plans to “align its operations and investments with the goals of the Paris Agreement” by addressing what it means to align our operations with the goals of the Paris Agreement. The 2020 ECS details what we do to account for the Nationally Determined Contributions of the signatories to the Paris Agreement, which represent each country’s plans to reduce their emissions under the Paris Agreement, in our business strategies and investment plans.  

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2 These disclosures also substantially implement the request for reporting on the relative benefits and drawbacks of “investing at scale in lower carbon energy or other reduction measures.”

3 2020 ECS, pp. 20, 29, 36.
4 2020 ECS, pp. 26, 30, 36.
5 2020 ECS, pp. 22, 25, 36.
6 2020 ECS, pp. 26, 36.
7 2020 ECS, pp. 21, 36.
8 2020 ECS, pp. 22, 36.
9 2020 ECS, pp. 9-16, 35.
production by ExxonMobil to be an effective approach to aligning ExxonMobil’s business with the Paris Agreement or to furthering the goals of that agreement.\(^\text{10}\)

The 2020 ECS clearly and plainly addresses “the relative benefits and drawbacks of . . . disclosing Scope 3 product emissions.” The 2020 ECS explains why ExxonMobil does not disclose Scope 3 emissions, in part because “Scope 3 emissions do not provide any meaningful insight into the Company’s emission-reduction performance and could be misleading in some respects.” The 2020 ECS directly addresses the relative benefits and drawbacks of adopting emission-reduction targets for the Company’s “full carbon footprint, inclusive of product-related emissions.” The 2020 ECS makes clear that the global community needs to find ways to manage the environmental impact of energy consumption as demand for energy continues to grow. The 2020 ECS refers to this task as “the dual challenge.”\(^\text{11}\) The 2020 ECS discloses how we are working to address the dual challenge by making efforts to reduce the emission intensity of our operations; providing products to help customers reduce their emissions; engaging in advocacy for policies such as a carbon tax to promote market solutions to reducing emissions; and researching, developing, and deploying new low carbon energy technologies.\(^\text{12}\) We believe society benefits when the most efficient operators lead energy development efforts.

We strongly disagree with the Proponent’s use of the term “non-Paris aligned” when referring to any of our capital investments. We substantially fulfill this request in the 2020 ECS by including information on the need for additional oil and gas resources in a 2\(^\circ\)C or lower future under the International Energy Agency’s Sustainability Development Scenario, as well as a number of other 2\(^\circ\)C scenarios.\(^\text{13}\) The 2020 ECS addresses the request by providing the context that assets will be judged by competitiveness, not simply source. We further address this issue in the 2020 ECS in reporting what we are doing to reduce our costs and improve our competitive position, and the process we use in assessing whether to develop or divest assets.\(^\text{14}\) These disclosures address our efforts for all of our assets, including any assets the Proponent believes to be “non-Paris aligned.”

For these reasons as well as those stated in the No-Action Letter, we believe that the Company may exclude the Proposal because it has been substantially implemented by the Company, and the Company’s practices, policies and procedures compare favorably to the Proposal.

Sincerely,

James Earl Parsons

JEP/JEP
Enclosures

\(^{10}\) 2020 ECS, p 35.
\(^{11}\) 2020 ECS p. 1.
\(^{13}\) 2020 ECS, pp. 9-14.
\(^{14}\) 2020 ECS, pp. 15-16.
cc w/ enc: As You Sow

Louis Goldberg
Davis Polk & Wardwell LLP
Louis.goldberg@davispolk.com
January 17, 2020

VIA Email

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549
via email: shareholderproposals@sec.gov

Ladies and Gentlemen:

On behalf of Exxon Mobil Corporation, a New Jersey corporation (the “Company” or “Exxon Mobil”), 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 As You Sow on behalf of Andrew Behar (the “Proponent”) for inclusion in the proxy materials the Company intends to distribute in connection with its 2020 Annual Meeting of Shareholders (the “2020 Proxy Materials”). The Proposal is 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 2020 Proxy Materials. In accordance with Rule 14a-8(j), this letter is being filed with the Securities and Exchange Commission (the “Commission”) not less than 80 days before the Company plans to file its definitive proxy statement.

Pursuant to Staff Legal Bulletin No.14D (CF), Shareholder Proposals (November 7, 2008), Question C, we have submitted this letter and any related correspondence via email to shareholderproposals@sec.gov. Also, in accordance with Rule 14a-8(j), a copy of this submission is being sent simultaneously to the Proponent as notification of the Company’s intention to omit the Proposal from the 2020 Proxy Materials. This letter constitutes the Company’s statement of the reasons it deems the omission of the Proposal to be proper.

THE PROPOSAL

The Proposal states:

“Resolved: Shareholders request that ExxonMobil issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees Celsius.”

REASONS FOR EXCLUSION OF THE PROPOSAL

The Company believes that the Proposal may be properly omitted from the 2020 Proxy Materials pursuant to:

- Rule 14a-8(i)(3), because the Proposal is materially false and misleading;
- Rule 14a-8(i)(7), because it impermissibly seeks to micromanage the Company; and
- Rule 14a-8(i)(10), because the Company has already substantially implemented the Proposal.

1. The Company may omit the Proposal pursuant to Rule 14a-8(i)(3) because it is materially false and misleading and therefore contrary to the Commission’s proxy rules, including Rule 14a-9.

   Rule 14a-8(i)(3) permits exclusion of a shareholder proposal if the proposal or supporting statement is contrary to any of the rules promulgated by the SEC, including Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials. See Microsoft Corporation (October 7, 2016) (exclusion of a proposal on Rule 14a-8(i)(3) grounds that misstates the operation of the resolution and supporting statement); Ferro Corporation (March 17, 2015) (exclusion of a proposal on rule 14a-8(i)(3) grounds that contains statements that misrepresent the premise of the proposal); and General Magic, Inc. (May 1, 2000) (exclusion of a proposal on Rule 14a-8(i)(3) grounds that falsely asserts statements about the company’s practices regarding giving information to shareholders). A proposal is false and misleading when implementation by the Company could be significantly different from the actions envisioned by shareholders voting on it. Fuqua Industries, Inc. (March 12, 1991).

   Analysis of the materially false and misleading nature of the Proposal requires a background consideration and understanding of the global energy economy, the Paris Agreement, the Company’s role in the energy economy and its constructive current efforts to help further the goals of the Paris Agreement, as compared to the actions called for by the Proposal and their logical consequences.

   The Global Energy Economy. As summarized in the Company’s February 2019 Energy and Carbon Summary1 (the “2019 ECS”), the 2020 updated edition of which is anticipated to be published on the Company’s website in the near future (the “2020 ECS”), and in the Company’s recently published 2019 Outlook for Energy2 (the “Outlook”), third-party models encompassing the full range of potential technology options to achieve a two degrees Celsius stabilization level of atmospheric carbon dioxide (“CO2”), a greenhouse gas, acknowledge that oil and natural gas will continue to contribute significant portions of global energy demand for decades into the future.3 Even as currently rising global oil and natural gas demand are expected in these models eventually to peak and decline, the natural decline rate of oil- and natural gas-producing assets means substantial new investment in oil and gas projects will be required for many years. This is a function of the sheer size and scale of the global energy economy, expected growth in global population, and the pursuit of economic development by the developing nations of the world. Economic development for a growing world population requires energy. Without oil and natural gas, the world’s energy needs over a future multi-decade timeframe cannot be met. At the same time, it is important to recognize that oil and natural gas supplies around the world are abundant and provided by thousands of producers, ranging from smaller independent producers, to integrated multi-national companies such as the Company, to the largest state-owned oil and gas companies.4 The Company’s production represents approximately 2% of the global production among these many and varied producers. The Company does not control global energy demand.

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3 Outlook, page 4.
4 Many state-owned oil and gas companies are based in countries whose national economies and future economic growth are substantially dependent on oil and gas production.
The Paris Agreement. The Paris Agreement is a government-to-government accord under which participating countries seek to reduce their national greenhouse gas emissions according to pledges known as "Nationally Determined Contributions" ("NDCs"). The NDCs represent commitments made by the parties to the Paris Agreement and reflect the parties’ support for that Agreement. The only way to effect change is through the specifics of each country-level policy, each of which must ultimately resolve to alter the demand for energy in their own national markets. ExxonMobil’s Outlook, which forecasts demand and supply trends to 2040, incorporates all of the NDCs into its analysis. By doing this, ExxonMobil’s forecasts and strategic planning for the future are aligned with the Paris Agreement. But how any participating country chooses to formulate policies to attempt to meet its NDC is a matter of a complex interplay of legal and policy decisions affected by local and global economic goals, technological potential, national resource options and geopolitical objectives. Each country must tailor its policies to confront a dual challenge: meeting the needs of each country’s people for reliable and affordable energy and the quality of life that depends on this energy while also addressing the risks of climate change. Today, approximately a quarter of the world’s population lacks affordable and reliable energy and the basics of clean water, sufficient food, dependable transportation infrastructure, and acceptable medical and educational facilities, all of which require energy. Countries also have national security objectives that may vary widely depending on the type and nature of energy supplies to which the country has ready access.

Analysis of the Proposal. The Proposal’s supporting statement makes clear that the underlying intention of the Proposal is not merely to seek a report on if and how the Company is aligning its business with the goals of the Paris Agreement. As explained below in describing how the Company has substantially implemented the Proposal, the Company is already providing this information in multiple public disclosures. Among other things, the supporting statement calls on the Company to:

- Adopt greenhouse gas emission reduction targets for the [C]ompany’s full carbon footprint, inclusive of product-related emissions;
- Reduce “non-Paris aligned capital investments” in oil and/or gas resource development; and
- Invest at scale in low carbon energy or other reduction measures.

The supporting statement thus makes clear the focus and intent of the Proposal is for the Company to wind down its current oil, gas, and petroleum product businesses. Pending development and deployment at large scale of potential new energy technologies the Company is already pursuing, there are essentially only three ways the Company could meet the direct objectives of the Proposal and reduce the emission of CO2 by the purchasers of Company products:

- **Sell current oil and gas producing assets.** GHG emissions by customers of oil and gas produced by the Company could be reduced if the Company stopped selling oil and gas to its customers (for example, the Company could divest its producing assets, thereby shrinking the Company’s total production). However, such assets would almost certainly be purchased by other oil and gas producers and would remain in operation, thus having no impact on global emissions or actually result in an increase in such emissions.5

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5 In correspondence regarding a similar proposal last year (Exxon Mobil Corporation (April 3, 2019)), counsel for the proponents of that proposal appeared to agree that selling assets to other producers would be inconsistent with the objective of that proposal to reduce emissions resulting from consumer use of the company’s products and thus would not be aligned with the Paris Agreement. See March 8, 2019 letter (included in the cited no-action response) from Sanford Lewis, Analysis and Response attachment p. 10, confirming that selling Company assets to another
• **Invest in current-technology alternative energy projects in lieu of new oil and gas projects.** GHG emissions by customers of oil and gas produced by the Company could also be reduced if the Company were to scale back investment in new oil and gas projects that are in global demand, and redirect that investment into “low carbon energy or other reduction measures.” In this case, the natural decline rate of existing projects would result in a steady decrease in the Company’s oil and gas production, which would substitute the typically lower return of utility assets for traditional oil and gas returns, but have no impact on global oil or gas demand or consumption. At the same time, however, the Company cannot prevent the eventual resource owners from continuing to develop economically attractive new projects through other producers as long as those projects are necessary to help meet global oil and gas demand and provide attractive investor returns. Singular actions by the Company to shrink its oil and gas business would ultimately not reduce global GHG emissions or advance the goals of the Paris Agreement and would harm the Company’s shareholders by ignoring not only the needs of the Company’s customers, but eventually starving the Company of earnings necessary to meet its obligations and provide an attractive dividend return to shareholders, as well as, importantly, the earnings needed to continue investing in the research and development of future energy technologies with potential to advance the transition to a lower carbon energy future.

• **Prevent oil and gas from being produced.** In other contexts outside the Proposal, the Proponent advocates an approach sometimes referred to as “keep it in the ground,” which envisions that the Company would effectively halt production from its existing projects and not sell those assets to other producers. This idea is illusory and impracticable for several reasons. First, even if the Company were able to “lock up” the production to which it currently holds rights, global oil and gas demand would remain unchanged and would be met by other producers resulting in no net reduction – and potential adverse consequences as discussed in more detail below – for global emissions. Of more direct relevance, the Company typically does not own the oil and gas properties it produces. In the United States, oil and gas is generally produced under leases with private or government mineral owners. In other countries, the national sovereign typically owns the country’s oil and gas resources and the Company participates in the production of such resources under production sharing or other contractual arrangements. Under both the typical U.S. oil and gas lease and international contractual arrangements, the Company would be in breach of the applicable contracts if it simply halted the exploration, development, production, and related investment activities it is obligated to undertake, with the result that such agreements would be terminated and resource owners would continue to produce their resources by re-letting the applicable contracts to other producers or continuing operations through their national oil companies. Such actions would thus not reduce global GHG emissions in alignment with the Paris Agreement. Such actions would, however, likely expose the Company and its shareholders to significant claims for damages for breach of contract, as well as the potential loss of billions of dollars of productive capital currently invested in projects that would be retained by host countries.

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producer “would not be ‘in alignment with the Paris Agreement.’” However, elsewhere in that correspondence the proponent’s counsel cited with approval the actions of DONG Energy (p. 34), a Danish company which focused its business on wind and solar energy after selling its oil and gas assets to other energy companies (see [https://www.reuters.com/article/us-dong-energy-m-a/dong-energy-to-sell-oil-gas-business-to-ineos-for-1-3-billion-idUSKBN18K00B](https://www.reuters.com/article/us-dong-energy-m-a/dong-energy-to-sell-oil-gas-business-to-ineos-for-1-3-billion-idUSKBN18K00B)).

The Proposal wants shareholders to vote on a fundamental misconception and false and misleading premise that reducing the Company’s own current investments in oil and gas projects and sale of related products will advance the NDC goals of the Paris Agreement. In the absence of changes in global energy demand, which the Company cannot control, such actions by the Company would simply shift market share from the Company to other producers and do nothing to reduce GHG emission levels by participating countries or further the goals of the Paris Agreement. To the extent other producers replace the Company’s current role in helping meet global oil and gas demand, total GHG emissions could actually increase, because other producers (i) may not operate as efficiently and responsibly as the Company or have the advantages of the Company’s advanced technologies for mitigating emissions from their own operations, (ii) may not share the Company’s commitment to providing products to help customers reduce their emissions, and (iii) may not share the Company’s commitment to investing in advanced energy research, investments which are funded by the Company’s current oil, gas, and petroleum product businesses. A decrease in a single company’s production of oil and natural gas does not provide any insight into whether global GHG emissions are decreasing or whether that company’s operations are aligned with the goals of the Paris Agreement.

The actual intent and effect of the Proposal that shareholders are being asked to vote on is not for the Company simply to issue a report on how it is addressing the risk of climate change (as the Company is already doing, as discussed in more detail below), but for the Company to exit its current oil, gas, and petroleum product businesses in the near term. For the Proponent to represent otherwise under the guise of merely requesting a “report” is false and misleading in violation of the proxy rules. The overly simplistic, and incorrect, premises of the Proposal that shareholders are being asked to vote on represent false and misleading statements that belie the realities of both the global energy economy and the constructive role the Company plays. The false and misleading nature of the Proposal can only be fully appreciated and understood with the benefit of an intricate knowledge of complex issues such as the nature of the Paris Agreement, the global energy economy, and the manner in which oil and gas projects are typically developed, which the above analysis describes at a high level. If a question of such import as to whether the Company should cease its current oil, gas, and petroleum product businesses is to be placed before shareholders, it should be stated plainly and directly, not presented by implication and a need for “reading between the lines” couched in a request for a climate report.

Moreover, the Proposal clearly contemplates that reduction of the Company’s current oil, gas, and petroleum product businesses should be carried out in such a way as to be “aligned with” and advance the goals of the Paris Agreement to reduce national and thereby global GHG emissions. As discussed above, actions the Company could take – beyond (i) incorporating the NDCs into its future strategic planning, (ii) contributing in the most responsible manner to meeting global oil and gas demand (which the Company does not control), and (iii) conducting extensive research and development in pursuit of new lower carbon energy sources and GHG emission reduction technologies – would not in fact reduce global GHG emissions or advance the goals of the Paris Agreement and could well have the opposite effect.

In short, the Proposal is materially false and misleading both in (i) failing to make clear to shareholders that its request is to seek the winding down of the Company’s current oil, gas, and petroleum product businesses, and (ii) its premise that such action would advance the objectives of the Paris Agreement. As such, the Company may omit the Proposal pursuant to Rule 14a-8(i)(3).

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7 The Company currently invests approximately $1 billion per year in research and development, more than any of our publicly-reporting peers.

8 Nowhere in the Proposal, nor in similar proposals we have received in recent years, nor in engagements with the proponents, have any of such proponents (or their counsel) been able to articulate clearly and logically how reducing the role played by the Company as one of the most efficient producers in meeting global oil and gas demand would advance the goals of the Paris Agreement. See footnote 5.
because it is materially false and misleading and therefore contrary to the Commission’s proxy rules, including Rule 14a-9.

2. The Company may omit the Proposal pursuant to Rule 14a-8(i)(7) because it relates to the Company’s ordinary business operations by impermissibly seeking to micromanage the Company by imposing specific methods to implement complex policy issues.

Rule 14a-8(i)(7) allows a company to omit a shareholder proposal from its proxy materials if such proposal deals with a matter relating to the company’s ordinary business operations. The general policy underlying the “ordinary business” exclusion is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at annual shareholders meetings.” Exchange Act Release No. 34-40018 (May 21, 1998). This general policy reflects two central considerations: (i) “[c]ertain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight,” and (ii) the “degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.”

Although the Staff has stated that a proposal generally will not be excludable under Rule 14a-8(i)(7) where it raises a significant policy issue (Staff Legal Bulletin 14E (October 27, 2009)), even if a proposal involves a significant policy issue, the proposal may nevertheless be excluded under Rule 14a-8(i)(7) if it seeks to micromanage the company by specifying in detail the manner in which the company should address the policy issue. See Exxon Mobil Corporation (April 2, 2019) (proposal requesting disclosure of greenhouse gas emissions targets in line with Paris Agreement goals); The Goldman Sachs Group, Inc. (March 12, 2019) (proposal requesting the company adopt a policy to reduce the carbon footprint of its loan and investment portfolios in alignment with the Paris Agreement); Wells Fargo & Company (March 5, 2019) (proposal requesting the company adopt a policy for reducing greenhouse gas (“GHG”) emissions resulting from its loan and investment portfolios to align with the Paris Agreement); Devon Energy Corporation (March 4, 2019, recon. denied April 1, 2019) (concurring in exclusion pursuant to Rule 14a-8(i)(7) of a proposal requesting, in annual reporting beginning in 2020, a report of short-, medium- and long-term greenhouse gas targets aligned with reduction goals set in the Paris Climate Agreement to maintain global average temperatures substantially below two degrees Celsius and to pursue efforts to limit increases to 1.5 degrees Celsius, on the basis that “the Proposal would micromanage the Company by seeking to impose specific methods for implementing complex policies in place of the ongoing judgments of management as overseen by its board of directors”); Walgreens Boots Alliance, Inc. (November 20, 2018) (proposal requesting that stock buybacks adopted by the board not become effective until approved by shareholders excludable for micromanaging by substituting shareholder approval for board decision-making in a complex matter); Verizon Communications Inc. (March 6, 2018) (proposal requesting the Verizon board prepare a report evaluating potential for Verizon to achieve net-zero GHG emissions by a fixed date excludable for micromanaging despite Verizon’s acknowledgment that reduction of GHG emissions, which the proposal sought to address, is a significant policy issue); EOG Resources, Inc. (February 26, 2018) (proposal requesting EOG adopt company-wide, quantitative, time-bound GHG emissions reduction targets and issue a report excludable for micromanaging despite EOG’s acknowledgment that the proposal touched on the significant social issue of environmental sustainability and climate change); and Apple Inc. (December 21, 2017) (proposal requesting the Apple board prepare a report evaluating potential for Apple to achieve net-zero GHG emissions by a fixed date excludable for micromanaging despite Apple’s acknowledgment that reduction of GHG emissions, which the proposal sought to address, is a significant policy issue). The staff has recognized that a shareholder’s casting of a proposal as a mere request for a report, rather than a request for a specific action, does not mean that the
The proposal does not seek to micro-manage the Company, even when the proposal addresses a significant policy issue. See Ford Motor Company (March 2, 2004) (proposal requesting the preparation and publication of scientific report regarding the existence of global warming or cooling excludable “as relating to ordinary business operations” despite recognition that global warming is a significant policy issue).

In Staff Legal Bulletin No. 14K (October 16, 2019) (“SLB 14K”) the Staff furthermore noted that, in evaluating arguments under the micromanagement prong of Rule 14a-8(i)(7), it conducts an assessment of the level of “prescriptiveness” of the proposal:

“Notwithstanding the precatory nature of a proposal, if the method or strategy for implementing the action requested by the proposal is overly prescriptive, thereby potentially limiting the judgment and discretion of the board and management, the proposal may be viewed as micromanaging the company...When a proposal prescribes specific actions that the company’s management or the board must undertake without affording them sufficient flexibility or discretion in addressing the complex matter presented by the proposal, the proposal may micromanage the company to such a degree that exclusion of the proposal would be warranted.”

The evaluation of the manner in which the Proposal seeks to address the subject matter raised, rather than the subject matter itself, is critical to the analysis of whether the Proposal micromanages the Company.

The resolution of the Proposal asks the Company to describe “if, and how,” it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement, and frames the report in the context of asking for “relative benefits and drawbacks,” both of which we recognize are consistent with a particular example of a proposal that SLB 14K deemed not to be micromanagement. However, as SLB 14K also noted, the Proposal will be read in its entirety in determining its “underlying concern or central purpose.” SLB 14K notes that, where “the supporting statement modifies or re-focuses the intent of the resolved clause, or effectively requires some action in order to achieve its central purpose as set forth in the resolved clause,” then the Proposal may seek to micromanage the Company, by supplanting the judgement of management and the board and failing to afford them sufficient flexibility or discretion in addressing the complex matter presented by the Proposal.

The Proposal, through its supporting statement, prescribes the specific methods by which the Company should achieve the objectives of (a) reducing its contribution to climate change and (b) aligning with the goals of the Paris Agreement by mandating that the Company:

- Assess and disclose Scope 3 product emissions;
- Adopt greenhouse gas emission reduction targets for the company’s full carbon footprint, inclusive of product-related emissions;
- Reduce non-Paris aligned capital investments in oil and/or gas resource development; and
- Invest at scale in low carbon energy or other reduction measures.

The resolution in the Proposal that states that the Company should be able to determine “if” the Company plans to reduce its contribution to climate change is completely usurped by the request for the Company to take the above-listed actions. As to seeming to provide the board and management with discretion and flexibility on “how” it should align its operations and investments with the Paris goals, the list of actions entirely re-focuses the resolution by demanding specific...
strategies, methods, actions and outcomes relating to the Company’s operations and investments. These strategies, methods, actions and outcomes involve assessment and evaluation not only of the emissions from its own products but also emissions arising from the use of the Company’s products (Scope 3 emissions), adopting greenhouse gas reduction targets for the Company’s “full” carbon footprint that includes emissions relating to its products, reducing capital investment in certain types of product development and while at the same time investing in other types of products and activities. The Proposal takes specific, detailed decision-making out of the hands of management to assess and prescribes the specific strategies, methods, and actions the Company must take.

As to “Paris Alignment,” the supporting statement references a set of specific criteria that further reinforces that the Proposal is imposing on the Company specific methods, actions, and outcomes: “[c]riteria for alignment include: disclosure of Scope 1 through 3 emissions; adoption of a net zero by 2050 or equivalent target; a business plan for becoming Paris Aligned; and a declining carbon footprint.” The criteria includes a net zero emission plan by 2050, which is exactly the type of time-bound target that SLB 14K indicated micromanages companies. Meeting the goals of the Paris Agreement is a central component of the subject matter in the resolution, and the supporting statement prescribes the strategy, method and outcome for addressing reduction of greenhouse gas that the Company would measure itself against and make changes to its operations to meet those goals.

Similar to the reference in the resolved clause to “if, and how,” the illusory flexibility in the Proposal from the request to analyze the “relative benefits and drawbacks” fails to disguise the overly prescriptive and intended nature of the Proposal. Populating the Proposal with “safe” words directly from SLB 14K does not make the Proposal any less prescriptive when analyzed in its entirety, with a focus on the specific directives contained in the Proposal for the Company to meet the Proposal’s central purpose. In short, the highly specific actions called for in the supporting statement undermine the apparently flexible wording used in the “Resolved” clause and place the Proposal squarely back in the realm of micromanagement.

The Proposal does not intend for management and the board to decide “if, and how” it should assess the Company’s climate impact, nor does it intend for the Company to report on the “benefits and drawbacks.” The actions and outcomes specified in the Proposal are not the only ways that the Company may reduce its contribution to climate change, as the Company demonstrates below in describing how it has substantially implemented the Proposal. The Proposal would therefore unduly limit the ability of management and the board to manage complex matters with a level of flexibility necessary to fulfill their fiduciary duties to shareholders.

3. The Company may omit the Proposal pursuant to Rule 14a-8(i)(10) as it has been substantially implemented and its practices, policies and procedures compare favorably to the Proposal.

A. 2019 ECS Substantial Implementation

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if the company has already substantially implemented the proposal. The Commission has stated that “substantial” implementation under the rule does not require implementation in full or exactly as presented by the proponent. See Exchange Act Release No. 34-40018 (May 21, 1998, n.30). The Staff has provided no-action relief under Rule 14a-8(i)(10) when a company has substantially implemented and therefore satisfied the “essential objective” of a proposal, even if the company did not take the exact action requested by the proponent, did not implement the proposal in every detail or exercised discretion in determining how to implement the proposal. See Hess Corporation (April 11, 2019) (permitting exclusion of a proposal requesting that the company issue a report on how it can reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement’s goal where the company had already provided the requested information in its
sustainability report and CDP (formerly known as Carbon Disclosure Project) report); Exxon Mobil Corporation (April 3, 2019) (permitting exclusion of a proposal submitted by the Proponent, that is substantially similar to the Proposal, requesting the Company issue a report on how it can reduce its carbon footprint in alignment with GHG emissions reductions in line with the Paris Agreement where the requested information was readily available in the Company’s public disclosures); Visa (October 11, 2019) (permitting exclusion of a proposal requesting that the company reform its executive compensation philosophy to include social factors where the company had tied annual compensation to the achievement of certain strategic pillars, which included certain social considerations); Exxon Mobil Corporation (March 23, 2018) (permitting exclusion of proposal requesting that the Company issue a report describing how the Company could adapt its business model to align with a decarbonizing economy where the requested information was already available in two published reports describing the company’s long-term outlook for energy and how it would position itself for a lower-carbon energy future); Entergy Corp. (February 14, 2014) (permitting exclusion of proposal requesting a report “on policies the company could adopt . . . to reduce its greenhouse gas emissions consistent with the national goal of 80% reduction in greenhouse gas emissions by 2050” where the requested information was already available in its sustainability and carbon disclosure reports); Duke Energy Corp. (February 21, 2012) (permitting exclusion of proposal requesting that the company assess potential actions to reduce greenhouse gas and other emissions where the requested information was available in the Form 10-K and its annual sustainability report); and Exelon Corp. (February 26, 2010) (concurring in the exclusion of proposal that requested a report on different aspects of the company’s political contributions when the company had already adopted its own set of corporate political contribution guidelines and issued a political contributions report that, together, provided “an up-to-date view of the [c]ompany’s policies and procedures with regard to political contributions”). “[A] determination that the company has substantially implemented the proposal depends upon whether [the Company’s] particular policies, practices, and procedures compare favorably with the guidelines of the proposal.” See Texaco, Inc. (March 28, 1991) (permitting exclusion on substantial implementation grounds of proposal requesting that the company adopt the Valdez Principles where the company had already adopted policies, practices and procedures regarding the environment).

The core of the Proposal, or its “essential objective,” is for the Company to “issue a report . . . describing if, and how, it plans to reduce its total contribution to climate change [in alignment with] the Paris Agreement’s goal.” The Company supports the Paris Agreement and is taking action within its control and core competency to help address the risk of climate change. As described further below, the 2019 ECS demonstrates that the Company has substantially implemented the Proposal by satisfying its essential objective, and thus the Proposal is excludable under Rule 14a-8(i)(10).

In the table below we have succinctly demonstrated how the 2019 ECS report is responsive to the Proposal’s request for “a report . . . describing if, and how, it plans to reduce its total contribution to climate change [in alignment with] the Paris Agreement’s goal.” A more detailed discussion of the disclosures contained in the 2019 ECS that address the essential objective of the Proposal is set forth following the summary table.

<table>
<thead>
<tr>
<th>Proposal request</th>
<th>ExxonMobil 2019 ECS Disclosures</th>
</tr>
</thead>
<tbody>
<tr>
<td>“report . . . describing if, and how, it plans to reduce its total contribution to climate change”</td>
<td>pp. 1-2, 16-29</td>
</tr>
<tr>
<td>“Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees celsius”</td>
<td>pp. 1-2, 7-29</td>
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<tr>
<td>“Investing at scale in low carbon energy or other reduction measures”</td>
<td>pp. 2, 16-20</td>
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<tr>
<td>“adopting greenhouse gas emission reduction targets”</td>
<td>p. 25</td>
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</tbody>
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The 2019 ECS draws on the Company’s detailed analysis of the assessed 2ºC scenarios in the Company’s Outlook. The Outlook considers the possible impacts of current and potential future public climate change policies, including the NDCs to the Paris Agreement. The Company believes the NDCs are indicative of countries’ commitments to implement the Paris Agreement. The Outlook represents the Company’s “view of energy demand and supply through 2040” and is used by the Company “to help inform [the Company’s] long-term business strategies and investment plans.” This published analysis is conducted yearly and currently extends through 2040, based upon internal data and analyses as well as publicly available information from external sources including the International Energy Agency. The Outlook incorporates recent developments in economic conditions, policy, and technology, using a data-driven, bottom-up approach to produce a most-likely view of future energy supply and demand, which “anticipates significant changes through 2040 across the world to boost living standards, reshape the use of energy, broaden access to abundant energy supplies, and accelerate decarbonization of the world’s energy system to address the risks of climate change.” The Company’s Outlook already contemplates a future energy mix that shifts toward lower-carbon-intensive fuels.

The 2019 ECS describes the potential impact on the Company’s business of a hypothetical 2ºC scenario, how the Company is adapting and implementing GHG emission reduction measures, and how the Company would be able to adapt to a lower-carbon future while remaining “well-positioned to meet the demands of an evolving energy system,” including how the Company is monitoring indicators that may serve as signposts for potential acceleration in shifts to the energy landscape.

With respect to the Proposal’s requests for a “report . . . describing if, and how, it plans to reduce its total contribution to climate change,” and evidence that the Company is “adopting greenhouse gas emission reduction targets,” the 2019 ECS notes that the Company is “committed to mitigating emissions” and describes various measures. In particular, the 2019 ECS notes a commitment of a “15 percent reduction in methane emissions by 2020 compared with 2016,” a “25 percent reduction in flaring by 2020 compared with 2016,” and a “10 percent GHG emissions intensity reduction at [affiliate] operated oil sands by 2023 compared with 20.” Ultimately, technology breakthroughs will be necessary to accelerate progress towards a 2ºC pathway. The 2019 ECS describes in detail the many initiatives the Company is currently pursuing to achieve such breakthroughs, including carbonate fuel cells; advanced biofuels including fuel derived from genetically engineered algae; carbon capture and storage; and energy efficient manufacturing and process intensification technologies including advanced reduced energy separation processes, high-efficiency reactors, and enhanced efficiency catalysts.

With respect to the Proposal’s request that the Company’s report be in alignment with the “Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees celsius,” ExxonMobil states directly in the 2019 ECS: “ExxonMobil supports the 2015 Paris Agreement.” Also, as noted above, the Company’s Outlook, which is used to prepare the 2019 ECS and to inform the Company’s operational plans, incorporates an analysis of the impacts of current and potential future public climate change policies, including the goals of the Paris Agreement. Further, the 2019

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9 Outlook, p 2.
10 ECS, p 2.
11 ECS, p 2.
12 ECS, p 12.
13 ECS, pp 24-29.
14 ECS, p 25.
15 ECS, p 9 (“Technology advances are expected to play a major role in accelerating progress towards a 2ºC pathway”).
16 ECS, pp 16-20.
17 ECS, p 1.
18 Outlook, p 2.
ECS describes the various steps that the Company is taking to develop technology solutions to help society meet the dual challenge of “meeting the world’s growing demand for energy while reducing environmental impacts and the risks of climate change,” and notes these initiatives’ “criticality in addressing the Paris Agreement goals.”

In addition, with respect to the Proposal’s request that the report should address how the Company is “investing at scale in low carbon energy or other reduction measures,” the 2019 ECS describes how the company is “supplying products that help others reduce their emissions” including natural gas (which “emits up to 60 percent fewer GHG emissions . . . than coal”), “weight-reducing materials that result in . . . fuel economy improvement,” halobutyl rubbers for use in tires to increase fuel efficiency, and advanced fuels and lubricants that also increase efficiency. The 2019 ECS describes the steps taken in the Company’s operations to mitigate GHG emissions, such as increasing energy efficiency, reducing flaring, venting and fugitive emissions, implementing a methane management plan, and deploying technologies such as carbon capture and storage and cogeneration. ExxonMobil currently has a working interest in more than one-fifth of the world’s carbon capture and storage capacity, capturing nearly 7 million tonnes of CO2 in 2018 for permanent and safe storage. The 2019 ECS notes that since 2000 ExxonMobil has eliminated or captured 400 million metric tonnes of CO2.

Substantial implementation does not require implementation in full or exactly as presented by a Proposal, and the Staff has found proposals related to climate change excludable pursuant to 14a-8(i)(10) even if the Company’s actions were not identical to the guidelines of the proposal. Both Entergy Corp. and Duke Energy Corp. permitted exclusion of a shareholder proposal pursuant to 14a-8(i)(10), even though the requested disclosures were not made in precisely the manner contemplated by the proponent. Numerous other letters reinforce this approach. See, e.g., Merck & Co., Inc. (March 14, 2012) (permitting exclusion of a shareholder proposal requesting a report on the safe and humane treatment of animals because the company had already provided information on its website and further information was publicly available through disclosures made to the United States Department of Agriculture); ExxonMobil Corp. (March 17, 2011) (permitting exclusion of a shareholder proposal requesting a report on the steps the company had taken to address ongoing safety concerns where the company’s “public disclosures compare[d] favorably with the guidelines of the proposal”); and ExxonMobil Corp. (January 24, 2001) (permitting exclusion of a shareholder proposal requesting the review of a pipeline project, the development of criteria for involvement in the project and a report to shareholders because it was substantially implemented by prior analysis of the project and publication of such information on the company’s website).

The essential objective of the Proposal is for the Company to “issue a report . . . describing if, and how, it plans to reduce its total contribution to climate change [in alignment with] the Paris Agreement’s goal,” and this has been substantially implemented by the Company through its 2019 ECS. The reports prepared by the Company compare favorably with the essence of the Proposal, and thus the Proposal is excludable under Rule 14a-8(i)(10).

B. Anticipated Publication of the 2020 ECS Will Further Substantially Implement the Proposal

The 2020 ECS will further substantially implement the Proposal by providing updated and enhanced disclosure addressing the Proposal’s underlying concerns and essential objectives.

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19 ECS, pp 1, 17-20.
20 ECS, p 1.
21 ECS, p 22.
22 ECS, p 23.
23 ECS, p 29.
consistent with Rule 14a-8(i)(10). The Company is in the process of finalizing the 2020 ECS and anticipates publication in the near future.

C. Supplemental Notification

We submit this no-action request now to address the timing requirements of Rule 14a-8(j). We will notify the Staff and the Proponent supplementally after publication of the 2020 ECS on the Company’s website, which is expected to occur in the near future.

CONCLUSION

The Company requests confirmation that the Staff will not recommend any enforcement action if, in reliance on the foregoing, the Company omits the Proposal from its 2020 Proxy Materials. If you should have any questions or need additional information, please contact the undersigned at (972) 940-6211 or David A. Kern at (972) 940-7228. 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,

James E. Parsons

Enclosures

cc w/ enc: As You Sow
Andrew Behar

Louis Goldberg
Davis Polk & Wardwell LLP
Louis.goldberg@davispolk.com

Ladies and Gentlemen:

Andy Behar (the “Proponent”) is beneficial owner of common stock of Exxon Mobil Corporation (the “Company”) and has submitted a shareholder proposal (the “Proposal”) to the Company together with numerous co-filers.¹ I have been asked by the Proponents to respond to the letter dated January 17, 2020 ("Letter") and supplement letter ("Supplement") dated February 5, 2020 sent to the Securities and Exchange Commission by James E. Parsons. In that letter and supplement, the Company contends that the Proposal may be excluded from the Company’s 2020 proxy statement.

I have reviewed the Proposal, as well as the letter sent by the Company, and based upon the foregoing, as well as the relevant rules, it is my opinion that the Proposal must be included in the Company’s 2020 proxy materials and that it is not excludable under Rule 14a-8. A copy of this letter is being emailed concurrently to James E. Parsons.

SUMMARY

The Proposal asks the Company to issue a report describing “if and how” it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal of maintaining global temperatures well below 2 degrees Celsius (“Paris goal). The supporting statement seeks information, at board and management discretion, on the relative benefits and drawbacks of disclosing Scope 3 product emissions, adopting greenhouse gas reduction targets for the Company’s full carbon footprint including product-related emissions, reducing capital investments in fossil fuel development that are non-Paris aligned, and investing in renewable energy resources or other carbon reduction measures.

¹ Co-filers include Anna Marie Lyles, Musy Enlightenment Trust U/A DTD 10/30/2008, Church Commissioners for England, Benedictine Sisters Boerne, Texas, Benedictine Sisters of Baltimore, Benedictine Sisters of Virginia, Congregation des Soeurs des Saints Noms de Jesus et de Mary, Follow This, Illinois Bright Start College Savings Trust, Maryknoll Sisters, Presbyterian Church USA, Robeco, School Sisters of Notre Dame Central Providence Pacific, Sisters of Providence, Mother Joseph Province, Sisters of St. Francis of Philadelphia, Sisters of the Holy Names of Jesus and Mary, Trinity Health, and U.S.-Ontario Province Corporation.
Substantial implementation Rule 14a-8(i)(10) - The essential objective of the Proposal is to understand “if, and how,” Exxon plans to align its total carbon emissions with the Paris Agreement’s goal of maintaining global temperatures well below 2 degrees Celsius (Paris Goal). The Company Letter asserts that the Proposal is substantially implemented by the Company’s existing disclosures.

Both the essential purpose and the guidelines of the Proposal are clearly delineated by the Resolved clause of the proposal which asks the Company to report “if and how” the Company plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees Celsius. While the Company need not fulfill every detail of the guidelines, the Company has the burden of demonstrating that the Proposal’s essential objective is met and the burden of demonstrating the availability of any exemptions. See 17 C.F.R. § 240.14a-8(g).

In this instance, the Company’s existing reporting neither meets nor approximates the essential purpose or guidelines of the proposal. Its existing disclosures obfuscate rather than answer the core question of the proposal. The question of “if” the Company plans to align with the Paris goal can be answered by a simple: “yes” or “no” from the Company. If the Company answers no because it does not intend to align, the Proposal is satisfied. If it answers yes, to satisfy the objective of the Proposal, the Company would need to disclose “how” it plans to achieve alignment with the Paris goal. Instead, the Company’s existing disclosure involves discussion of a series of measures that will move the Company in the direction of overall emissions reductions, but describes no intent, commitment, documentation, or plan outlining how these measures will reduce its total greenhouse gas emissions at the scale and pace necessitated by the Paris goal.

False and misleading Rule 14a-8(i)(3) - The Company Letter implies that the Proposal is asking the Company to do something other than issue the report described in the proposal (Answer: It is not). Shareholders concerned about climate change seek a clear answer from the Company as to “if” and “how” it intends to become Paris aligned. Many peer oil and gas companies are beginning to announce an intent to align with the Paris goal and to disclose the targets and plans to achieve such alignment. A report from Exxon as to whether it is keeping up with its peers is important information to shareholders in benchmarking companies and making informed investment decisions. Secondly, the Company argues that it is false and misleading for Proponent to suggest that reducing oil and gas production could be an element of a Paris-aligned reduction strategy. Reasonable parties might differ on whether the Company reducing its oil and gas production gas will promote the goal of the Paris Agreement, but the concept is not false and misleading on its face.

In both instances, the Company can more appropriately raise such issues in an opposition statement that accompanies the Proposal on the proxy. Neither is the kind of “objectively false”

2 The resolved clause states: Shareholders request that ExxonMobil issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees Celsius.
information where Staff finds proposals excludable, consistent with Staff Legal Bulletin 14 B.

**Micromanagement Rule 14a-8(i)(7) -** The Company Letter asserts that the Proposal micromanages within the meaning of recent Staff guidance. However, the proposal rigorously seeks disclosures from the Company, not specific action. Requests for disclosure do not micromanage a company and are described as an appropriate approach under Staff Legal Bulletin 14 K. *Anadarko Petroleum Corp.* (Mar. 4, 2019)

**THE PROPOSAL**

**Resolved:** Shareholders request that ExxonMobil issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees Celsius.

**Supporting Statement:** Shareholders seek information, at board and management discretion, on the relative benefits and drawbacks of integrating the following actions:

- Disclosing Scope 3 product emissions;
- Adopting greenhouse gas emission reduction targets for the company's full carbon footprint, inclusive of product-related emissions;
- Reducing non-Paris aligned capital investments in oil and/or gas resource development;
- Investing at scale in low carbon energy or other reduction measures.

**Whereas:** The Intergovernmental Panel on Climate Change warns that global warming above 1.5 degrees Celsius will create catastrophic impacts. Specifically, it instructs that global emissions of carbon dioxide must reach "net zero" by 2050. If warming is kept to 1.5 degrees Celsius versus 2 degrees, studies point to estimated savings of $20 trillion to the global economy by 2100.

The energy industry is one of the largest contributors to climate change and ExxonMobil is the fourth largest global emitter in the sector. ExxonMobil’s investment choices matter. Every dollar invested in fossil fuel resources increases risk to the economy and investor portfolios.

Investors recognize this growing risk. Norway’s sovereign wealth fund announced divestment from oil and gas exploration and production companies. The European Investment Bank and the World Bank announced they will cease funding fossil fuel projects. Other investors are seeking Paris Alignment from large emitters. Criteria for alignment include: disclosure of Scope 1 through 3 emissions; adoption of a net zero by 2050 or equivalent target; a business plan for

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5 https://climateaction100.wordpress.com/faq/
becoming Paris Aligned; and a declining carbon footprint.6

Peer companies are taking steps to align with Paris goals. Shell announced Scope 3 greenhouse gas intensity reduction ambitions7 and has decreased reserves life below the industry standard.8 Total has invested substantially in renewable energy and storage. Equinor rebranded itself from ‘StatOil’ and is diversifying into renewables. Orsted, previously a Danish oil and gas company, sold its fossil fuel portfolio. Repsol announced a net zero by 2050 target.9

In contrast, ExxonMobil does not report Scope 3 product emissions. Its greenhouse gas reduction goals are short term, limited to certain operations, and do not address Scope 3 emissions. Exxon has no long term business plan to align operations with Paris 1.5 degree goals, instead announcing plans for substantial growth in its reserves base, including carbon intensive oil sands.10 A recent Carbon Tracker analysis finds that 55 percent of Exxon’s production to 2040 is outside Paris’ below 2 degree objective.11 The Transition Pathway Initiative also indicates Exxon’s carbon intensity trajectory is far above Paris goals.12

Investors seek information to address these concerns.

BACKGROUND

In October 2018, the Intergovernmental Panel on Climate Change (IPCC) released a report reassessing the trajectory of global warming and instructing that global emissions of carbon dioxide must reach "net zero" by 2050 to maintain warming at 1.5 degrees. It further described the large difference in damage to habitability of the earth caused by relative increases of temperature between 1.5°C and 2°C. Maintaining warming under 1.5°C rather than 2°C is predicted to avoid an estimated $30 trillion in global damages.13

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6 Paris Aligned Investor Statement; https://www.carbontracker.org/reports/balancing-the-budget/
8 https://www.bloomberg.com/opinion/articles/2019-06-05/shell-spending-plans-show-oil-s-end-is-no-longer-talk
11 https://www.carbontracker.org/reports/balancing-the-budget/
13 https://www.nature.com/articles/s41586-018-0071-9.epdf?referrer_access_token=5FOtF_6TJg7TW8pinTKO9RgN0jAJWel9jnR3ZoTv0OsxypFEzLGji1pAcPpJpRUaGWQE4x7PFk7egRc69HFdM6PJOQVMoys1HbEajGubYyh-cFm3MRhgs214sq46QiSTTapLjDvZfQ9KGWA8erEPxeWaOCy4qkvcpBhNc54Z8P42aBjGNCzAllbvv5yke0J5kD-SmaMHFGX5BldaEIsLdP99o9n2q_t7mKL6bo-
As a result of rising global temperatures, the world is experiencing unprecedented and extreme weather events and disruptions. These events are predicted to occur with even greater frequency and impact as the world warms. Capital markets have begun to register this climate change crisis. Some of the largest and most influential actors in finance are mobilizing around the need to better assess the risks that climate change pose to the global economy and investor portfolios. BlackRock, the world’s largest asset manager, with over $7 trillion in assets under management, recently issued a report in which CEO Larry Fink stated “the evidence on climate risk is compelling investors to reassess core assumptions about modern finance.”

In early 2020, the Church of England and FSTE Russell created an index that includes companies working to align greenhouse gas emissions with the Paris Agreement and bars companies that are not. The Net-Zero Asset Owner Alliance, with nearly $4 trillion in assets under management, aims to align its portfolio with a below 2 degree scenario. At the end of 2019, 33 banks with $13 trillion in assets signed the U.N. Principles for Responsible Banking committing to align business with the Paris Agreement, an outcome that will affect oil and gas companies’ access to capital, while a nearly $40 billion pension fund -- Brunel Pension Partnership -- stated plans to vote against board members or divest from firms that are not aligning with the Paris Agreement.

The CA100+, a group made up of investors with more than $39 trillion in assets under management, is asking the 100+ largest greenhouse gas emitting companies (including Exxon) to reduce their greenhouse gas emissions in line with the Paris goal, among other requirements.

Another key investor initiative seeking disclosures and actions similar to the proposal is the Transition Pathway Initiative (TPI), a global initiative led by asset owners and supported by asset managers. Established in January 2017, TPI investors now collectively represent over $9.3 trillion of assets under management. On an annual basis, TPI assesses how companies are preparing for the transition to a low-carbon economy and quantitatively benchmarks companies’ carbon emissions against the international targets and national pledges made as part of the Paris Agreement. As noted in the proposal, TPI’s latest report indicates that Exxon’s carbon intensity trajectory is far above Paris goals. Thus, the Proposal seeks to find out if and how the company intends to come into alignment.

**Exxon Strategy & Reporting**

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17 https://www.unepfi.org/net-zero-alliance/
19 FAQ http://www.climateaction100.org/
Oil and gas companies are major contributors to global warming. Reducing their carbon footprints in line with the Paris goal of stabilizing global temperatures well below 2°C will require substantial changes in their business model, a process that requires long planning horizons and implementation timelines.

The October 2018 Goldman Sachs Group report “Re-Imagining Big Oils” noted that for oil companies, Scope 3 GHG emissions (product-related emissions) constitute approximately 86% of total emissions. The Goldman Sachs Group identified possible pathways for Paris alignment, including adjusting the companies’ investment and product mix, to result in consistency with the Paris Agreement’s 2°C scenario, and to allow even the largest oil companies to transition to being “Big Energy” companies.

As noted in the Proposal, some leading oil and gas companies have already announced policies to reduce their climate footprints and to begin aligning with the Paris goal in various ways, including setting full scope 1 through 3 emissions goals, setting product carbon intensity reduction targets, investing in solar and/or wind energy, and selling or writing down oil and gas assets. These actions were set in motion in part by shareholder engagements and proposals. Having set the bar for oil and gas company alignment with the Paris goal, shareholders now seek to benchmark other large emitting oil and gas companies’ progress in reducing emissions in line with the Paris goal, thereby decreasing risk to companies and to the climate.

In the face of global climate change and the Paris Climate Agreement, two major strategic questions face every company that is deeply invested in fossil fuels:

1. What are the risks to the company associated with remaining on the current path of product and development efforts?

2. Whether to take responsibility for reducing the company’s climate footprint at the scale and pace necessary to reach global goals to contain the increase in warming?

To date, Exxon has focused on discussing the first question in its ECS reports through a host of actions including risk reduction scenarios, strategic assessments of demand, alignment with NDC policies, R&D investments, and limited operational emissions reductions. That the Company reports an objection to taking responsibility for its product-related emissions suggests that it does not intend to answer the second question affirmatively. Shareholders seek confirmation about its position with regard to alignment with the Paris goal. Without an explicit response from the Company as to “if” it intends to become Paris aligned, and if so, “how,” shareholders might assume it is not. The Company’s Reports do not answer these important questions. The Proposal is therefore not implemented.

The specific information requested by the Proposal goes beyond a general concern about climate

21 [https://www.goldmansachs.com/insights/pages/re-imagining-big-oils.htm](https://www.goldmansachs.com/insights/pages/re-imagining-big-oils.htm)
change. Most oil and gas companies now have reports addressing climate change, the risk it poses to companies, a set of measures for reducing certain of the company’s greenhouse gas emissions, and various climate strategies, concerns, and rationales for taking or not taking specific actions. Shareholders filed the first Proposal asking for a carbon risk report in 2012 with Consol Energy. Exxon produced the world’s first carbon risk report in 2014 and has updated it over time to address shareholder concern. The ECS Reports are the outcome of shareholders carbon risk reporting Proposals. These carbon risk Proposals, and their requests for information, have provided an important forum to increase company and shareholder understanding of the climate risks facing companies and how they can act to reduce Company risk.

Over the past three years, as climate change impacts have increased dramatically, many shareowners have become concerned about continued company emissions that impact climate and create risk to shareholder portfolios, among other critical impacts. Shareholders have thus begun to ask the largest emitting companies, including oil and gas companies, to report whether they plan to reduce their carbon footprints in alignment with the Paris goal of maintaining global climate change well below 2 degrees Celsius, with a focus on not increasing global temperatures above 1.5 degrees Celsius.

Seeking information on company alignment with the Paris goal, across the spectrum of companies with the largest emissions, is a way for investors to focus attention on company emissions and thereby increase company climate ambition, with the potential of maintaining global temperature rise to the low end of the harm scale. Paris alignment as defined by shareholders, also creates a way to benchmark companies’ progress in reducing impacts to the global economy, including impacts to shareholders’ portfolios.

The request that companies should report on their alignment with the Paris goal is new, and made despite existing climate risk reporting such as that done by Exxon. Providing the information requested in this Proposal will enable investors to readily and comparably distinguish those companies that are in alignment with the global Paris goal from those that are not, informing their investment decisions.

The simple “if and how” formulation of the Proposal, which has been filed at a number of other oil and gas companies, represents a private ordering effort to assist shareowners throughout the economy in making informed choices about the companies in which they invest, and to help them to shape portfolio strategy in line with the Paris goal.

ANALYSIS
I. THE PROPOSAL IS NOT SUBSTANTIALLY IMPLEMENTED.

To demonstrate substantial implementation pursuant to Rule 14a-8(i)(10), a Company must demonstrate that its actions compare favorably with the guidelines and essential purpose of the Proposal. The Staff has noted that a determination that a company has substantially implemented a proposal depends upon whether a company’s particular policies, practices, and procedures compare favorably with the guidelines of the proposal. *Texaco, Inc.* (Mar. 28, 1991). Substantial implementation under Rule 14a-8(i)(10) requires a company’s actions to have satisfactorily addressed both the proposal’s guidelines and its essential objective. See, e.g., *Exelon Corp.* (Feb. 26, 2010). The purpose of 14a-8(i)(10), to avoid entertaining shareholder proposals addressing matters which have already been favorably acted upon by management, should be considered in conducting a substantial implementation analysis. The present Proposal does not constitute such an instance.

In the current instance, the Company has neither substantially fulfilled the guidelines nor the essential purpose of the Proposal, and therefore the Proposal cannot be excluded.

The Resolved clause requests that the Company describe if and how it plans to reduce its total contribution to climate change and align its operations and investments with the Paris goal. This requires a statement of intent to align, or not, with the Paris Agreement’s below two degree goal and a description of how the Company’s plans and policies are in alignment with that goal over the relevant time period. These elements are missing from the Company’s current disclosures. Because the Company does not answer the question posed by the Proposal, it cannot be said to have substantially implemented it.

The Company has failed to provide investors with meaningful information about its intent to align with the Paris goal -- or not. The “if” component is a yes or no question: does the Company intend to align or not? A hidden answer, a failure to respond, or burying the issue behind a veil of complexity, however, does not fulfill the proposal.

The Company could meet the objective of the Proposal with a simple and clear statement that it does not intend to align with the Paris goal. We hazard a guess, however, that Exxon does not want to be so clear with its shareowners and with the public. If the Company clearly declared an intention not to align with the Paris goal, it would stand in stark contrast to those peer oil and gas companies that have declared an intention to align their GHG emissions with the Paris goal, including for example, taking responsibility for Scope 3 product emissions; planning long term emission reductions in alignment with the net zero by 2050 goal; and/or disclosing their relevant reduction plans and actions.

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23 In fact, the Company actively rejects disclosing or taking responsibility for its enormous Scope 3 product emissions, stating that “Scope 3 emissions do not provide any meaningful insight into the Company’s emission-reduction performance and could be misleading.” In the Proposal’s Whereas clause, the Proposal describes how other companies have announced planned reductions of GHG emissions from products: Shell announced Scope 3 greenhouse gas intensity reduction ambitions and has decreased reserves life below the industry standard. Total has
If in implementing the Proposal, the Company has stated an intent to align, the Company should also have provided a clear plan to explain “how” it will do so.

The Company’s reporting here answers neither the “if” nor “how” components of the Proposal. The Company cites to no statement affirming or denying its intent. Nor does it offer a concrete plan outside of its current operational emissions reductions goals and its reference to technologies that might or might not economically scale or timely achieve necessary reductions. The fact that the Company provides information that addresses the broad subject matter of the Proposal (climate change), but obscures and avoids the central question of the proposal (if it intends to reduce its full GHG emissions in alignment with the Paris goal) cannot be said to have substantially implemented the Proposal.

The Company’s implicit argument is that because it has various greenhouse gas reduction policies in place, no matter how minor, it is therefore aligned with the Paris Agreement. The Company, however, confuses the general aim of the Paris Agreement (greenhouse gas reductions) with the actual Paris goal of delivering emissions reductions to maintain global temperatures well below 2 degree Celsius (i.e., 1.5 degrees). As noted in the Proposal, the IPCC has instructed that global emissions of carbon dioxide must reach net zero by 2050 to align with the Paris Agreement’s goal.

Despite the Company’s carbon risk report and recent Supplement, the Company’s Letter nowhere reports that the Company has an intent to align its climate footprint with the Paris goal of net zero by 2050, or that it does not intend to do so. Rather, the Company Letter relies on verbal jousting -- arguing that the disclosures demonstrate that it “supports the Paris Agreement,” is “committed to mitigating emissions,” is “taking action . . . to help address the risk of climate change,” and “contemplates a future energy mix that shifts toward lower carbon intensive fuels”.

These disclosures indicate, possibly, that the Company’s emissions are heading in a similar direction to the Paris goal -- but not that it intends to do so across its full GHG footprint or at the pace and scale of activity required to attain the goal.

Proponents submit that, in ordinary life, “generally committed to,” “contemplating,” “supporting,” or “shifting toward” an outcome is not equivalent to a commitment to accomplish it. Any person relying on such half measures when turning in a work assignment, filing a tax return, or paying a bill, would quickly learn that gestures in the general direction of what is needed will not suffice.

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invested substantially in renewable energy and storage. Equinor is diversifying into renewables. Orsted, previously an oil and gas company, sold its fossil fuel portfolio. Repsol announced a net zero by 2050 target and will write down billions in unaligned assets.

1 https://www.bloomberg.com/opinion/articles/2019-06-05/shell-spending-plans-show-oil-s-end-is-no-longer-talk
Where, as here, investors seek disclosure on a specific issue, the Company cannot point to directional commitments like ‘greenhouse gas emissions’, ‘carbon reductions’, ‘climate strategies’ to imply alignment with the Paris goal, or to avoid the question entirely.

The Proposal’s specific objective is particularly important to institutional investors with long term investment horizons, as well as their beneficiaries who rely on a stable economy to generate benefits; to universal investors whose portfolios are diversified across the economy and are benefitted by actions that ensure systemic stability and economic growth; and, finally, to investors who want to assure a stable and secure world, without catastrophic harms to people and planet. It is also a very different objective from that of the Company’s Report, which assesses its own climate risk and generally discusses why it will stay the course.

**Exxon’s Reporting**

Exxon has produced a 2019 Energy & Carbon Summary report, recently updated in 2020, that describes how the Company intends to meet the world’s growing demand for energy while reducing environmental impacts and the risks of climate change. The ECS refers to the Company’s energy outlook, describes scenario risk analysis, looks at signposts and sensitivities, addresses production issues, and outlines various metric and targets it has put in place to reduce greenhouse gas emissions from its operations. The Report addresses many important issues related to climate change and is useful to shareowners.

Exxon’s reports also cite to a sampler of actions it is taking including: “capturing and storing carbon”; “reducing flaring and methane emissions”; “developing products… to help consumers improve efficiency and reduce emissions”; “improving energy efficiency in operations”; “researching and testing advanced biofuels”; “using new industrial processes… to reduce emissions in refining and chemical manufacturing” and concludes that these are sufficient to meet the Proposal’s objective.

These various operational emissions reductions are only a small part of the Company’s full climate footprint, however, and the Company has disclaimed any goals or plans to substantially reduce the largest part of its total carbon footprint -- its product emissions.

Despite their comprehensiveness, the 2019 – 2020 ECM reports lack any statement of “if” the Company intends to align its total carbon footprint with the Paris goal, or not. The only colorable reference to alignment is when its report declares that the Company does “not believe a reduction of [fossil fuel] production by ExxonMobil to be an effective approach to aligning ExxonMobil’s business with the Paris Agreement or to furthering the goals of that agreement” (Supplement). But that statement begs the question of whether it is nonetheless intent on aligning with the Paris goal through wholesale reliance on other strategies such as carbon capture, offsets, diversification, or other measures.

The question at the core of the Proposal remains unaddressed: does the Company believe its strategy is “in alignment with the Paris goal”? 
A. The Company’s Disclosures Do not Describe if or whether the Company Plans to Reduce its Total Contribution to Climate Change in Alignment with the Paris goal.

Neither the arguments in the Company Letter, nor the information provided by the Company’s reporting, state a Company intent to do more than undertake some measures to reduce the greenhouse gas emissions of its direct operations and to develop other technologies that could be used to reduce its greenhouse gas emissions.

If future technology is to be the means by which alignment is to occur, the Company has not provided information indicating that its investments in low carbon technology are at, or likely to be viable or economical at, a scale and pace where they could help the Company meet the Paris net zero by 2050 goals even if it intended to do so. In fact, no meaningful quantification for overall future GHG reductions is provided by the Company.

The Company cannot effectively claim that its disclosure is responsive to the proposal based on its reporting of the proportionally minimal greenhouse gas reductions the Company’s methane, flaring, and intensity reduction goals will achieve. In fact, it is possible that the Company’s disclosures regarding these planned reductions will mislead investors who fail to understand their relative significance. On page 10 of the letter, the Company points to the various measures it is “committed to in mitigating emissions.” It does not, however, point out, either in the Letter or in its Reports, that these measures will not actually achieve reductions of 10%, 15%, or 25% of its total carbon footprint by the 2016 or 2023 timelines. Rather, by definition, the percentage reductions of those goals are applied only to operational emissions which constitute less than 30% of the Company’s total emissions. Thus, even the Company’s highest emission reduction goal would reduce only 30% of the 25% estimated total emissions that are operational – equal to less than approximately 7.5% of the Company’s total emissions.

If the Company were to claim that the answer to “if” is yes, then this raises the question whether the Company has calculated that its various other R&D technologies will make up for the other 92.5% of its emissions. Exxon’s Letter cites to research and development of “carbonate fuel cells; advanced biofuels including fuel derived from genetically engineering algae; carbon capture and storage; and energy efficient manufacturing” that may reduce product emissions in the future. But Exxon has disclosed no information to indicate that it has a program to scale these projects along the timelines necessary to align with Paris goals. Exxon states that its carbon

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24 A company’s carbon footprint accounts for the total greenhouse gases produced by a company inclusive of direct Scope 1 (operational emissions), indirect Scope 2 (energy use emissions), and Scope 3 (product & other indirect emissions). [https://ghgprotocol.org/scope-3-technical-calculation-guidance](https://ghgprotocol.org/scope-3-technical-calculation-guidance). If the Company were to fully eliminate its operational emissions, which is impracticable, approximately 75-80% or more of its carbon footprint would remain. [https://www.wri.org/resources/data-visualizations/upstream-emissions-percentage-overall-lifecycle-emissions](https://www.wri.org/resources/data-visualizations/upstream-emissions-percentage-overall-lifecycle-emissions) This full carbon footprint is the subject matter of this Proposal.

25 Here, since Exxon does not disclose its Scope 3 emissions in its Reports, shareholders are unsure what exact percentage operational emissions comprise of its total carbon footprint. 30% is a conservative estimate of such emissions.
capture utilization and storage projects are “capturing nearly 7 million tonnes of CO₂” and that “since 2000 ExxonMobil has eliminated or captured 400 million metric tonnes of CO₂.” But these numbers are a small percentage of the Company’s total GHG emissions, a point which ordinary shareowners might miss because the Company does not scale them against its own unreported scope 3 product emissions. From the Company’s Reports, it is impossible to conclude that these activities are being invested in or accomplished at a scale, pace, and level of ambition that will reduce the Company’s full carbon footprint in alignment with global goals of well below 2°C.

Exxon states that it believes that “society benefits when the most efficient operators lead energy development efforts” and that it does “not believe a reduction of production for ExxonMobil to be an effective approach to aligning ExxonMobil’s business with the Paris Agreement.” Exxon’s announced investments also demonstrate the Company is intending to expand oil and gas operations, further exacerbating its impact on the climate. Thus the question of “if it intends to align” are of profound importance for the Company and its investors.

The Letter also notes that the Company’s Outlook “considers the possible impacts of current and potential future public climate change policies, including the NDCs to the Paris Agreement.” While considering the possible risks of future climate change policies is important in mitigating company risk, it is an insufficient basis for reporting that the Company is aligning its total carbon footprint with the Paris goal as requested by the Proposal, or demonstrating how it would plan to do so.

The Charts provided in the Company and Supplemental Letters are equally uninformative as to the Company’s intent to align with the Paris goal or not. Nowhere does the referenced information provide the clarification or response to the two questions raised in the Proposal – does the Company intend to align its total carbon footprint with the Paris goal as defined in the Proposal and, if so, how?

We note that no company knows exactly how it will align in the long term, but a clear affirmative response to “if” and stated plans for “how” would be a desirable outcome. This would correspond to the commitments made by peer oil & gas companies – statement of intent to align, statement of total emissions, quantification of how emissions will be reduced through current goals, and how the Company broadly plans to reduce the remaining emissions at a scale and pace likely to achieve the long term component of the Paris goal.

Instead, when it comes to the fundamental questions raised by the proposal, the Company’s reporting is silent.

Exxon states that it “strongly disagrees” with designating its capital investments as “non-Paris aligned” arguing that there will be “need for additional oil and gas resources in a 2°C or lower future under the International Energy Agency’s Sustainability Development Scenario, as well as a number of other 2°C scenarios.” But as outlined in the proposal, the IPCC is clear that globally,
emissions need to eventually reduce to net-zero to stabilize at 1.5°C or 2°C. In the absence of commitments to offset the damage done by increasing greenhouse gases, Exxon’s plans and continued capital investments to expand its already carbon-intensive operations appear to put the Company further out of alignment with the Paris Agreement.

**B. The Company’s statements are misleading and not Paris-aligned**

Saliently, the recently issued 2020 ECS report has a section addressing the “Paris Agreement” and asks a series of questions purportedly related to the Paris Agreement. In each instance, however, the core question of the Proposal is never answered. Even repeatedly mentioning the Paris Agreement does not satisfy the Company’s need to respond to the core question of whether the Company intends to align its total climate contribution with the Paris goal.

Through multiple references to the Paris Agreement in the ECS reports, in the absence of a clear response to the core question of the Proposal, the Company’s complex reporting may obscure the fundamental challenge and even mislead some investors to believe that its plans are in alignment with the Paris goal. Some of the ways in which the Company’s reports are confusing or misleading are set forth below.

**Paris Agreement NDCs:** In the Supplement Letter, the Company states that the 2020 ECS details Company actions “to account for the Nationally Determined Contributions of the signatories to the Paris Agreement . . . in [its] business strategies and investment plans,” presumably suggesting that this indicates its own alignment with the Paris goal. However, the Nationally Determined Contributions cited by the Company do not dictate Company actions, and are out of sync with the Paris Agreement’s goal of stabilizing climate well below 2 degrees Celsius.26 If a Company intends to align with Nationally Determined Contributions, then its emissions reductions targets and efforts will fall far short of Paris goals and the greenhouse gas reductions deemed necessary by the science outlined by the IPCC for safe climate stabilization. The IPCC makes it abundantly clear that absolute emissions must fall approximately 50 percent by 2030 and reach net-zero by 2050 to achieve the Paris Agreement’s goals.27

ExxonMobil acknowledges this disconnect: “we recognize there are gaps between the policies called for under current NDCs and the ultimate Paris goals” (2020 ECS, page 24, emphasis added). But it does not go on to address whether it nevertheless intends to align with the Paris goals.28

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26 “…even if every country did manage to fulfil its individual pledge, the world would still be on pace to heat up well in excess of 2 degrees Celsius.” [https://www.nytimes.com/interactive/2018/12/07/climate/world-emissions-paris-goals-not-on-track.html](https://www.nytimes.com/interactive/2018/12/07/climate/world-emissions-paris-goals-not-on-track.html)

27 [https://www.ipcc.ch/sr15/chapter/spm/](https://www.ipcc.ch/sr15/chapter/spm/)

28 Similarly, in the Exxon Outlook the Company notes: “ExxonMobil bases its business strategies and investments on its *Outlook*, which assumes progress in technologies, infrastructure, and policies to meet the NDCs. These business strategies and investment plans are therefore aligned with the aggregate of the agreement’s national targets,” (2020 ECS, page 35). This statement does not change the fact that since the NDCs are not aligned with the Paris goal, neither is the Company’s policies aligned with the Paris goal.
2020 ECS: The 2020 ECS has a section titled: “How are ExxonMobil’s operations and investments aligned with the Paris Agreement?” This section offers no new information as to if and how the Company will align its operations and investments with the Paris goal. Similarly in the section entitled: “Has ExxonMobil set long-term emissions targets consistent with 2°C scenarios?” (2020 ECS, page 36-37), the Company discusses its short-term, operational targets to reduce methane 15% by 2020, flaring 25% by 2020, and Canada affiliate 10% intensity by 2023. ExxonMobil does not answer the question posed in the title of this section, but the title confusingly suggests the Company might have such targets. One obvious question is whether the two degree scenarios align with the Paris goal, the Company is silent as to that question.

The Company in its Supplement also states that it is “engaging in advocacy for policies such as a carbon tax to promote market solutions to reducing emissions.” While it is generally understood that a sufficiently high carbon tax would aid in curbing fossil fuel consumption and that policies to address the externalized impacts of fossil fuels would move attainment with the Paris goal forward, Exxon’s lobbying for future policies does not respond to the if and how of the Proposal.

The policy actions do not provide an affirmative nor negative response to the “if” of the proposal. They might inform the “how” if they accompanied much more concrete and extensive policies and actions that would affirmatively reduce the Company’s total carbon footprint at a scale and pace aligned with the Paris goal.

In sum, the Proposal is not excludable pursuant to Rule 14a-8(i)(10).

II. THE PROPOSAL DOES NOT CONTAIN FALSE OR MISLEADING INFORMATION

The Proposal is neither false nor misleading, despite the Company’s misdirected approach to Rule 14a-8(i)(3). The Company Letter makes a series of advocacy arguments that it might appropriately include in a statement in opposition to the Proposal that appears on the Company’s proxy. However, the arguments raised by the Company do not rise to the level of “objectively false and misleading” statements that merit Staff action to exclude them. The arguments made by the Company include assertions that the Proposal or Proponent has a hidden agenda, and that reducing the company’s development of oil and gas resources would not advance the goals of the Paris agreement, and other similar argumentation.

The Staff has long made it clear that it will not intervene in arguments that merely represent advocacy positions of the issuer or proponent rather than objectively false and misleading statements. In Staff Legal Bulletin 14B of September 15, 2004, where the Staff noted that the process of reviewing company no action letters had devolved to forcing the Staff to evaluate line-by-line company objections to the wording of proposals, the Staff stated:

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and or an entire proposal in reliance on rule 14a-
8(i)(3) in the following circumstances:

• the company objects to factual assertions because they are not supported;

• the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;

• the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and or

• the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.

There continue to be certain situations where we believe modification or exclusion may be consistent with our intended application of rule 14a-8(i)(3). . . . Specifically, reliance on rule 14a-8(i)(3) to exclude or modify a statement may be appropriate where:

• statements directly or indirectly impugn character, integrity, or personal reputation, or directly or indirectly make charges concerning improper, illegal, or immoral conduct or association, without factual foundation;

• the company demonstrates objectively that a factual statement is materially false or misleading;

. . . . As such, the staff will concur in the company’s reliance on rule 14a-8(i)(3) to exclude or modify a proposal or statement only where that company has demonstrated objectively that the proposal or statement is materially false or misleading. [emphasis added]

Applying this standard, it becomes clear that the Company Letter’s assertions fall into the “not excludable” categories of statements in which the Company is either objecting to factual assertions that, while not materially false or misleading, may be disputed or countered, or which may be interpreted by shareholders in a manner that is unfavorable to the Company.

i. The Proposal does not have an ulterior motive. The Company letter attempts to characterize the “real” agenda of the Proposal or Proponent, to claim that the proposal is misleading. The Company Letter speculates that the “actual intent and effect of the Proposal” is “for the Company to exit its current oil, gas, and petroleum product businesses in the near term. (Company Letter, p.3) The Company also attempts to integrate “other contexts outside the
Proposal” arguing that the Proponent advocates an approach sometimes referred to as “keep it in
the ground,” which envisions that the Company would effectively halt production from its
existing projects and not sell those assets to other producers. (Company Letter, p.3)

The Staff has long avoided attempting to interpret motivation of proposals beyond the specific
ask of the Proposal. Here, the Proposal asks the Company to articulate whether or not it intends
to align with the Paris Agreement’s two degree goal and, if so, how. The Company might state
that it does not intend to align with the Paris goal as defined by the Proposal. Alternatively, the
Company may answer the Proposal in a variety of ways which would not require exiting its
current oil, gas, and petroleum product businesses. Nothing in the Proposal even suggests that
Paris alignment, however achieved, would need to occur in the short term. Alignment with the
Paris goal can occur in any number of ways, allowing some oil and gas to continue to be
produced over time. It could answer that it will align by reducing operational emissions and
buying offsets where it can reduce no further, as Repsol has proposed. The Company may say
that it is going to align with the Paris goal, but delay action until later. Any of these responses
would satisfy the Proponent and enable investors to benchmark the Company against peers. The
amount of reduction in oil and gas production, if any, is up to the Company.

While many shareholders believe that the oil and gas industry needs to phase down production of
fossil fuels, there are, as noted in the discussion above, multiple pathways through which the
company could achieve “alignment” under the terms of the proposal. There is no “hidden
agenda” of the proposal. The motives of the proponent in filing a proposal have never been, and
never should be, part of the Staff’s consideration other than when considering an objection based
on Rule 14a-8(i)(4) (personal grievance).29

ii. The Proposal does not mislead shareholders about its impact on the global success in
reaching the Paris goal. The Company Letter also asserts that it is misleading for the Proposal to
suggest that the Company’s decision to reduce oil and gas exploration and development would
affect whether or not the world reaches the Paris climate goals. The Company argues that
reducing its oil and gas resources would only increase greenhouse gas emissions as other, less
efficient companies stepped into their shoes. The Company declares that the Proposal should be
struck because it asks shareholders to vote “on a fundamental misconception and false and
misleading premise.” (Company Letter, p.3)

With this argument, the Company is not only mischaracterizing the Proposal, but arguing its own
positions and beliefs about whether reducing its oil and gas production would or would not
reduce global emissions. The Proposal asks Exxon to discuss whether it plans to reduce its total
carbon footprint and align its operations with the Paris goal. The Proposal correctly states that
Exxon is one of the largest contributors to climate change and that its investment choices matter.
The Proposal clearly supports aligning Exxon’s emissions with the Paris goal and it does ask
Exxon to assess the relative benefits and drawbacks of reducing non-Paris aligned capital
investments in oil and/or gas resource development. But nowhere does the Proposal require that

29 The Company has not asserted, and would not be correct, in claiming a “personal grievance” in this instance.
its GHG reductions be exclusively or even partly through oil and gas production and development reduction. The Company has a range of options available to become Paris aligned; how it Plans to do so will dictate the final impact on climate.

Certainly, the Proposal does not claim that Exxon’s GHG reductions alone will affect whether the world reaches the Paris climate goal. Shareowners have asked most oil majors to declare whether they intend to align with the Paris goal. Many companies have stated that they intend to do so and have outlined a range of plans and/or actions that will increase their alignment with Paris goals. The combined effect of decreased emissions can generally be expected to be a reduction in climate impacts. How much or how little emissions reduction each company might cause is not predicted by the Proposal.

That Exxon believes that the world may have even greater emissions if it lowers its production of oil and gas is clear. This prediction, however, is not sufficient to exclude the Proposal.

The Company’s perspective on whether reducing oil and gas supply will bring the world into alignment with the Paris goals represents an advocacy position that the Company is free to assume. But it is not the only perspective on the matter, further demonstrating that there is no basis for exclusion under Rule 14a-8(I)(3). Economists have demonstrated that restrictive supply-side (RSS) climate policies have unique economic and political benefits, and deserve a place alongside carbon prices and renewable energy supports in the climate policy toolkit.30 One article stated: “Fossil fuel supply and climate policy: exploring the road less taken,” offers similar analysis, and adds that “[p]olicies that focus on the supply-side may offer important opportunities to enhance the pace, effectiveness, and efficiency of the low-carbon energy transition.”31 Recognizing the shortcomings of decades of effort to achieve carbon reductions through energy efficiency, low-carbon technology, carbon pricing, and other measures aimed at reducing demand, policy-makers, researchers and activists have begun to look at the supply side of the fossil fuel economy – and the potential for supply-side measures to complement demand-side climate policies.

Exxon’s position with regard to the harms or lack of benefits of reducing its oil and gas exploration and production are not necessarily true. The Company is free to assert this perspective in an opposition statement, but it has not met its burden for the Proposal to be excluded pursuant to 14a-8(i)(3).

III. THE PROPOSAL DOES NOT MICROMANAGE.

A. The Proposal addresses a significant policy issue that transcends ordinary business.

The Proposal is not excludable under Rule 14a-8(i)(7) because it directly and solely focuses on a significant policy issue facing the Company and the economy: climate change. The Proposal moreover focuses on an essential aspect of this issue for shareholders – whether the Company

plans to reduce its investments and loans in projects that maintain or increase global greenhouse gas emissions. The Company attempts to portray the Proposal as “mandating specific actions” or “prescrib[ing] specific methods by which the Company should achieve the objectives” of reducing its contribution to climate change and aligning with the Paris goal. Company Letter, page 6. This is a misrepresentation of the Proposal which, as described below, in fact appropriately preserves Board discretion and flexibility. As the Proposal focuses upon this significant policy issue, and does not specify the manner in which the Company should address the policy issue, the Proposal is not excludable on the basis of Rule 14a-8(i)(7).

It is well settled in Staff determinations that proposals addressing the subject matter of climate change fall within a significant policy issue that transcends ordinary business. Numerous prior Staff decisions at energy companies have made it clear that the kind of analysis sought in the Proposal is appropriate and not excludable based on the doctrine of micromanagement — the Staff has previously concluded that a wide array of shareholder interventions at energy companies, asking them to explain their alignment with global climate goals, were not excludable as ordinary business or as micromanaging.

For example, in Chevron Corporation (March 28, 2018) the Staff did not allow the Company to exclude a proposal that requested a report describing how the Company could adapt its business model to align with a decarbonizing economy by altering its energy mix to substantially reduce dependence on fossil fuels, including options such as buying, or merging with, companies with assets or technologies in renewable energy, and/or internally expanding its own renewable energy portfolio, as a means to reduce societal greenhouse gas emissions and protect shareholder value. Similarly, in Entergy Corporation (March 14, 2018) the non-excludable proposal asked the company to prepare a report describing how the Company could adapt its enterprise-wide business model to significantly increase deployment of distributed-scale non-carbon-emitting electricity resources as a means of reducing greenhouse gas emissions consistent with limiting global warming to no more than 2 degrees Celsius over pre-industrial levels. Other examples include Hess Corporation (February 29, 2016) the proposal requested that the company prepare and publish a report disclosing the financial risks to the company of stranded assets related to climate change and associated demand reductions, and Exxon Mobil Corporation (March 12, 2007)(proposal asking board to adopt policy significantly increasing renewable energy sourcing globally not excludable as ordinary business).

These examples follow a wide array of other climate related decisions by the Staff, finding a significant policy issue and denying exclusion on climate proposals. See, e.g., DTE Energy Company (January 26, 2015), J.B. Hunt Transport Services, Inc. (January 12, 2015), FirstEnergy Corp. (March 4, 2015)(proposals not excludable as ordinary business because they focused on reducing GHG and did not seek to micromanage the company); Dominion Resources (February 27, 2014), Devon Energy Corp. (March 19, 2014), PNC Financial Services Group, Inc. (February 13, 2013), Goldman Sachs Group, Inc. (February 7, 2011)(proposals not excludable as ordinary business because they focused on significant policy issue of climate change); NRG Inc. (March 12, 2009)(proposal seeking carbon principles report not excludable as ordinary business); General Electric Co. (January 31, 2007)(proposal asking board to prepare a global warming
report not excludable as ordinary business). Moreover, Staff Legal Bulletin 14H has made it clear that if a proposal addresses in its entirety a significant policy issue like climate change, it can certainly request information about “nitty-gritty” business matters that are directly related to that subject matter.\footnote{Staff Legal Bulletin No. 14H (October 2015), section C. Rule 14a-8(i)(7)}

The Company incorrectly characterizes the issues raised in the Proposal here as ordinary business and asserts that the request would impermissibly interfere with core matters involving the Company’s complex operational and business decisions. This argument holds no water. The Staff has made the standard for evaluating the relationship between a “subject matter” such as climate change, and business matters very clear.\footnote{See, Staff Legal Bulletin 14E, Oct. 27, 2009. “On a going-forward basis, rather than focusing on whether a proposal and supporting statement relate to the company engaging in an evaluation of risk, we will instead focus on the subject matter to which the risk pertains or that gives rise to the risk. The fact that a proposal would require an evaluation of risk will not be dispositive of whether the proposal may be excluded under Rule 14a-8(i)(7). Instead, similar to the way in which we analyze proposals asking for the preparation of a report, the formation of a committee or the inclusion of disclosure in a Commission-prescribed document — where we look to the underlying subject matter of the report, committee or disclosure to determine whether the proposal relates to ordinary business — we will consider whether the underlying subject matter of the risk evaluation involves a matter of ordinary business to the company. In those cases in which a proposal's underlying subject matter transcends the day-to-day business matters of the company and raises policy issues so significant that it would be appropriate for a shareholder vote, the proposal generally will not be excludable under Rule 14a-8(i)(7) as long as a sufficient nexus exists between the nature of the proposal and the company. Conversely, in those cases in which a proposal's underlying subject matter involves an ordinary business matter to the company, the proposal generally will be excludable under Rule 14a-8(i)(7). In determining whether the subject matter raises significant policy issues and has a sufficient nexus to the company, as described above, we will apply the same standards that we apply to other types of proposals under Rule 14a-8(i)(7).”} A proposal which is squarely focused on a significant policy issue, and for which there is a clear nexus to the Company, will not be found to be excludable under Rule 14a-8(i)(7).

Further, Staff Legal Bulletin 14 H has made it clear that if a proposal addresses in its entirety a significant policy issue like climate change, it can certainly request information about “nitty-gritty” business matters that are directly related, such as strategic financial and investment decisions, etc. Indeed, any proposal addressing a complex policy issue like climate change necessarily must delve into such issues if it is to be meaningful to the company and its investors.

**B. The Proposal does not micromanage.**

The Company Letter claims that the proposal micromanages and therefore is excludable under Rule 14a-8(i)(7). The Staff in recent years has clarified its interpretation of micromanagement. Notably, Staff Legal Bulletin 14 I (November 1, 2017) made clear that a proposal with a proper subject matter – a topic that transcends ordinary business – may or may not micromanage,
depending on the manner in which it addresses the topic.

Staff Legal Bulletin 14 K (October 16, 2019) (SLB 14K) provides examples of climate change proposals which would and would not be excludable as micromanagement. The Proponent was guided by these examples in drafting the current proposal. As the bulletin states:

For example, this past season we agreed that a proposal seeking annual reporting on “short-, medium- and long-term greenhouse gas targets aligned with the greenhouse gas reduction goals established by the Paris Climate Agreement to keep the increase in global average temperature to well below 2 degrees Celsius and to pursue efforts to limit the increase to 1.5 degrees Celsius” was excludable on the basis of micromanagement. [Devon Energy Corp. (Mar. 4, 2019)] In our view, the proposal micromanaged the company by prescribing the method for addressing reduction of greenhouse gas emissions. We viewed the proposal as effectively requiring the adoption of time-bound targets (short, medium and long) that the company would measure itself against and changes in operations to meet those goals, thereby imposing a specific method for implementing a complex policy.

In contrast, we did not concur with the excludability of a proposal seeking a report “describing if, and how, [a company] plans to reduce its total contribution to climate change and align its operations and investments with the Paris [Climate] Agreement’s goal of maintaining global temperatures well below 2 degrees Celsius.” The proposal was not excludable because the proposal transcended ordinary business matters and did not seek to micromanage the company to such a degree that exclusion would be appropriate. [Anadarko Petroleum Corp. (Mar. 4, 2019)] In our view, the proposal did not seek to micromanage the company because it deferred to management’s discretion to consider if and how the company plans to reduce its carbon footprint and asked the company to consider the relative benefits and drawbacks of several actions.

Explaining the distinction on a principled basis, the bulletin explained that the distinction between micromanaging and non-micromanaging proposals is:

…. based on our assessment of the level of prescriptiveness of the proposal. **When a proposal prescribes specific actions that the company’s management or the board must undertake without affording them sufficient flexibility or discretion in addressing the complex matter presented by the proposal, the proposal may micromanage the company to such a degree that exclusion of the proposal would be warranted.** [emphasis added]

The bulletin was a key reference for the Proponent in drafting the Proposal, especially in consideration of the several proposals in 2018 and 2019 that were allowed to be omitted as micromanagement pursuant to the new Staff approach. Heeding the clarifications in SLB 14 K, and consistent with Staff guidance and examples, the central request of the Proposal is built around the “if and how” language of the Anadarko proposal. The Proposal asks Exxon Mobil to
issue a report outlining *if and how* it intends to reduce the GHG emissions associated with its company in alignment with the Paris Agreement’s goal.

Hewing to the Staff’s caution about not binding the board or management inconsistent with their fiduciary duty, the Proposal does not oblige the Company to take any specific action or dictate any particular outcome. Rather, based on the “if” of the Proposal, the Company can report that it does not intend to reduce emissions associated with its activities in alignment with the Paris Agreement.

The Company Letter recognizes (Page 7) that the proposal is written in the form that the Staff has previously found not to micromanage:

The resolution of the Proposal asks the Company to describe “if, and how,” it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement, and frames the report in the context of asking for “relative benefits and drawbacks,” both of which we recognize are consistent with a particular example of a proposal that SLB 14K deemed not to be micromanagement. However, as SLB 14K also noted, the Proposal will be read in its entirety in determining its “underlying concern or central purpose.”

SLB 14K notes that, where “the supporting statement modifies or re-focuses the intent of the resolved clause, or effectively requires some action in order to achieve its central purpose as set forth in the resolved clause,” then the Proposal may seek to micromanage the Company, by supplanting the judgement of management and the board and failing to afford them sufficient flexibility or discretion in addressing the complex matter presented by the Proposal. (Company letter page 7)

The Company Letter then interprets the Proposal as nevertheless micromanaging the company’s operations. In order to do so it contorts the language of the proposal to “prescribe[] the specific methods by which the Company should achieve the objectives of (a) reducing its contribution to climate change and (b) aligning with the goals of the Paris Agreement *by mandating that the Company*” undertake the listed actions. It goes on to state:

The resolution in the Proposal that states that the Company should be able to determine “if” the Company plans to reduce its contribution to climate change is completely usurped by the request for the Company to take the above-listed actions. [Emphasis added]

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The Proposal takes specific, detailed decision-making out of the hands of management to assess and prescribes the specific strategies, methods, and actions the Company must take.
In order to make these arguments true, the Company necessarily omits the actual language of the Supporting Statement stating that “Shareholders seek information, at board and management discretion, on the relative benefits and drawbacks of integrating the following actions.” (emphasis added). The actual Supporting Statement is as follows:

**Supporting Statement:** Shareholders seek information, at board and management discretion, on the relative benefits and drawbacks of integrating the following actions:

- Disclosing Scope 3 product emissions;
- Adopting greenhouse gas emission reduction targets for the company’s full carbon footprint, inclusive of product-related emissions;
- Reducing non-Paris aligned capital investments in oil and/or gas resource development;
- Investing at scale in low carbon energy or other reduction measures.

The Company further argues that “Meeting the goals of the Paris Agreement is a central component of the subject matter in the resolution, and the supporting statement prescribes the strategy, method and outcome for addressing reduction of greenhouse gas that the Company would measure itself against and make changes to its operations to meet those goals.”

Clearly, the supporting statement does not prescribe or mandate that the company undertake any of the listed activities. In the context of preparing a report on “if and how” the Company will align with the Paris goal, the list represents information that the proponent would like to see, in the discretion of the board and management, developed in the report. The first two are indicia of “if” the Company is undertaking the request and the second two bullets provide measures of “how” the Company might be proceeding. This information request is a far cry from a mandate that the Company adopt any of these measures. Moreover, the Proposal mirrors the requests made in the Anadarko proposal, which was found not to micromanage and which stated in its resolved clause and supporting statement:

**BE IT RESOLVED:** Shareholders request that Anadarko issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal of maintaining global temperatures well below 2 degrees Celsius.

**SUPPORTING STATEMENT:** In the report shareholders seek information, among other issues at board and management discretion, on the relative benefits and drawbacks of integrating the following actions:

- Adopting overall greenhouse gas emission reduction targets for the company’s full carbon footprint, inclusive of operational and product-related emissions
• Reducing capital investments in oil and/or gas resource development
• Investing in renewable energy resources

There is no good basis for distinguishing the current proposal from the Anadarko proposal that was found not to micromanage and the Company doesn’t offer a basis for differentiating them. Rather, as was the case in Anadarko, the disclosure request is made subject to “board and management discretion.” The Company may use its discretion to report on these issues or not. The use of the phrase “any” recognizes that the Company may or may not be measuring and disclosing its carbon footprint. The Company is also asked “whether” the bank is “considering” setting targets to reduce the carbon footprint of its lending activities, and on what timeline. Each of the disclosure requests are intentionally framed in a manner that can be answered based on what the Company is already doing. This is not dictating or imposing specific methods, or significantly impacting day-to-day activity. Nonetheless, the requests are important in creating transparency for investors about what the Company is doing, if anything, or what it plans to do in the future with regard to these issues.

Moreover, we caution that the Company Letter’s approach would extend micromanagement prohibition to such a degree that that shareowner proposals would become meaningless. Shareholders have recently have been prohibited in SEC guidance and no action rulings from asking oil and gas companies – some of the most significant climate polluters -- to consider specific actions related to climate change. Under the Company’s arguments here, shareowners would further not be allowed to ask companies for reporting on any specific issues of concern related to climate change without having such requests considered to be disguised action requests. The proponents and many other investors believe that climate change is the defining issue of our time, determinant of whether individual companies and the entire economy will thrive -- or endure catastrophic impacts. An unduly restrictive application of the micromanagement principle, as advanced by the Company Letter, will impair the ability of shareowners to effectively raise and discuss with the Company, board, and other shareholders, any specific concern about the Company’s response to the material issue of climate change and the short window of time for action.

**Contrasting with prior micromanagement exclusions**

The Proposal stands in contrast to the cited proposals of recent exclusions based on micromanagement. For example, the Company cites *EOG Resources, Inc.* (Feb. 26, 2018) (recon. denied Mar. 12, 2018), which affirmatively sought targets for reducing greenhouse gas (GHG) emissions and a report discussing the company’s plans and progress towards achieving those targets. Also *Apple Inc.* (Dec. 5, 2016), in which Staff agreed with the exclusion of a proposal requesting that the company’s board of directors “generate a feasible plan ... to reach a net-zero GHG emission status by the year 2030.” Similarly, in *Verizon Comms. Inc.* (Mar. 6, 2018), the proposal requested a report evaluating the feasibility of the company achieving by 2030 “net-zero” emissions of greenhouse gases. It sought evaluation of a particular action on a particular timeline. The current proposal does not do so, as it leaves flexibility with the Company to determine *if and how* it will develop a plan for alignment with
the Paris goal.

CONCLUSION

Based on the foregoing, we believe it is clear that the Company has provided no basis for the conclusion that the Proposal is excludable from the 2020 proxy statement pursuant to Rule 14a-8. As such, we respectfully request that the Staff inform the company that it is denying the no action letter request. If you have any questions, please contact me at 413 549-7333 or sanfordlewis@strategiccounsel.net.

Sincerely,

Sanford Lewis

cc:
James E Parsons
Danielle Fugere
Via electronic mail
February 19, 2020

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Exxon Mobil Corporation Stockholder
Proposal of Andy Behar et al.
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

Andy Behar (the “Proponent”) is beneficial owner of common stock of Exxon Mobil Corporation (the “Company”) and has submitted a shareholder proposal (the “Proposal”) to the Company together with numerous co-filers.¹ I have been asked by the Proponents to respond to the letter dated January 17, 2020 ("Letter") and supplement letter (“Supplement”) dated February 5, 2020 sent to the Securities and Exchange Commission by James E. Parsons. In that letter and supplement, the Company contends that the Proposal may be excluded from the Company’s 2020 proxy statement.

I have reviewed the Proposal, as well as the letter sent by the Company, and based upon the foregoing, as well as the relevant rules, it is my opinion that the Proposal must be included in the Company’s 2020 proxy materials and that it is not excludable under Rule 14a-8. A copy of this letter is being emailed concurrently to James E. Parsons.

SUMMARY

The Proposal asks the Company to issue a report describing “if and how” it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal of maintaining global temperatures well below 2 degrees Celsius (“Paris goal). The supporting statement seeks information, at board and management discretion, on the relative benefits and drawbacks of disclosing Scope 3 product emissions, adopting greenhouse gas reduction targets for the Company’s full carbon footprint including product-related emissions, reducing capital investments in fossil fuel development that are non-Paris aligned, and investing in renewable energy resources or other carbon reduction measures.

¹ Co-filers include Anna Marie Lyles, Musy Enlightenment Trust U/A DTD 10/30/2008, Church Commissioners for England, Benedictine Sisters Boerne, Texas, Benedictine Sisters of Baltimore, Benedictine Sisters of Virginia, Congregation des Soeurs des Saints Noms de Jesus et de Mary, Follow This, Illinois Bright Start College Savings Trust, Maryknoll Sisters, Presbyterian Church USA, Robeco, School Sisters of Notre Dame Central Providence Pacific, Sisters of Providence, Mother Joseph Province, Sisters of St. Francis of Philadelphia, Sisters of the Holy Names of Jesus and Mary, Trinity Health, and U.S.-Ontario Province Corporation.
Substantial implementation Rule 14a-8(i)(10) - The essential objective of the Proposal is to understand “if, and how,” Exxon plans to align its total carbon emissions with the Paris Agreement’s goal of maintaining global temperatures well below 2 degrees Celsius (Paris Goal). The Company Letter asserts that the Proposal is substantially implemented by the Company’s existing disclosures.

Both the essential purpose and the guidelines of the Proposal are clearly delineated by the Resolved clause of the proposal which asks the Company to report “if and how” the Company plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees Celsius. While the Company need not fulfill every detail of the guidelines, the Company has the burden of demonstrating that the Proposal’s essential objective is met and the burden of demonstrating the availability of any exemptions. See 17 C.F.R. § 240.14a-8(g).

In this instance, the Company’s existing reporting neither meets nor approximates the essential purpose or guidelines of the proposal. Its existing disclosures obfuscate rather than answer the core question of the proposal. The question of “if” the Company plans to align with the Paris goal can be answered by a simple: “yes” or “no” from the Company. If the Company answers no because it does not intend to align, the Proposal is satisfied. If it answers yes, to satisfy the objective of the Proposal, the Company would need to disclose “how” it plans to achieve alignment with the Paris goal. Instead, the Company’s existing disclosure involves discussion of a series of measures that will move the Company in the direction of overall emissions reductions, but describes no intent, commitment, documentation, or plan outlining how these measures will reduce its total greenhouse gas emissions at the scale and pace necessitated by the Paris goal.

False and misleading Rule 14a-8(i)(3) - The Company Letter implies that the Proposal is asking the Company to do something other than issue the report described in the proposal (Answer: It is not). Shareholders concerned about climate change seek a clear answer from the Company as to “if” and “how” it intends to become Paris aligned. Many peer oil and gas companies are beginning to announce an intent to align with the Paris goal and to disclose the targets and plans to achieve such alignment. A report from Exxon as to whether it is keeping up with its peers is important information to shareholders in benchmarking companies and making informed investment decisions. Secondly, the Company argues that it is false and misleading for Proponent to suggest that reducing oil and gas production could be an element of a Paris-aligned reduction strategy. Reasonable parties might differ on whether the Company reducing its oil and gas production will promote the goal of the Paris Agreement, but the concept is not false and misleading on its face.

In both instances, the Company can more appropriately raise such issues in an opposition statement that accompanies the Proposal on the proxy. Neither is the kind of “objectively false”

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2 The resolved clause states: Shareholders request that ExxonMobil issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees Celsius.
information where Staff finds proposals excludable, consistent with Staff Legal Bulletin 14 B.

**Micromanagement Rule 14a-8(i)(7)** - The Company Letter asserts that the Proposal micromanages within the meaning of recent Staff guidance. However, the proposal rigorously seeks disclosures from the Company, not specific action. Requests for disclosure do not micromanage a company and are described as an appropriate approach under Staff Legal Bulletin 14 K. *Anadarko Petroleum Corp.* (Mar. 4, 2019)

**THE PROPOSAL**

**Resolved:** Shareholders request that ExxonMobil issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees Celsius.

**Supporting Statement:** Shareholders seek information, at board and management discretion, on the relative benefits and drawbacks of integrating the following actions:

- Disclosing Scope 3 product emissions;
- Adopting greenhouse gas emission reduction targets for the company's full carbon footprint, inclusive of product-related emissions;
- Reducing non-Paris aligned capital investments in oil and/or gas resource development;
- Investing at scale in low carbon energy or other reduction measures.

**Whereas:** The Intergovernmental Panel on Climate Change warns that global warming above 1.5 degrees Celsius will create catastrophic impacts. Specifically, it instructs that global emissions of carbon dioxide must reach "net zero" by 2050. If warming is kept to 1.5 degrees Celsius versus 2 degrees, studies point to estimated savings of $20 trillion to the global economy by 2100.

The energy industry is one of the largest contributors to climate change and ExxonMobil is the fourth largest global emitter in the sector. ExxonMobil’s investment choices matter. Every dollar invested in fossil fuel resources increases risk to the economy and investor portfolios.

Investors recognize this growing risk. Norway’s sovereign wealth fund announced divestment from oil and gas exploration and production companies. The European Investment Bank and the World Bank announced they will cease funding fossil fuel projects. Other investors are seeking Paris Alignment from large emitters. Criteria for alignment include: disclosure of Scope 1 through 3 emissions; adoption of a net zero by 2050 or equivalent target; a business plan for

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5 [https://climateaction100.wordpress.com/faq/](https://climateaction100.wordpress.com/faq/)
becoming Paris Aligned; and a declining carbon footprint.⁶

Peer companies are taking steps to align with Paris goals. Shell announced Scope 3 greenhouse gas intensity reduction ambitions⁷ and has decreased reserves life below the industry standard.⁸ Total has invested substantially in renewable energy and storage. Equinor rebranded itself from ‘StatOil’ and is diversifying into renewables. Orsted, previously a Danish oil and gas company, sold its fossil fuel portfolio. Repsol announced a net zero by 2050 target.⁹

In contrast, ExxonMobil does not report Scope 3 product emissions. Its greenhouse gas reduction goals are short term, limited to certain operations, and do not address Scope 3 emissions. Exxon has no long term business plan to align operations with Paris 1.5 degree goals, instead announcing plans for substantial growth in its reserves base, including carbon intensive oil sands.¹⁰ A recent Carbon Tracker analysis finds that 55 percent of Exxon’s production to 2040 is outside Paris’ below 2 degree objective.¹¹ The Transition Pathway Initiative also indicates Exxon’s carbon intensity trajectory is far above Paris goals.¹²

Investors seek information to address these concerns.

**BACKGROUND**

In October 2018, the Intergovernmental Panel on Climate Change (IPCC) released a report reassessing the trajectory of global warming and instructing that **global emissions of carbon dioxide must reach "net zero" by 2050 to maintain warming at 1.5 degrees.** It further described the large difference in damage to habitability of the earth caused by relative increases of temperature between 1.5°C and 2°C. Maintaining warming under 1.5°C rather than 2°C is predicted to avoid an estimated $30 trillion in global damages.¹³

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144e35d275/climate-change-submission-royal-dutch-shell-final-31.pdf, C4.1b
¹¹ https://www.carbontracker.org/reports/balancing-the-budget/
¹³ https://www.nature.com/articles/s41586-018-0071-9.epdf?referrer_access_token=5FOtF_6T_JgTTW8pinTKQ99rgN0jAjWe19jnR3ZoTv0OskypFEzLGi1pAcPpJpRUA7GQ5xLl7P_Fk7egACrc69rHFDmeM6POQVhM0s1HbEajGu9Yyh-cFM3MRh92s-l4s46OQLTJapLjDvZf9QKGWA8erEPxeWaoCyd4qakvcPBnCe54Z8P42aBjGNczzAbv5yke0J5kD-SmaMHFX5BlDaElSDp99o9n2q t7mKL6bo-
As a result of rising global temperatures, the world is experiencing unprecedented and extreme weather events and disruptions. These events are predicted to occur with even greater frequency and impact as the world warms. Capital markets have begun to register this climate change crisis. Some of the largest and most influential actors in finance are mobilizing around the need to better assess the risks that climate change pose to the global economy and investor portfolios. BlackRock, the world’s largest asset manager, with over $7 trillion in assets under management, recently issued a report in which CEO Larry Fink stated “the evidence on climate risk is compelling investors to reassess core assumptions about modern finance.”

In early 2020, the Church of England and FSTE Russell created an index that includes companies working to align greenhouse gas emissions with the Paris Agreement and bars companies that are not. The Net-Zero Asset Owner Alliance, with nearly $4 trillion in assets under management, aims to align its portfolio with a below 2 degree scenario. At the end of 2019, 33 banks with $13 trillion in assets signed the U.N. Principles for Responsible Banking committing to align business with the Paris Agreement, an outcome that will affect oil and gas companies’ access to capital, while a nearly $40 billion pension fund -- Brunel Pension Partnership -- stated plans to vote against board members or divest from firms that are not aligning with the Paris Agreement.

The CA100+, a group made up of investors with more than $39 trillion in assets under management, is asking the 100+ largest greenhouse gas emitting companies (including Exxon) to reduce their greenhouse gas emissions in line with the Paris goal, among other requirements.

Another key investor initiative seeking disclosures and actions similar to the proposal is the Transition Pathway Initiative (TPI), a global initiative led by asset owners and supported by asset managers. Established in January 2017, TPI investors now collectively represent over $9.3 trillion of assets under management. On an annual basis, TPI assesses how companies are preparing for the transition to a low-carbon economy and quantitatively benchmarks companies’ carbon emissions against the international targets and national pledges made as part of the Paris Agreement. As noted in the proposal, TPI’s latest report indicates that Exxon’s carbon intensity trajectory is far above Paris goals. Thus, the Proposal seeks to find out if and how the company intends to come into alignment.

Exxon Strategy & Reporting

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https://www.unepfi.org/net-zero-alliance/
FAQ http://www.climateaction100.org/

Oil and gas companies are major contributors to global warming. Reducing their carbon footprints in line with the Paris goal of stabilizing global temperatures well below 2°C will require substantial changes in their business model, a process that requires long planning horizons and implementation timelines.

The October 2018 Goldman Sachs Group report “Re-Imagining Big Oils”\(^\text{21}\) noted that for oil companies, Scope 3 GHG emissions (product-related emissions) constitute approximately 86% of total emissions. The Goldman Sachs Group identified possible pathways for Paris alignment, including adjusting the companies’ investment and product mix, to result in consistency with the Paris Agreement’s 2°C scenario, and to allow even the largest oil companies to transition to being “Big Energy” companies.

As noted in the Proposal, some leading oil and gas companies have already announced policies to reduce their climate footprints and to begin aligning with the Paris goal in various ways, including setting full scope 1 through 3 emissions goals, setting product carbon intensity reduction targets, investing in solar and/or wind energy, and selling or writing down oil and gas assets. These actions were set in motion in part by shareholder engagements and proposals. Having set the bar for oil and gas company alignment with the Paris goal, shareholders now seek to benchmark other large emitting oil and gas companies’ progress in reducing emissions in line with the Paris goal, thereby decreasing risk to companies and to the climate.

In the face of global climate change and the Paris Climate Agreement, two major strategic questions face every company that is deeply invested in fossil fuels:

1. What are the risks to the company associated with remaining on the current path of product and development efforts?

2. Whether to take responsibility for reducing the company’s climate footprint at the scale and pace necessary to reach global goals to contain the increase in warming?

To date, Exxon has focused on discussing the first question in its ECS reports through a host of actions including risk reduction scenarios, strategic assessments of demand, alignment with NDC policies, R&D investments, and limited operational emissions reductions. That the Company reports an objection to taking responsibility for its product-related emissions suggests that it does not intend to answer the second question affirmatively. Shareholders seek confirmation about its position with regard to alignment with the Paris goal. Without an explicit response from the Company as to “if” it intends to become Paris aligned, and if so, “how,” shareholders might assume it is not. The Company’s Reports do not answer these important questions. The Proposal is therefore not implemented.

The specific information requested by the Proposal goes beyond a general concern about climate

\(^{21}\) https://www.goldmansachs.com/insights/pages/re-imaging-big-oils.htm
change. Most oil and gas companies now have reports addressing climate change, the risk it poses to companies, a set of measures for reducing certain of the company’s greenhouse gas emissions, and various climate strategies, concerns, and rationales for taking or not taking specific actions. Shareholders filed the first Proposal asking for a carbon risk report in 2012 with Consol Energy. Exxon produced the world’s first carbon risk report in 2014 and has updated it over time to address shareholder concern. The ECS Reports are the outcome of shareholders carbon risk reporting Proposals. These carbon risk Proposals, and their requests for information, have provided an important forum to increase company and shareholder understanding of the climate risks facing companies and how they can act to reduce Company risk.

Over the past three years, as climate change impacts have increased dramatically, many shareholders have become concerned about continued company emissions that impact climate and create risk to shareholder portfolios, among other critical impacts. Shareholders have thus begun to ask the largest emitting companies, including oil and gas companies, to report whether they plan to reduce their carbon footprints in alignment with the Paris goal of maintaining global climate change well below 2 degrees Celsius, with a focus on not increasing global temperatures above 1.5 degrees Celsius.

Seeking information on company alignment with the Paris goal, across the spectrum of companies with the largest emissions, is a way for investors to focus attention on company emissions and thereby increase company climate ambition, with the potential of maintaining global temperature rise to the low end of the harm scale. Paris alignment as defined by shareholders, also creates a way to benchmark companies’ progress in reducing impacts to the global economy, including impacts to shareholders’ portfolios.

The request that companies should report on their alignment with the Paris goal is new, and made despite existing climate risk reporting such as that done by Exxon. Providing the information requested in this Proposal will enable investors to readily and comparably distinguish those companies that are in alignment with the global Paris goal from those that are not, informing their investment decisions.

The simple “if and how” formulation of the Proposal, which has been filed at a number of other oil and gas companies, represents a private ordering effort to assist shareowners throughout the economy in making informed choices about the companies in which they invest, and to help them to shape portfolio strategy in line with the Paris goal.

ANALYSIS
I. THE PROPOSAL IS NOT SUBSTANTIALLY IMPLEMENTED.

To demonstrate substantial implementation pursuant to Rule 14a-8(i)(10), a Company must demonstrate that its actions compare favorably with the guidelines and essential purpose of the Proposal. The Staff has noted that a determination that a company has substantially implemented a proposal depends upon whether a company’s particular policies, practices, and procedures compare favorably with the guidelines of the proposal. Texaco, Inc. (Mar. 28, 1991). Substantial implementation under Rule 14a-8(i)(10) requires a company’s actions to have satisfactorily addressed both the proposal’s guidelines and its essential objective. See, e.g., Exelon Corp. (Feb. 26, 2010). The purpose of 14a-8(i)(10), to avoid entertaining shareholder proposals addressing matters which have already been favorably acted upon by management, should be considered in conducting a substantial implementation analysis.22 The present Proposal does not constitute such an instance.

In the current instance, the Company has neither substantially fulfilled the guidelines nor the essential purpose of the Proposal, and therefore the Proposal cannot be excluded.

The Resolved clause requests that the Company describe if and how it plans to reduce its total contribution to climate change and align its operations and investments with the Paris goal. This requires a statement of intent to align, or not, with the Paris Agreement’s below two degree goal and a description of how the Company’s plans and policies are in alignment with that goal over the relevant time period. These elements are missing from the Company’s current disclosures. Because the Company does not answer the question posed by the Proposal, it cannot be said to have substantially implemented it.

The Company has failed to provide investors with meaningful information about its intent to align with the Paris goal -- or not. The “if” component is a yes or no question: does the Company intend to align or not? A hidden answer, a failure to respond, or burying the issue behind a veil of complexity, however, does not fulfill the proposal.

The Company could meet the objective of the Proposal with a simple and clear statement that it does not intend to align with the Paris goal. We hazard a guess, however, that Exxon does not want to be so clear with its shareowners and with the public. If the Company clearly declared an intention not to align with the Paris goal, it would stand in stark contrast to those peer oil and gas companies that have declared an intention to align their GHG emissions with the Paris goal, including for example, taking responsibility for Scope 3 product emissions; planning long term emission reductions in alignment with the net zero by 2050 goal; and/or disclosing their relevant reduction plans and actions.23

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23 In fact, the Company actively rejects disclosing or taking responsibility for its enormous Scope 3 product emissions, stating that “Scope 3 emissions do not provide any meaningful insight into the Company’s emission-reduction performance and could be misleading.” In the Proposal’s Whereas clause, the Proposal describes how other companies have announced planned reductions of GHG emissions from products: Shell announced Scope 3 greenhouse gas intensity reduction ambitions and has decreased reserves life below the industry standard. Total has
If in implementing the Proposal, the Company has stated an intent to align, the Company should also have provided a clear plan to explain “how” it will do so.

The Company’s reporting here answers neither the “if” nor “how” components of the Proposal. The Company cites to no statement affirming or denying its intent. Nor does it offer a concrete plan outside of its current operational emissions reductions goals and its reference to technologies that might or might not economically scale or timely achieve necessary reductions. The fact that the Company provides information that addresses the broad subject matter of the Proposal (climate change), but obscures and avoids the central question of the proposal (if it intends to reduce its full GHG emissions in alignment with the Paris goal) cannot be said to have substantially implemented the Proposal.

The Company’s implicit argument is that because it has various greenhouse gas reduction policies in place, no matter how minor, it is therefore aligned with the Paris Agreement. The Company, however, confuses the general aim of the Paris Agreement (greenhouse gas reductions) with the actual Paris goal of delivering emissions reductions to maintain global temperatures well below 2 degree Celsius (i.e., 1.5 degrees). As noted in the Proposal, the IPCC has instructed that global emissions of carbon dioxide must reach net zero by 2050 to align with the Paris Agreement’s goal.

Despite the Company’s carbon risk report and recent Supplement, the Company’s Letter nowhere reports that the Company has an intent to align its climate footprint with the Paris goal of net zero by 2050, or that it does not intend to do so. Rather, the Company Letter relies on verbal jousting -- arguing that the disclosures demonstrate that it “supports the Paris Agreement,” is “committed to mitigating emissions,” is “taking action . . . to help address the risk of climate change,” and “contemplates a future energy mix that shifts toward lower carbon intensive fuels”.

These disclosures indicate, possibly, that the Company’s emissions are heading in a similar direction to the Paris goal -- but not that it intends to do so across its full GHG footprint or at the pace and scale of activity required to attain the goal.

Proponents submit that, in ordinary life, “generally committed to,” “contemplating,” “supporting,” or “shifting toward” an outcome is not equivalent to a commitment to accomplish it. Any person relying on such half measures when turning in a work assignment, filing a tax return, or paying a bill, would quickly learn that gestures in the general direction of what is needed will not suffice.

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Where, as here, investors seek disclosure on a specific issue, the Company cannot point to directional commitments like ‘greenhouse gas emissions’, ‘carbon reductions’, ‘climate strategies’ to imply alignment with the Paris goal, or to avoid the question entirely.

The Proposal’s specific objective is particularly important to institutional investors with long term investment horizons, as well as their beneficiaries who rely on a stable economy to generate benefits; to universal investors whose portfolios are diversified across the economy and are benefitted by actions that ensure systemic stability and economic growth; and, finally, to investors who want to assure a stable and secure world, without catastrophic harms to people and planet. It is also a very different objective from that of the Company’s Report, which assesses its own climate risk and generally discusses why it will stay the course.

**Exxon’s Reporting**

Exxon has produced a 2019 Energy & Carbon Summary report, recently updated in 2020, that describes how the Company intends to meet the world’s growing demand for energy while reducing environmental impacts and the risks of climate change. The ECS refers to the Company’s energy outlook, describes scenario risk analysis, looks at signposts and sensitivities, addresses production issues, and outlines various metric and targets it has put in place to reduce greenhouse gas emissions from its operations. The Report addresses many important issues related to climate change and is useful to shareowners.

Exxon’s reports also cite to a sampler of actions it is taking including: “capturing and storing carbon”; “reducing flaring and methane emissions”; “developing products… to help consumers improve efficiency and reduce emissions”; “improving energy efficiency in operations”; “researching and testing advanced biofuels”; “using new industrial processes… to reduce emissions in refining and chemical manufacturing” and concludes that these are sufficient to meet the Proposal’s objective.

These various operational emissions reductions are only a small part of the Company’s full climate footprint, however, and the Company has disclaimed any goals or plans to substantially reduce the largest part of its total carbon footprint -- its product emissions.

Despite their comprehensiveness, the 2019 – 2020 ECM reports lack any statement of “if” the Company intends to align its total carbon footprint with the Paris goal, or not. The only colorable reference to alignment is when its report declares that the Company does “not believe a reduction of [fossil fuel] production by ExxonMobil to be an effective approach to aligning ExxonMobil’s business with the Paris Agreement or to furthering the goals of that agreement” (Supplement). But that statement begs the question of whether it is nonetheless intent on aligning with the Paris goal through wholesale reliance on other strategies such as carbon capture, offsets, diversification, or other measures.

The question at the core of the Proposal remains unaddressed: does the Company believe its strategy is “in alignment with the Paris goal”?
A. The Company’s Disclosures Do not Describe if or whether the Company Plans to Reduce its Total Contribution to Climate Change in Alignment with the Paris goal.

Neither the arguments in the Company Letter, nor the information provided by the Company’s reporting, state a Company intent to do more than undertake some measures to reduce the greenhouse gas emissions of its direct operations and to develop other technologies that could be used to reduce its greenhouse gas emissions.

If future technology is to be the means by which alignment is to occur, the Company has not provided information indicating that its investments in low carbon technology are at, or likely to be viable or economical at, a scale and pace where they could help the Company meet the Paris net zero by 2050 goals even if it intended to do so. In fact, no meaningful quantification for overall future GHG reductions is provided by the Company.

The Company cannot effectively claim that its disclosure is responsive to the proposal based on its reporting of the proportionally minimal greenhouse gas reductions the Company’s methane, flaring, and intensity reduction goals will achieve. In fact, it is possible that the Company’s disclosures regarding these planned reductions will mislead investors who fail to understand their relative significance. On page 10 of the letter, the Company points to the various measures it is “committed to in mitigating emissions.” It does not, however, point out, either in the Letter or in its Reports, that these measures will not actually achieve reductions of 10%, 15%, or 25% of its total carbon footprint by the 2016 or 2023 timelines. Rather, by definition, the percentage reductions of those goals are applied only to operational emissions which constitute less than 30% of the Company’s total emissions.24,25 Thus, even the Company’s highest emission reduction goal would reduce only 30% of the 25% estimated total emissions that are operational – equal to less than approximately 7.5% of the Company’s total emissions.

If the Company were to claim that the answer to “if” is yes, then this raises the question whether the Company has calculated that its various other R&D technologies will make up for the other 92.5% of its emissions. Exxon’s Letter cites to research and development of “carbonate fuel cells; advanced biofuels including fuel derived from genetically engineering algae; carbon capture and storage; and energy efficient manufacturing” that may reduce product emissions in the future. But Exxon has disclosed no information to indicate that it has a program to scale these projects along the timelines necessary to align with Paris goals. Exxon states that its carbon

24 A company’s carbon footprint accounts for the total greenhouse gases produced by a company inclusive of direct Scope 1 (operational emissions), indirect Scope 2 (energy use emissions), and Scope 3 (product & other indirect emissions). https://ghgprotocol.org/scope-3-technical-calculation-guidance. If the Company were to fully eliminate its operational emissions, which is impracticable, approximately 75-80% or more of its carbon footprint would remain. https://www.wri.org/resources/data-visualizations/upstream-emissions-percentage-overall-lifecycle-emissions This full carbon footprint is the subject matter of this Proposal.

25 Here, since Exxon does not disclose its Scope 3 emissions in its Reports, shareholders are unsure what exact percentage operational emissions comprise of its total carbon footprint. 30% is a conservative estimate of such emissions.
capture utilization and storage projects are “capturing nearly 7 million tonnes of CO2” and that “since 2000 ExxonMobil has eliminated or captured 400 million metric tonnes of CO2.” But these numbers are a small percentage of the Company’s total GHG emissions, a point which ordinary shareowners might miss because the Company does not scale them against its own unreported scope 3 product emissions. From the Company’s Reports, it is impossible to conclude that these activities are being invested in or accomplished at a scale, pace, and level of ambition that will reduce the Company’s full carbon footprint in alignment with global goals of well below 2°C.

Exxon states that it believes that “society benefits when the most efficient operators lead energy development efforts” and that it does “not believe a reduction of production for ExxonMobil to be an effective approach to aligning ExxonMobil’s business with the Paris Agreement.” Exxon’s announced investments also demonstrate the Company is intending to expand oil and gas operations, further exacerbating its impact on the climate. Thus the question of “if it intends to align” are of profound importance for the Company and its investors.

The Letter also notes that the Company’s Outlook “considers the possible impacts of current and potential future public climate change policies, including the NDCs to the Paris Agreement.” While considering the possible risks of future climate change policies is important in mitigating company risk, it is an insufficient basis for reporting that the Company is aligning its total carbon footprint with the Paris goal as requested by the Proposal, or demonstrating how it would plan to do so.

The Charts provided in the Company and Supplemental Letters are equally uninformative as to the Company’s intent to align with the Paris goal or not. Nowhere does the referenced information provide the clarification or response to the two questions raised in the Proposal – does the Company intend to align its total carbon footprint with the Paris goal as defined in the Proposal and, if so, how?

We note that no company knows exactly how it will align in the long term, but a clear affirmative response to “if” and stated plans for “how” would be a desirable outcome. This would correspond to the commitments made by peer oil & gas companies – statement of intent to align, statement of total emissions, quantification of how emissions will be reduced through current goals, and how the Company broadly plans to reduce the remaining emissions at a scale and pace likely to achieve the long term component of the Paris goal.

Instead, when it comes to the fundamental questions raised by the proposal, the Company’s reporting is silent.

Exxon states that it “strongly disagrees” with designating its capital investments as “non-Paris aligned” arguing that there will be “need for additional oil and gas resources in a 2°C or lower future under the International Energy Agency’s Sustainability Development Scenario, as well as a number of other 2°C scenarios.” But as outlined in the proposal, the IPCC is clear that globally,
emissions need to eventually reduce to net-zero to stabilize at 1.5°C or 2°C. In the absence of commitments to offset the damage done by increasing greenhouse gases, Exxon’s plans and continued capital investments to expand its already carbon-intensive operations appear to put the Company further out of alignment with the Paris Agreement.

**B. The Company’s statements are misleading and not Paris-aligned**

Saliently, the recently issued 2020 ECS report has a section addressing the “Paris Agreement” and asks a series of questions purportedly related to the Paris Agreement. In each instance, however, the core question of the Proposal is never answered. Even repeatedly mentioning the Paris Agreement does not satisfy the Company’s need to respond to the core question of whether the Company intends to align its total climate contribution with the Paris goal.

Through multiple references to the Paris Agreement in the ECS reports, in the absence of a clear response to the core question of the Proposal, the Company’s complex reporting may obscure the fundamental challenge and even mislead some investors to believe that its plans are in alignment with the Paris goal. Some of the ways in which the Company’s reports are confusing or misleading are set forth below.

**Paris Agreement NDCs:** In the Supplement Letter, the Company states that the 2020 ECS details Company actions “to account for the Nationally Determined Contributions of the signatories to the Paris Agreement . . . in [its] business strategies and investment plans,” presumably suggesting that this indicates its own alignment with the Paris goal. However, the Nationally Determined Contributions cited by the Company do not dictate *Company* actions, and are out of sync with the Paris Agreement’s goal of stabilizing climate well below 2 degrees Celsius. If a Company intends to align with Nationally Determined Contributions, then its emissions reductions targets and efforts will fall far short of Paris goals and the greenhouse gas reductions deemed necessary by the science outlined by the IPCC for safe climate stabilization. The IPCC makes it abundantly clear that absolute emissions must fall approximately 50 percent by 2030 and reach net-zero by 2050 to achieve the Paris Agreement’s goals.

ExxonMobil acknowledges this disconnect: “we recognize there are gaps between the policies called for under current NDCs and the **ultimate Paris goals**” (2020 ECS, page 24, emphasis added). But it does not go on to address whether it nevertheless intends to align with the Paris goals.

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26 “…even if every country did manage to fulfil its individual pledge, the world would still be on pace to heat up well in excess of 2 degrees Celsius.” [https://www.nytimes.com/interactive/2018/12/07/climate/world-emissions-paris-goals-not-on-track.html](https://www.nytimes.com/interactive/2018/12/07/climate/world-emissions-paris-goals-not-on-track.html)

27 [https://www.ipcc.ch/sr15/chapter/spm/](https://www.ipcc.ch/sr15/chapter/spm/)

28 Similarly, in the **Exxon Outlook the Company notes:** “ExxonMobil bases its business strategies and investments on its Outlook, which assumes progress in technologies, infrastructure, and policies to meet the NDCs. These business strategies and investment plans are therefore aligned with the aggregate of the agreement’s national targets,” (2020 ECS, page 35). This statement does not change the fact that since the NDCs are not aligned with the Paris goal, neither is the Company’s policies aligned with the Paris goal.
2020 ECS: The 2020 ECS has a section titled: “How are ExxonMobil’s operations and investments aligned with the Paris Agreement?” This section offers no new information as to if and how the Company will align its operations and investments with the Paris goal. Similarly in the section entitled: “Has ExxonMobil set long-term emissions targets consistent with 2°C scenarios?” (2020 ECS, page 36-37), the Company discusses its short-term, operational targets to reduce methane 15% by 2020, flaring 25% by 2020, and Canada affiliate 10% intensity by 2023. ExxonMobil does not answer the question posed in the title of this section, but the title confusingly suggests the Company might have such targets. One obvious question is whether the two degree scenarios align with the Paris goal, the Company is silent as to that question.

The Company in its Supplement also states that it is “engaging in advocacy for policies such as a carbon tax to promote market solutions to reducing emissions.” While it is generally understood that a sufficiently high carbon tax would aid in curbing fossil fuel consumption and that policies to address the externalized impacts of fossil fuels would move attainment with the Paris goal forward, Exxon’s lobbying for future policies does not respond to the if and how of the Proposal.

The policy actions do not provide an affirmative nor negative response to the “if” of the proposal. They might inform the “how” if they accompanied much more concrete and extensive policies and actions that would affirmatively reduce the Company’s total carbon footprint at a scale and pace aligned with the Paris goal.

In sum, the Proposal is not excludable pursuant to Rule 14a-8(i)(10).

II. THE PROPOSAL DOES NOT CONTAIN FALSE OR MISLEADING INFORMATION

The Proposal is neither false nor misleading, despite the Company’s misdirected approach to Rule 14a-8(i)(3). The Company Letter makes a series of advocacy arguments that it might appropriately include in a statement in opposition to the Proposal that appears on the Company’s proxy. However, the arguments raised by the Company do not rise to the level of “objectively false and misleading” statements that merit Staff action to exclude them. The arguments made by the Company include assertions that the Proposal or Proponent has a hidden agenda, and that reducing the company’s development of oil and gas resources would not advance the goals of the Paris agreement, and other similar argumentation.

The Staff has long made it clear that it will not intervene in arguments that merely represent advocacy positions of the issuer or proponent rather than objectively false and misleading statements. In Staff Legal Bulletin 14B of September 15, 2004, where the Staff noted that the process of reviewing company no action letters had devolved to forcing the Staff to evaluate line-by-line company objections to the wording of proposals, the Staff stated:

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and or an entire proposal in reliance on rule 14a-
8(i)(3) in the following circumstances:

- the company objects to factual assertions because they are not supported;
- the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and or
- the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.

There continue to be certain situations where we believe modification or exclusion may be consistent with our intended application of rule 14a-8(i)(3). . . . Specifically, reliance on rule 14a-8(i)(3) to exclude or modify a statement may be appropriate where:

- statements directly or indirectly impugn character, integrity, or personal reputation, or directly or indirectly make charges concerning improper, illegal, or immoral conduct or association, without factual foundation;
- the company demonstrates objectively that a factual statement is materially false or misleading;

. . . . As such, the staff will concur in the company’s reliance on rule 14a-8(i)(3) to exclude or modify a proposal or statement only where that company has demonstrated objectively that the proposal or statement is materially false or misleading. [emphasis added]

Applying this standard, it becomes clear that the Company Letter’s assertions fall into the “not excludable” categories of statements in which the Company is either objecting to factual assertions that, while not materially false or misleading, may be disputed or countered, or which may be interpreted by shareholders in a manner that is unfavorable to the Company.

i. The Proposal does not have an ulterior motive. The Company letter attempts to characterize the “real” agenda of the Proposal or Proponent, to claim that the proposal is misleading. The Company Letter speculates that the “actual intent and effect of the Proposal” is “for the Company to exit its current oil, gas, and petroleum product businesses in the near term. (Company Letter, p.3) The Company also attempts to integrate “other contexts outside the
Proposal” arguing that the Proponent advocates an approach sometimes referred to as “keep it in the ground,” which envisions that the Company would effectively halt production from its existing projects and not sell those assets to other producers. (Company Letter, p.3)

The Staff has long avoided attempting to interpret motivation of proposals beyond the specific ask of the Proposal. Here, the Proposal asks the Company to articulate whether or not it intends to align with the Paris Agreement’s two degree goal and, if so, how. The Company might state that it does not intend to align with the Paris goal as defined by the Proposal. Alternatively, the Company may answer the Proposal in a variety of ways which would not require exiting its current oil, gas, and petroleum product businesses. Nothing in the Proposal even suggests that Paris alignment, however achieved, would need to occur in the short term. Alignment with the Paris goal can occur in any number of ways, allowing some oil and gas to continue to be produced over time. It could answer that it will align by reducing operational emissions and buying offsets where it can reduce no further, as Repsol has proposed. The Company may say that it is going to align with the Paris goal, but delay action until later. Any of these responses would satisfy the Proponent and enable investors to benchmark the Company against peers. The amount of reduction in oil and gas production, if any, is up to the Company.

While many shareholders believe that the oil and gas industry needs to phase down production of fossil fuels, there are, as noted in the discussion above, multiple pathways through which the company could achieve “alignment” under the terms of the proposal. There is no “hidden agenda” of the proposal. The motives of the proponent in filing a proposal have never been, and never should be, part of the Staff’s consideration other than when considering an objection based on Rule 14a-8(i)(4) (personal grievance).

ii. The Proposal does not mislead shareholders about its impact on the global success in reaching the Paris goal. The Company Letter also asserts that it is misleading for the Proposal to suggest that the Company’s decision to reduce oil and gas exploration and development would affect whether or not the world reaches the Paris climate goals. The Company argues that reducing its oil and gas resources would only increase greenhouse gas emissions as other, less efficient companies stepped into their shoes. The Company declares that the Proposal should be struck because it asks shareholders to vote “on a fundamental misconception and false and misleading premise.” (Company Letter, p.3)

With this argument, the Company is not only mischaracterizing the Proposal, but arguing its own positions and beliefs about whether reducing its oil and gas production would or would not reduce global emissions. The Proposal asks Exxon to discuss whether it plans to reduce its total carbon footprint and align its operations with the Paris goal. The Proposal correctly states that Exxon is one of the largest contributors to climate change and that its investment choices matter. The Proposal clearly supports aligning Exxon’s emissions with the Paris goal and it does ask Exxon to assess the relative benefits and drawbacks of reducing non-Paris aligned capital investments in oil and/or gas resource development. But nowhere does the Proposal require that

29 The Company has not asserted, and would not be correct, in claiming a “personal grievance” in this instance.
its GHG reductions be exclusively or even partly through oil and gas production and
development reduction. The Company has a range of options available to become Paris aligned;
how it Plans to do so will dictate the final impact on climate.

Certainly, the Proposal does not claim that Exxon’s GHG reductions alone will affect whether
the world reaches the Paris climate goal. Shareowners have asked most oil majors to declare
whether they intend to align with the Paris goal. Many companies have stated that they intend to
do so and have outlined a range of plans and/or actions that will increase their alignment with
Paris goals. The combined effect of decreased emissions can generally be expected to be a
reduction in climate impacts. How much or how little emissions reduction each company might
cause is not predicted by the Proposal.

That Exxon believes that the world may have even greater emissions if it lowers its production of
oil and gas is clear. This prediction, however, is not sufficient to exclude the Proposal.

The Company’s perspective on whether reducing oil and gas supply will bring the world into
alignment with the Paris goals represents an advocacy position that the Company is free to
assume. But it is not the only perspective on the matter, further demonstrating that there is no
basis for exclusion under Rule 14a-8(I)(3). Economists have demonstrated that restrictive
supply-side (RSS) climate policies have unique economic and political benefits, and deserve a
place alongside carbon prices and renewable energy supports in the climate policy toolkit.30 One
article stated: “Fossil fuel supply and climate policy: exploring the road less taken,” offers
similar analysis, and adds that “[p]olicies that focus on the supply-side may offer important
opportunities to enhance the pace, effectiveness, and efficiency of the low-carbon energy
transition.”31 Recognizing the shortcomings of decades of effort to achieve carbon reductions
through energy efficiency, low-carbon technology, carbon pricing, and other measures aimed at
reducing demand, policy-makers, researchers and activists have begun to look at the supply side
of the fossil fuel economy – and the potential for supply-side measures to complement demand-
side climate policies.

Exxon’s position with regard to the harms or lack of benefits of reducing its oil and gas
exploration and production are not necessarily true. The Company is free to assert this
perspective in an opposition statement, but it has not met its burden for the Proposal to be
excluded pursuant to 14a-8(i)(3).

III. THE PROPOSAL DOES NOT MICROMANAGE.

A. The Proposal addresses a significant policy issue that transcends ordinary business.
The Proposal is not excludable under Rule 14a-8(i)(7) because it directly and solely focuses on a
significant policy issue facing the Company and the economy: climate change. The Proposal
moreover focuses on an essential aspect of this issue for shareholders – whether the Company

plans to reduce its investments and loans in projects that maintain or increase global greenhouse gas emissions. The Company attempts to portray the Proposal as “mandating specific actions” or “prescrib[ing] specific methods by which the Company should achieve the objectives” of reducing its contribution to climate change and aligning with the Paris goal. Company Letter, page 6. This is a misrepresentation of the Proposal which, as described below, in fact appropriately preserves Board discretion and flexibility. As the Proposal focuses upon this significant policy issue, and does not specify the manner in which the Company should address the policy issue, the Proposal is not excludable on the basis of Rule 14a-8(i)(7).

It is well settled in Staff determinations that proposals addressing the subject matter of climate change fall within a significant policy issue that transcends ordinary business. Numerous prior Staff decisions at energy companies have made it clear that the kind of analysis sought in the Proposal is appropriate and not excludable based on the doctrine of micromanagement — the Staff has previously concluded that a wide array of shareholder interventions at energy companies, asking them to explain their alignment with global climate goals, were not excludable as ordinary business or as micromanaging.

For example, in Chevron Corporation (March 28, 2018) the Staff did not allow the Company to exclude a proposal that requested a report describing how the Company could adapt its business model to align with a decarbonizing economy by altering its energy mix to substantially reduce dependence on fossil fuels, including options such as buying, or merging with, companies with assets or technologies in renewable energy, and/or internally expanding its own renewable energy portfolio, as a means to reduce societal greenhouse gas emissions and protect shareholder value. Similarly, in Entergy Corporation (March 14, 2018) the non-excludable proposal asked the company to prepare a report describing how the Company could adapt its enterprise-wide business model to significantly increase deployment of distributed-scale non-carbon-emitting electricity resources as a means of reducing greenhouse gas emissions consistent with limiting global warming to no more than 2 degrees Celsius over pre-industrial levels. Other examples include Hess Corporation (February 29, 2016) the proposal requested that the company prepare and publish a report disclosing the financial risks to the company of stranded assets related to climate change and associated demand reductions, and Exxon Mobil Corporation (March 12, 2007)(proposal asking board to adopt policy significantly increasing renewable energy sourcing globally not excludable as ordinary business).

These examples follow a wide array of other climate related decisions by the Staff, finding a significant policy issue and denying exclusion on climate proposals. See, e.g., DTE Energy Company (January 26, 2015), J.B. Hunt Transport Services, Inc. (January 12, 2015), FirstEnergy Corp. (March 4, 2015)(proposals not excludable as ordinary business because they focused on reducing GHG and did not seek to micromanage the company); Dominion Resources (February 27, 2014), Devon Energy Corp. (March 19, 2014), PNC Financial Services Group, Inc. (February 13, 2013), Goldman Sachs Group, Inc. (February 7, 2011)(proposals not excludable as ordinary business because they focused on significant policy issue of climate change); NRG Inc. (March 12, 2009)(proposal seeking carbon principles report not excludable as ordinary business); General Electric Co. (January 31, 2007)(proposal asking board to prepare a global warming
report not excludable as ordinary business). Moreover, Staff Legal Bulletin 14H has made it clear that if a proposal addresses in its entirety a significant policy issue like climate change, it can certainly request information about “nitty-gritty” business matters that are directly related to that subject matter.\(^{32}\)

The Company incorrectly characterizes the issues raised in the Proposal here as ordinary business and asserts that the request would impermissibly interfere with core matters involving the Company’s complex operational and business decisions. This argument holds no water. The Staff has made the standard for evaluating the relationship between a “subject matter” such as climate change, and business matters very clear.\(^{33}\) A proposal which is squarely focused on a significant policy issue, and for which there is a clear nexus to the Company, will not be found to be excludable under Rule 14a-8(i)(7).

Further, Staff Legal Bulletin 14 H has made it clear that if a proposal addresses in its entirety a significant policy issue like climate change, it can certainly request information about “nitty-gritty” business matters that are directly related, such as strategic financial and investment decisions, etc. Indeed, any proposal addressing a complex policy issue like climate change necessarily must delve into such issues if it is to be meaningful to the company and its investors.

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**B. The Proposal does not micromanage.**

The Company Letter claims that the proposal micromanages and therefore is excludable under Rule 14a-8(i)(7). The Staff in recent years has clarified its interpretation of micromanagement. Notably, Staff Legal Bulletin 14 I (November 1, 2017) made clear that a proposal with a proper subject matter – a topic that transcends ordinary business – may or may not micromanage, such as strategic financial and investment decisions, etc. Indeed, any proposal addressing a complex policy issue like climate change necessarily must delve into such issues if it is to be meaningful to the company and its investors.

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\(^{32}\) Staff Legal Bulletin No. 14H (October 2015), section C. Rule 14a-8(i)(7)

\(^{33}\) See, Staff Legal Bulletin 14E, Oct. 27, 2009. “On a going-forward basis, rather than focusing on whether a proposal and supporting statement relate to the company engaging in an evaluation of risk, we will instead focus on the subject matter to which the risk pertains or that gives rise to the risk. The fact that a proposal would require an evaluation of risk will not be dispositive of whether the proposal may be excluded under Rule 14a-8(i)(7). Instead, similar to the way in which we analyze proposals asking for the preparation of a report, the formation of a committee or the inclusion of disclosure in a Commission-prescribed document — where we look to the underlying subject matter of the report, committee or disclosure to determine whether the proposal relates to ordinary business — we will consider whether the underlying subject matter of the risk evaluation involves a matter of ordinary business to the company. In those cases in which a proposal's underlying subject matter transcends the day-to-day business matters of the company and raises policy issues so significant that it would be appropriate for a shareholder vote, the proposal generally will not be excludable under Rule 14a-8(i)(7) as long as a sufficient nexus exists between the nature of the proposal and the company. Conversely, in those cases in which a proposal's underlying subject matter involves an ordinary business matter to the company, the proposal generally will be excludable under Rule 14a-8(i)(7). In determining whether the subject matter raises significant policy issues and has a sufficient nexus to the company, as described above, we will apply the same standards that we apply to other types of proposals under Rule 14a-8(i)(7).”
depending on the manner in which it addresses the topic.

Staff Legal Bulletin 14 K (October 16, 2019) (SLB 14K) provides examples of climate change proposals which would and would not be excludable as micromanagement. The Proponent was guided by these examples in drafting the current proposal. As the bulletin states:

For example, this past season we agreed that a proposal seeking annual reporting on “short-, medium- and long-term greenhouse gas targets aligned with the greenhouse gas reduction goals established by the Paris Climate Agreement to keep the increase in global average temperature to well below 2 degrees Celsius and to pursue efforts to limit the increase to 1.5 degrees Celsius” was excludable on the basis of micromanagement. [Devon Energy Corp. (Mar. 4, 2019)] In our view, the proposal micromanaged the company by prescribing the method for addressing reduction of greenhouse gas emissions. We viewed the proposal as effectively requiring the adoption of time-bound targets (short, medium and long) that the company would measure itself against and changes in operations to meet those goals, thereby imposing a specific method for implementing a complex policy.

In contrast, we did not concur with the excludability of a proposal seeking a report “describing if, and how, [a company] plans to reduce its total contribution to climate change and align its operations and investments with the Paris [Climate] Agreement’s goal of maintaining global temperatures well below 2 degrees Celsius.” The proposal was not excludable because the proposal transcended ordinary business matters and did not seek to micromanage the company to such a degree that exclusion would be appropriate. [Anadarko Petroleum Corp. (Mar. 4, 2019)] In our view, the proposal did not seek to micromanage the company because it deferred to management’s discretion to consider if and how the company plans to reduce its carbon footprint and asked the company to consider the relative benefits and drawbacks of several actions.

Explaining the distinction on a principled basis, the bulletin explained that the distinction between micromanaging and non-micromanaging proposals is:

…. based on our assessment of the level of prescriptiveness of the proposal. When a proposal prescribes specific actions that the company’s management or the board must undertake without affording them sufficient flexibility or discretion in addressing the complex matter presented by the proposal, the proposal may micromanage the company to such a degree that exclusion of the proposal would be warranted.” [emphasis added]

The bulletin was a key reference for the Proponent in drafting the Proposal, especially in consideration of the several proposals in 2018 and 2019 that were allowed to be omitted as micromanagement pursuant to the new Staff approach. Heeding the clarifications in SLB 14 K, and consistent with Staff guidance and examples, the central request of the Proposal is built around the “if and how” language of the Anadarko proposal. The Proposal asks Exxon Mobil to
issue a report outlining *if and how* it intends to reduce the GHG emissions associated with its company in alignment with the Paris Agreement’s goal.

Hewing to the Staff’s caution about not binding the board or management inconsistent with their fiduciary duty, the Proposal does not oblige the Company to take any specific action or dictate any particular outcome. Rather, based on the “if” of the Proposal, the Company can report that it does not intend to reduce emissions associated with its activities in alignment with the Paris Agreement.

The Company Letter recognizes (Page 7) that the proposal is written in the form that the Staff has previously found not to micromanage:

> The resolution of the Proposal asks the Company to describe “if, and how,” it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement, and frames the report in the context of asking for “relative benefits and drawbacks,” both of which we recognize are consistent with a particular example of a proposal that SLB 14K deemed not to be micromanagement. However, as SLB 14K also noted, the Proposal will be read in its entirety in determining its “underlying concern or central purpose.”

SLB 14K notes that, where “the supporting statement modifies or re-focuses the intent of the resolved clause, or effectively requires some action in order to achieve its central purpose as set forth in the resolved clause,” then the Proposal may seek to micromanage the Company, by supplanting the judgement of management and the board and failing to afford them sufficient flexibility or discretion in addressing the complex matter presented by the Proposal. (Company letter page 7)

The Company Letter then interprets the Proposal as nevertheless micromanaging the company’s operations. In order to do so it contorts the language of the proposal to “prescribe[] the specific methods by which the Company should achieve the objectives of (a) reducing its contribution to climate change and (b) aligning with the goals of the Paris Agreement by mandating that the Company” undertake the listed actions. It goes on to state:

> The resolution in the Proposal that states that the Company should be able to determine “if” the Company plans to reduce its contribution to climate change is completely usurped by the request for the Company to take the above-listed actions. [Emphasis added]

***

The Proposal takes specific, detailed decision-making out of the hands of management to assess and prescribes the specific strategies, methods, and actions the Company must take.
In order to make these arguments true, the Company necessarily omits the actual language of the Supporting Statement stating that “Shareholders seek information, at board and management discretion, on the relative benefits and drawbacks of integrating the following actions.” (emphasis added). The actual Supporting Statement is as follows:

**Supporting Statement**: Shareholders seek information, at board and management discretion, on the relative benefits and drawbacks of integrating the following actions:

- Disclosing Scope 3 product emissions;
- Adopting greenhouse gas emission reduction targets for the company's full carbon footprint, inclusive of product-related emissions;
- Reducing non-Paris aligned capital investments in oil and/or gas resource development;
- Investing at scale in low carbon energy or other reduction measures.

The Company further argues that “Meeting the goals of the Paris Agreement is a central component of the subject matter in the resolution, and the supporting statement prescribes the strategy, method and outcome for addressing reduction of greenhouse gas that the Company would measure itself against and make changes to its operations to meet those goals.”

Clearly, the supporting statement does not prescribe or mandate that the company undertake any of the listed activities. In the context of preparing a report on “if and how” the Company will align with the Paris goal, the list represents information that the proponent would like to see, in the discretion of the board and management, developed in the report. The first two are indicia of “if” the Company is undertaking the request and the second two bullets provide measures of “how” the Company might be proceeding. This information request is a far cry from a mandate that the Company adopt any of these measures. Moreover, the Proposal mirrors the requests made in the Anadarko proposal, which was found not to micromanage and which stated in its resolved clause and supporting statement:

**BE IT RESOLVED**: Shareholders request that Anadarko issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal of maintaining global temperatures well below 2 degrees Celsius.

**SUPPORTING STATEMENT**: In the report shareholders seek information, among other issues at board and management discretion, on the relative benefits and drawbacks of integrating the following actions:

- Adopting overall greenhouse gas emission reduction targets for the company's full carbon footprint, inclusive of operational and product-related emissions
• Reducing capital investments in oil and/or gas resource development
• Investing in renewable energy resources

There is no good basis for distinguishing the current proposal from the Anadarko proposal that was found not to micromanage and the Company doesn’t offer a basis for differentiating them. Rather, as was the case in Anadarko, the disclosure request is made subject to “board and management discretion.” The Company may use its discretion to report on these issues or not. The use of the phrase “any” recognizes that the Company may or may not be measuring and disclosing its carbon footprint. The Company is also asked “whether” the bank is “considering” setting targets to reduce the carbon footprint of its lending activities, and on what timeline. Each of the disclosure requests are intentionally framed in a manner that can be answered based on what the Company is already doing. This is not dictating or imposing specific methods, or significantly impacting day-to-day activity. Nonetheless, the requests are important in creating transparency for investors about what the Company is doing, if anything, or what it plans to do in the future with regard to these issues.

Moreover, we caution that the Company Letter’s approach would extend micromanagement prohibition to such a degree that that shareowner proposals would become meaningless. Shareholders have recently have been prohibited in SEC guidance and no action rulings from asking oil and gas companies – some of the most significant climate polluters -- to consider specific actions related to climate change. Under the Company’s arguments here, shareowners would further not be allowed to ask companies for reporting on any specific issues of concern related to climate change without having such requests considered to be disguised action requests. The proponents and many other investors believe that climate change is the defining issue of our time, determinant of whether individual companies and the entire economy will thrive -- or endure catastrophic impacts. An unduly restrictive application of the micromanagement principle, as advanced by the Company Letter, will impair the ability of shareowners to effectively raise and discuss with the Company, board, and other shareholders, any specific concern about the Company’s response to the material issue of climate change and the short window of time for action.

Contrasting with prior micromanagement exclusions
The Proposal stands in contrast to the cited proposals of recent exclusions based on micromanagement. For example, the Company cites EOG Resources, Inc. (Feb. 26, 2018) (recon. denied Mar. 12, 2018), which affirmatively sought targets for reducing greenhouse gas (GHG) emissions and a report discussing the company’s plans and progress towards achieving those targets. Also Apple Inc. (Dec. 5, 2016), in which Staff agreed with the exclusion of a proposal requesting that the company’s board of directors “generate a feasible plan ... to reach a net-zero GHG emission status by the year 2030.” Similarly, in Verizon Comms. Inc. (Mar. 6, 2018), the proposal requested a report evaluating the feasibility of the company achieving by 2030 “net-zero” emissions of greenhouse gases. It sought evaluation of a particular action on a particular timeline. The current proposal does not do so, as it leaves flexibility with the Company to determine if and how it will develop a plan for alignment with
the Paris goal.

CONCLUSION

Based on the foregoing, we believe it is clear that the Company has provided no basis for the conclusion that the Proposal is excludable from the 2020 proxy statement pursuant to Rule 14a-8. As such, we respectfully request that the Staff inform the company that it is denying the no action letter request. If you have any questions, please contact me at 413 549-7333 or sanfordlewis@strategiccounsel.net.

Sincerely,

Sanford Lewis

cc:
James E Parsons
Danielle Fugere
February 5, 2020

VIA Email

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549
via email: shareholderproposals@sec.gov

Ladies and Gentlemen:

On behalf of Exxon Mobil Corporation, a New Jersey corporation (the “Company”), we are writing to supplement the request from the Company, dated January 17, 2020 (the “No-Action Letter”), regarding the exclusion of a shareholder proposal (the “Proposal”) submitted by As You Sow as a representative for certain beneficial owners of the Company’s common stock (the “Proponent”) from the Company’s proxy statement for its 2020 Annual Meeting of Shareholders (the “2020 Proxy Materials”). A copy of the No-Action Letter is included with this letter as Exhibit A.

The Company’s recently published 2020 Energy and Carbon Summary provides further proof that the Company may omit the Proposal pursuant to Rule 14a-8(i)(10) as it has been substantially implemented.

As noted in the No-Action Letter, in 2019 the Company published its Energy and Carbon Summary ("2019 ECS"), which included a number of disclosures regarding the subject matter of the Proposal that demonstrate the Company has already substantially implemented the Proposal. After the date of the No-Action Letter, the Company published the 2020 version of its ECS (the “2020 ECS”); while we believe that the 2019 ECS and the other Company public disclosures cited in the No-Action Letter demonstrate substantial implementation, we are submitting this letter to briefly highlight the ways in which the 2020 ECS, which updates and enhances the 2019 ECS and other intervening Company disclosures in a single comprehensive report, strengthens this substantial implementation argument.

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In the table below we have succinctly demonstrated how the 2020 ECS and 2019 ECS reports are responsive to the Proposal’s request for “a report . . . describing if, and how, it plans to reduce its total contribution to climate change [in alignment with] the Paris Agreement’s goal.” Following the summary table, we have provided a more detailed discussion of some of the disclosures provided in the table and how they address the essential objective of the Proposal (the No-Action Letter includes a detailed discussion of the disclosures contained in the 2019 ECS).

<table>
<thead>
<tr>
<th>Proposal request</th>
<th>ExxonMobil 2020 and 2019 ECS Disclosures</th>
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<tbody>
<tr>
<td>“report . . . describing if, and how, it plans to reduce its total contribution to climate change”</td>
<td>2020 ECS pp. 18-22—Developing and Deploying Scalable Technology Solutions</td>
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<tr>
<td></td>
<td>2020 ECS p. 26—Mitigating Emissions in Our Operations</td>
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<tr>
<td></td>
<td>2020 ECS p. 25—Providing Products to Help Our Customers Reduce Their Emissions</td>
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<td>2020 ECS p. 28—Tracking our GHG emissions performance</td>
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<td></td>
<td>2020 ECS p. 36—Has ExxonMobil set long-term emissions targets consistent with 2°C scenarios?</td>
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<td>See also 2019 ECS pp. 1-2, 16-29.</td>
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<td>“report . . . describing if, and how, it plans to . . . align its operations and investments with the Paris Agreement’s goal”</td>
<td>2020 ECS p. 35—How are ExxonMobil’s operations and investments aligned with the Paris Agreement?</td>
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<td>2020 ECS p. 35—Does ExxonMobil have to reduce its production to align with the Paris Agreement?</td>
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<td>2020 ECS p. 36—What is ExxonMobil doing to prepare for a lower-carbon future while meeting energy needs for a growing population?</td>
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<td>2020 ECS pp. 9-12—Considering 2°C scenarios</td>
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<td>2020 ECS p. 13—Signposts for the evolving energy landscape</td>
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<td></td>
<td>2020 ECS p. 14-16—Potential impact on proved reserves and resources considering 2°C Scenarios</td>
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<td>2020 ECS p. 17—Positioning for a lower-carbon energy future</td>
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<td>2020 ECS p. 28—Tracking our GHG emissions performance</td>
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<td>See also 2019 ECS pp. 1-2, 7-29.</td>
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<tr>
<td>“information . . . on the relative benefits and drawbacks of . . . disclosing Scope 3 product emissions”</td>
<td>2020 ECS pp. 37-38—Why doesn’t ExxonMobil report Scope 3 emissions?</td>
</tr>
<tr>
<td>“information . . . on the relative benefits and drawbacks of . . . adopting greenhouse gas emission reduction targets for the company’s full carbon footprint, inclusive of product-related emissions”</td>
<td>2020 ECS p. 35—Does ExxonMobil have to reduce its production to align with the Paris Agreement?</td>
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<td>“information . . . on the relative benefits and drawbacks of . . . reducing ‘non-Paris aligned’ capital investments in oil and/or gas resource development”</td>
<td>2020 ECS pp. 9-14—Significant Investment Still Needed in 2°C Scenarios</td>
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<td>2020 ECS p. 15—Reducing costs using technology to improve competitive position</td>
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<td>2020 ECS p. 16—Dynamic resource development planning</td>
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<td>2020 ECS p. 34—Resiliency: Protection of our assets, the community and the environment</td>
</tr>
</tbody>
</table>
The 2020 ECS describes near- and long-term actions and plans the Company is taking to "reduce its total contribution to climate change," including:\(^2\)

- Capturing and storing carbon today from its current operations and investing in the carbon capture technology of the future\(^3\)
- Reducing flaring and methane emissions today from operations\(^4\)
- Providing progress updates on meeting our current goals to reduce emissions
- Developing products today and for the future to help consumers improve efficiency and reduce emissions\(^5\)
- Improving energy efficiency in operations through projects like cogeneration\(^6\)
- Researching and testing advanced biofuels for the future\(^7\)
- Using new industrial processes, like nanoengineering, to reduce emissions in refining and chemical manufacturing\(^8\)

The 2020 ECS describes how the Company plans to "align its operations and investments with the goals of the Paris Agreement" by addressing what it means to align our operations with the goals of the Paris Agreement. The 2020 ECS details what we do to account for the Nationally Determined Contributions of the signatories to the Paris Agreement, which represent each country's plans to reduce their emissions under the Paris Agreement, in our business strategies and investment plans.\(^9\) The 2020 ECS is also clear as to why we do not believe a reduction of

\(^2\) These disclosures also substantially implement the request for reporting on the relative benefits and drawbacks of "investing at scale in lower carbon energy or other reduction measures."
\(^3\) 2020 ECS, pp. 20, 29, 36.
\(^4\) 2020 ECS, pp. 26, 30, 36.
\(^5\) 2020 ECS, pp. 22, 25, 36.
\(^6\) 2020 ECS, pp. 26, 36.
\(^7\) 2020 ECS, pp. 21, 36.
\(^8\) 2020 ECS, pp. 22, 36.
\(^9\) 2020 ECS, pp. 9-16, 35.
production by ExxonMobil to be an effective approach to aligning ExxonMobil’s business with the Paris Agreement or to furthering the goals of that agreement.\textsuperscript{10}

The 2020 ECS clearly and plainly addresses “the relative benefits and drawbacks of . . . disclosing Scope 3 product emissions.” The 2020 ECS explains why ExxonMobil does not disclose Scope 3 emissions, in part because “Scope 3 emissions do not provide any meaningful insight into the Company’s emission-reduction performance and could be misleading in some respects.” The 2020 ECS directly addresses the relative benefits and drawbacks of adopting emission-reduction targets for the Company’s “full carbon footprint, inclusive of product-related emissions.” The 2020 ECS makes clear that the global community needs to find ways to manage the environmental impact of energy consumption as demand for energy continues to grow. The 2020 ECS refers to this task as “the dual challenge.”\textsuperscript{11} The 2020 ECS discloses how we are working to address the dual challenge by making efforts to reduce the emission intensity of our operations; providing products to help customers reduce their emissions; engaging in advocacy for policies such as a carbon tax to promote market solutions to reducing emissions; and researching, developing, and deploying new low carbon energy technologies.\textsuperscript{12} We believe society benefits when the most efficient operators lead energy development efforts.

We strongly disagree with the Proponent’s use of the term “non-Paris aligned” when referring to any of our capital investments. We substantially fulfill this request in the 2020 ECS by including information on the need for additional oil and gas resources in a 2°C or lower future under the International Energy Agency’s Sustainability Development Scenario, as well as a number of other 2°C scenarios.\textsuperscript{13} The 2020 ECS addresses the request by providing the context that assets will be judged by competitiveness, not simply source. We further address this issue in the 2020 ECS in reporting what we are doing to reduce our costs and improve our competitive position, and the process we use in assessing whether to develop or divest assets.\textsuperscript{14} These disclosures address our efforts for all of our assets, including any assets the Proponent believes to be “non-Paris aligned.”

For these reasons as well as those stated in the No-Action Letter, we believe that the Company may exclude the Proposal because it has been substantially implemented by the Company, and the Company’s practices, policies and procedures compare favorably to the Proposal.

Sincerely,

James Earl Parsons

JEP/jep
Enclosures

\textsuperscript{10} 2020 ECS, p 35.
\textsuperscript{11} 2020 ECS p. 1.
\textsuperscript{12} 2020 ECS pp. 1, 25-26.
\textsuperscript{13} 2020 ECS, pp. 9-14.
\textsuperscript{14} 2020 ECS, pp. 15-16.
cc w/ enc: As You Sow

Louis Goldberg
Davis Polk & Wardwell LLP
Louis.goldberg@davispolk.com
Exhibit A

No-Action Letter
January 17, 2020

VIA Email

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549
via email: shareholderproposals@sec.gov

Ladies and Gentlemen:

On behalf of Exxon Mobil Corporation, a New Jersey corporation (the “Company” or “Exxon Mobil”), 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 As You Sow on behalf of Andrew Behar (the “Proponent”) for inclusion in the proxy materials the Company intends to distribute in connection with its 2020 Annual Meeting of Shareholders (the “2020 Proxy Materials”). The Proposal is 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 2020 Proxy Materials. In accordance with Rule 14a-8(j), this letter is being filed with the Securities and Exchange Commission (the “Commission”) not less than 80 days before the Company plans to file its definitive proxy statement.

Pursuant to Staff Legal Bulletin No.14D (CF), Shareholder Proposals (November 7, 2008), Question C, we have submitted this letter and any related correspondence via email to shareholderproposals@sec.gov. Also, in accordance with Rule 14a-8(j), a copy of this submission is being sent simultaneously to the Proponent as notification of the Company’s intention to omit the Proposal from the 2020 Proxy Materials. This letter constitutes the Company’s statement of the reasons it deems the omission of the Proposal to be proper.

THE PROPOSAL

The Proposal states:

“Resolved: Shareholders request that ExxonMobil issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees Celsius.”

REASONS FOR EXCLUSION OF THE PROPOSAL

The Company believes that the Proposal may be properly omitted from the 2020 Proxy Materials pursuant to:

- Rule 14a-8(i)(3), because the Proposal is materially false and misleading;
• Rule 14a-8(i)(7), because it impermissibly seeks to micromanage the Company; and

• Rule 14a-8(i)(10), because the Company has already substantially implemented the Proposal.

1. The Company may omit the Proposal pursuant to Rule 14a-8(i)(3) because it is materially false and misleading and therefore contrary to the Commission’s proxy rules, including Rule 14a-9.

Rule 14a-8(i)(3) permits exclusion of a shareholder proposal if the proposal or supporting statement is contrary to any of the rules promulgated by the SEC, including Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials. See Microsoft Corporation (October 7, 2016) (exclusion of a proposal on Rule 14a-8(i)(3) grounds that misstates the operation of the resolution and supporting statement); Ferro Corporation (March 17, 2015) (exclusion of a proposal on rule 14a-8(i)(3) grounds that contains statements that misrepresent the premise of the proposal); and General Magic, Inc. (May 1, 2000) (exclusion of a proposal on Rule 14a-8(i)(3) grounds that falsely asserts statements about the company’s practices regarding giving information to shareholders). A proposal is false and misleading when implementation by the Company could be significantly different from the actions envisioned by shareholders voting on it. Fuqua Industries, Inc. (March 12, 1991).

Analysis of the materially false and misleading nature of the Proposal requires a background consideration and understanding of the global energy economy, the Paris Agreement, the Company’s role in the energy economy and its constructive current efforts to help further the goals of the Paris Agreement, as compared to the actions called for by the Proposal and their logical consequences.

The Global Energy Economy. As summarized in the Company’s February 2019 Energy and Carbon Summary1 (the “2019 ECS”), the 2020 updated edition of which is anticipated to be published on the Company’s website in the near future (the “2020 ECS”), and in the Company’s recently published 2019 Outlook for Energy2 (the “Outlook”), third-party models encompassing the full range of potential technology options to achieve a two degrees Celsius stabilization level of atmospheric carbon dioxide (“CO2”), a greenhouse gas, acknowledge that oil and natural gas will continue to contribute significant portions of global energy demand for decades into the future.3 Even as currently rising global oil and natural gas demand are expected in these models eventually to peak and decline, the natural decline rate of oil- and natural gas-producing assets means substantial new investment in oil and gas projects will be required for many years. This is a function of the sheer size and scale of the global energy economy, expected growth in global population, and the pursuit of economic development by the developing nations of the world. Economic development for a growing world population requires energy. Without oil and natural gas, the world’s energy needs over a future multi-decade timeframe cannot be met. At the same time, it is important to recognize that oil and natural gas supplies around the world are abundant and provided by thousands of producers, ranging from smaller independent producers, to integrated multi-national companies such as the Company, to the largest state-owned oil and gas companies.4 The Company’s production represents approximately 2% of the global production among these many and varied producers. The Company does not control global energy demand.

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3 Outlook, page 4.
4 Many state-owned oil and gas companies are based in countries whose national economies and future economic growth are substantially dependent on oil and gas production.
**The Paris Agreement.** The Paris Agreement is a government-to-government accord under which participating countries seek to reduce their national greenhouse gas emissions according to pledges known as "Nationally Determined Contributions" ("NDCs"). The NDCs represent commitments made by the parties to the Paris Agreement and reflect the parties’ support for that Agreement. The only way to effect change is through the specifics of each country-level policy, each of which must ultimately resolve to alter the demand for energy in their own national markets. ExxonMobil’s Outlook, which forecasts demand and supply trends to 2040, incorporates all of the NDCs into its analysis. By doing this, ExxonMobil’s forecasts and strategic planning for the future are aligned with the Paris Agreement. But how any participating country chooses to formulate policies to attempt to meet its NDC is a matter of a complex interplay of legal and policy decisions affected by local and global economic goals, technological potential, national resource options and geopolitical objectives. Each country must tailor its policies to confront a dual challenge: meeting the needs of each country’s people for reliable and affordable energy and the quality of life that depends on this energy while also addressing the risks of climate change. Today, approximately a quarter of the world's population lacks affordable and reliable energy and the basics of clean water, sufficient food, dependable transportation infrastructure, and acceptable medical and educational facilities, all of which require energy. Countries also have national security objectives that may vary widely depending on the type and nature of energy supplies to which the country has ready access.

**Analysis of the Proposal.** The Proposal’s supporting statement makes clear that the underlying intention of the Proposal is not merely to seek a report on if and how the Company is aligning its business with the goals of the Paris Agreement. As explained below in describing how the Company has substantially implemented the Proposal, the Company is already providing this information in multiple public disclosures. Among other things, the supporting statement calls on the Company to:

- Adopt greenhouse gas emission reduction targets for the Company’s full carbon footprint, inclusive of product-related emissions;
- Reduce “non-Paris aligned capital investments” in oil and/or gas resource development; and
- Invest at scale in low carbon energy or other reduction measures.

The supporting statement thus makes clear the focus and intent of the Proposal is for the Company to wind down its current oil, gas, and petroleum product businesses. Pending development and deployment at large scale of potential new energy technologies the Company is already pursuing, there are essentially only three ways the Company could meet the direct objectives of the Proposal and reduce the emission of CO2 by the purchasers of Company products:

- **Sell current oil and gas producing assets.** GHG emissions by customers of oil and gas produced by the Company could be reduced if the Company stopped selling oil and gas to its customers (for example, the Company could divest its producing assets, thereby shrinking the Company’s total production). However, such assets would almost certainly be purchased by other oil and gas producers and would remain in operation, thus having no impact on global emissions or actually result in an increase in such emissions.\(^5\)

\(^5\)In correspondence regarding a similar proposal last year (*Exxon Mobil Corporation (April 3, 2019)*), counsel for the proponents of that proposal appeared to agree that selling assets to other producers would be inconsistent with the objective of that proposal to reduce emissions resulting from consumer use of the company’s products and thus would not be aligned with the Paris Agreement. See March 8, 2019 letter (included in the cited no-action response) from Sanford Lewis, Analysis and Response attachment p. 10, confirming that selling Company assets to another
- **Invest in current-technology alternative energy projects in lieu of new oil and gas projects.** GHG emissions by customers of oil and gas produced by the Company could also be reduced if the Company were to scale back investment in new oil and gas projects that are in global demand, and redirect that investment into “low carbon energy or other reduction measures.” In this case, the natural decline rate of existing projects would result in a steady decrease in the Company’s oil and gas production, which would substitute the typically lower return of utility assets for traditional oil and gas returns, but have no impact on global oil or gas demand or consumption. At the same time, however, the Company cannot prevent the eventual resource owners from continuing to develop economically attractive new projects through other producers as long as those projects are necessary to help meet global oil and gas demand and provide attractive investor returns. Singular actions by the Company to shrink its oil and gas business would ultimately not reduce global GHG emissions or advance the goals of the Paris Agreement and would harm the Company’s shareholders by ignoring not only the needs of the Company’s customers, but eventually starving the Company of earnings necessary to meet its obligations and provide an attractive dividend return to shareholders, as well as, importantly, the earnings needed to continue investing in the research and development of future energy technologies with potential to advance the transition to a lower carbon energy future.

- **Prevent oil and gas from being produced.** In other contexts outside the Proposal, the Proponent advocates an approach sometimes referred to as “keep it in the ground,” which envisions that the Company would effectively halt production from its existing projects and not sell those assets to other producers. This idea is illusory and impracticable for several reasons. First, even if the Company were able to “lock up” the production to which it currently holds rights, global oil and gas demand would remain unchanged and would be met by other producers resulting in no net reduction – and potential adverse consequences as discussed in more detail below – for global emissions. Of more direct relevance, the Company typically does not own the oil and gas properties it produces. In the United States, oil and gas is generally produced under leases with private or government mineral owners. In other countries, the national sovereign typically owns the country’s oil and gas resources and the Company participates in the production of such resources under production sharing or other contractual arrangements. Under both the typical U.S. oil and gas lease and international contractual arrangements, the Company would be in breach of the applicable contracts if it simply halted the exploration, development, production, and related investment activities it is obligated to undertake, with the result that such agreements would be terminated and resource owners would continue to produce their resources by re-letting the applicable contracts to other producers or continuing operations through their national oil companies. Such actions would thus not reduce global GHG emissions in alignment with the Paris Agreement. Such actions would, however, likely expose the Company and its shareholders to significant claims for damages for breach of contract, as well as the potential loss of billions of dollars of productive capital currently invested in projects that would be retained by host countries.

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producer “would not be ‘in alignment with the Paris Agreement.’” However, elsewhere in that correspondence the proponent’s counsel cited with approval the actions of DONG Energy (p. 34), a Danish company which focused its business on wind and solar energy after selling its oil and gas assets to other energy companies (see https://www.reuters.com/article/us-dong-energy-m-a/dong-energy-to-sell-oil-gas-business-to-ineos-for-1-3-billion-idUSKBN18K0OB).

The Proposal wants shareholders to vote on a fundamental misconception and false and misleading premise that reducing the Company’s own current investments in oil and gas projects and sale of related products will advance the NDC goals of the Paris Agreement. In the absence of changes in global energy demand, which the Company cannot control, such actions by the Company would simply shift market share from the Company to other producers and do nothing to reduce GHG emission levels by participating countries or further the goals of the Paris Agreement. To the extent other producers replace the Company’s current role in helping meet global oil and gas demand, total GHG emissions could actually increase, because other producers (i) may not operate as efficiently and responsibly as the Company or have the advantages of the Company’s advanced technologies for mitigating emissions from their own operations, (ii) may not share the Company’s commitment to providing products to help customers reduce their emissions, and (iii) may not share the Company’s commitment to investing in advanced energy research, investments which are funded by the Company’s current oil, gas, and petroleum product businesses. A decrease in a single company’s production of oil and natural gas does not provide any insight into whether global GHG emissions are decreasing or whether that company’s operations are aligned with the goals of the Paris Agreement.

The actual intent and effect of the Proposal that shareholders are being asked to vote on is not for the Company simply to issue a report on how it is addressing the risk of climate change (as the Company is already doing, as discussed in more detail below), but for the Company to exit its current oil, gas, and petroleum product businesses in the near term. For the Proponent to represent otherwise under the guise of merely requesting a “report” is false and misleading in violation of the proxy rules. The overly simplistic, and incorrect, premises of the Proposal that shareholders are being asked to vote on represent false and misleading statements that belie the realities of both the global energy economy and the constructive role the Company plays. The false and misleading nature of the Proposal can only be fully appreciated and understood with the benefit of an intricate knowledge of complex issues such as the nature of the Paris Agreement, the global energy economy, and the manner in which oil and gas projects are typically developed, which the above analysis describes at a high level. If a question of such import as to whether the Company should cease its current oil, gas, and petroleum product businesses is to be placed before shareholders, it should be stated plainly and directly, not presented by implication and a need for “reading between the lines” couched in a request for a climate report.

Moreover, the Proposal clearly contemplates that reduction of the Company’s current oil, gas, and petroleum product businesses should be carried out in such a way as to be “aligned with” and advance the goals of the Paris Agreement to reduce national and thereby global GHG emissions. As discussed above, actions the Company could take – beyond (i) incorporating the NDCs into its future strategic planning, (ii) contributing in the most responsible manner to meeting global oil and gas demand (which the Company does not control), and (iii) conducting extensive research and development in pursuit of new lower carbon energy sources and GHG emission reduction technologies – would not in fact reduce global GHG emissions or advance the goals of the Paris Agreement and could well have the opposite effect.

In short, the Proposal is materially false and misleading both in (i) failing to make clear to shareholders that its request is to seek the winding down of the Company’s current oil, gas, and petroleum product businesses, and (ii) its premise that such action would advance the objectives of the Paris Agreement. As such, the Company may omit the Proposal pursuant to Rule 14a-8(i)(3).

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7 The Company currently invests approximately $1 billion per year in research and development, more than any of our publicly-reporting peers.
8 Nowhere in the Proposal, nor in similar proposals we have received in recent years, nor in engagements with the proponents, have any of such proponents (or their counsel) been able to articulate clearly and logically how reducing the role played by the Company as one of the most efficient producers in meeting global oil and gas demand would advance the goals of the Paris Agreement. See footnote 5.
because it is materially false and misleading and therefore contrary to the Commission’s proxy rules, including Rule 14a-9.

2. The Company may omit the Proposal pursuant to Rule 14a-8(i)(7) because it relates to the Company’s ordinary business operations by impermissibly seeking to micromanage the Company by imposing specific methods to implement complex policy issues.

Rule 14a-8(i)(7) allows a company to omit a shareholder proposal from its proxy materials if such proposal deals with a matter relating to the company's ordinary business operations. The general policy underlying the “ordinary business” exclusion is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at annual shareholders meetings.” Exchange Act Release No. 34-40018 (May 21, 1998). This general policy reflects two central considerations: (i) “[c]ertain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight,” and (ii) the “degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.”

Although the Staff has stated that a proposal generally will not be excludable under Rule 14a-8(i)(7) where it raises a significant policy issue (Staff Legal Bulletin 14E (October 27, 2009)), even if a proposal involves a significant policy issue, the proposal may nevertheless be excluded under Rule 14a-8(i)(7) if it seeks to micromanage the company by specifying in detail the manner in which the company should address the policy issue. See Exxon Mobil Corporation (April 2, 2019) (proposal requesting disclosure of greenhouse gas emissions targets in line with Paris Agreement goals); The Goldman Sachs Group, Inc. (March 12, 2019) (proposal requesting the company adopt a policy to reduce the carbon footprint of its loan and investment portfolios in alignment with the Paris Agreement); Wells Fargo & Company (March 5, 2019) (proposal requesting the company adopt a policy for reducing greenhouse gas (“GHG”) emissions resulting from its loan and investment portfolios to align with the Paris Agreement); Devon Energy Corporation (March 4, 2019, recon. denied April 1, 2019) (concurring in exclusion pursuant to Rule 14a-8(i)(7) of a proposal requesting, in annual reporting beginning in 2020, a report of short-, medium- and long-term greenhouse gas targets aligned with reduction goals set in the Paris Climate Agreement to maintain global average temperatures substantially below two degrees Celsius and to pursue efforts to limit increases to 1.5 degrees Celsius, on the basis that “the Proposal would micromanage the Company by seeking to impose specific methods for implementing complex policies in place of the ongoing judgments of management as overseen by its board of directors”); Walgreens Boots Alliance, Inc. (November 20, 2018) (proposal requesting that stock buybacks adopted by the board not become effective until approved by shareholders excludable for micromanaging by substituting shareholder approval for board decision-making in a complex matter); Verizon Communications Inc. (March 6, 2018) (proposal requesting the Verizon board prepare a report evaluating potential for Verizon to achieve net-zero GHG emissions by a fixed date excludable for micromanaging despite Verizon’s acknowledgment that reduction of GHG emissions, which the proposal sought to address, is a significant policy issue); EOG Resources, Inc. (February 26, 2018) (proposal requesting EOG adopt company-wide, quantitative, time-bound GHG emissions reduction targets and issue a report excludable for micromanaging despite EOG’s acknowledgment that the proposal touched on the significant social issue of environmental sustainability and climate change); and Apple Inc. (December 21, 2017) (proposal requesting the Apple board prepare a report evaluating potential for Apple to achieve net-zero GHG emissions by a fixed date excludable for micromanaging despite Apple’s acknowledgment that reduction of GHG emissions, which the proposal sought to address, is a significant policy issue). The staff has recognized that a shareholder’s casting of a proposal as a mere request for a report, rather than a request for a specific action, does not mean that the
The resolution of the Proposal asks the Company to describe “if, and how,” it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement, and frames the report in the context of asking for “relative benefits and drawbacks,” both of which we recognize are consistent with a particular example of a proposal that SLB 14K deemed not to be micromanagement. However, as SLB 14K also noted, the Proposal will be read in its entirety in determining its “underlying concern or central purpose.” SLB 14K notes that, where “the supporting statement modifies or re-focuses the intent of the resolved clause, or effectively requires some action in order to achieve its central purpose as set forth in the resolved clause,” then the Proposal may seek to micromanage the Company, by supplanting the judgement of management and the board and failing to afford them sufficient flexibility or discretion in addressing the complex matter presented by the Proposal.

The Proposal, through its supporting statement, prescribes the specific methods by which the Company should achieve the objectives of (a) reducing its contribution to climate change and (b) aligning with the goals of the Paris Agreement by mandating that the Company:

- Assess and disclose Scope 3 product emissions;
- Adopt greenhouse gas emission reduction targets for the company’s full carbon footprint, inclusive of product-related emissions;
- Reduce non-Paris aligned capital investments in oil and/or gas resource development; and
- Invest at scale in low carbon energy or other reduction measures.

The resolution in the Proposal that states that the Company should be able to determine “if” the Company plans to reduce its contribution to climate change is completely usurped by the request for the Company to take the above-listed actions. As to seeming to provide the board and management with discretion and flexibility on “how” it should align its operations and investments with the Paris goals, the list of actions entirely re-focuses the resolution by demanding specific
strategies, methods, actions and outcomes relating to the Company’s operations and investments. These strategies, methods, actions and outcomes involve assessment and evaluation not only of the emissions from its own products but also emissions arising from the use of the Company’s products (Scope 3 emissions), adopting greenhouse gas reduction targets for the Company’s “full” carbon footprint that includes emissions relating to its products, reducing capital investment in certain types of product development and while at the same time investing in other types of products and activities. The Proposal takes specific, detailed decision-making out of the hands of management to assess and prescribes the specific strategies, methods, and actions the Company must take.

As to “Paris Alignment,” the supporting statement references a set of specific criteria that further reinforces that the Proposal is imposing on the Company specific methods, actions, and outcomes: “[c]riteria for alignment include: disclosure of Scope 1 through 3 emissions; adoption of a net zero by 2050 or equivalent target; a business plan for becoming Paris Aligned; and a declining carbon footprint.” The criteria includes a net zero emission plan by 2050, which is exactly the type of time-bound target that SLB 14K indicated micromanages companies. Meeting the goals of the Paris Agreement is a central component of the subject matter in the resolution, and the supporting statement prescribes the strategy, method and outcome for addressing reduction of greenhouse gas that the Company would measure itself against and make changes to its operations to meet those goals.

Similar to the reference in the resolved clause to “if, and how,” the illusory flexibility in the Proposal from the request to analyze the “relative benefits and drawbacks” fails to disguise the overly prescriptive and intended nature of the Proposal. Populating the Proposal with “safe” words directly from SLB 14K does not make the Proposal any less prescriptive when analyzed in its entirety, with a focus on the specific directives contained in the Proposal for the Company to meet the Proposal’s central purpose. In short, the highly specific actions called for in the supporting statement undermine the apparently flexible wording used in the “Resolved” clause and place the Proposal squarely back in the realm of micromanagement.

The Proposal does not intend for management and the board to decide “if, and how” it should assess the Company’s climate impact, nor does it intend for the Company to report on the “benefits and drawbacks.” The actions and outcomes specified in the Proposal are not the only ways that the Company may reduce its contribution to climate change, as the Company demonstrates below in describing how it has substantially implemented the Proposal. The Proposal would therefore unduly limit the ability of management and the board to manage complex matters with a level of flexibility necessary to fulfill their fiduciary duties to shareholders.

3. The Company may omit the Proposal pursuant to Rule 14a-8(i)(10) as it has been substantially implemented and its practices, policies and procedures compare favorably to the Proposal.

A. 2019 ECS Substantial Implementation

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if the company has already substantially implemented the proposal. The Commission has stated that “substantial” implementation under the rule does not require implementation in full or exactly as presented by the proponent. See Exchange Act Release No. 34-40018 (May 21, 1998, n.30). The Staff has provided no-action relief under Rule 14a-8(i)(10) when a company has substantially implemented and therefore satisfied the “essential objective” of a proposal, even if the company did not take the exact action requested by the proponent, did not implement the proposal in every detail or exercised discretion in determining how to implement the proposal. See Hess Corporation (April 11, 2019) (permitting exclusion of a proposal requesting that the company issue a report on how it can reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement’s goal where the company had already provided the requested information in its
sustainability report and CDP (formerly known as Carbon Disclosure Project) report); Exxon Mobil Corporation (April 3, 2019) (permitting exclusion of a proposal submitted by the Proponent, that is substantially similar to the Proposal, requesting the Company issue a report on how it can reduce its carbon footprint in alignment with GHG emissions reductions in line with the Paris Agreement where the requested information was readily available in the Company’s public disclosures); Visa (October 11, 2019) (permitting exclusion of a proposal requesting that the company reform its executive compensation philosophy to include social factors where the company had tied annual compensation to the achievement of certain strategic pillars, which included certain social considerations); Exxon Mobil Corporation (March 23, 2018) (permitting exclusion of proposal requesting that the Company issue a report describing how the Company could adapt its business model to align with a decarbonizing economy where the requested information was already available in two published reports describing the company’s long-term outlook for energy and how it would position itself for a lower-carbon energy future); Entergy Corp. (February 14, 2014) (permitting exclusion of proposal requesting a report “on policies the company could adopt . . . to reduce its greenhouse gas emissions consistent with the national goal of 80% reduction in greenhouse gas emissions by 2050” where the requested information was already available in its sustainability and carbon disclosure reports); Duke Energy Corp. (February 21, 2012) (permitting exclusion of proposal requesting that the company assess potential actions to reduce greenhouse gas and other emissions where the requested information was available in the Form 10-K and its annual sustainability report); and Exelon Corp. (February 26, 2010) (concurring in the exclusion of proposal that requested a report on different aspects of the company’s political contributions when the company had already adopted its own set of corporate political contribution guidelines and issued a political contributions report that, together, provided “an up-to-date view of the [c]ompany’s policies and procedures with regard to political contributions”). “[A] determination that the company has substantially implemented the proposal depends upon whether [the Company’s] particular policies, practices, and procedures compare favorably with the guidelines of the proposal.” See Texaco, Inc. (March 28, 1991) (permitting exclusion on substantial implementation grounds of proposal requesting that the company adopt the Valdez Principles where the company had already adopted policies, practices and procedures regarding the environment).

The core of the Proposal, or its “essential objective,” is for the Company to “issue a report . . . describing if, and how, it plans to reduce its total contribution to climate change [in alignment with] the Paris Agreement’s goal.” The Company supports the Paris Agreement and is taking action within its control and core competency to help address the risk of climate change. As described further below, the 2019 ECS demonstrates that the Company has substantially implemented the Proposal by satisfying its essential objective, and thus the Proposal is excludable under Rule 14a-8(i)(10).

In the table below we have succinctly demonstrated how the 2019 ECS report is responsive to the Proposal’s request for “a report . . . describing if, and how, it plans to reduce its total contribution to climate change [in alignment with] the Paris Agreement’s goal.” A more detailed discussion of the disclosures contained in the 2019 ECS that address the essential objective of the Proposal is set forth following the summary table.

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<tr>
<th>Proposal request</th>
<th>ExxonMobil 2019 ECS Disclosures</th>
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<td>“report . . . describing if, and how, it plans to reduce its total contribution to climate change”</td>
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<td>“Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees celsius”</td>
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<td>“Investing at scale in low carbon energy or other reduction measures”</td>
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<td>“adoption greenhouse gas emission reduction targets”</td>
<td>p. 25</td>
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The 2019 ECS draws on the Company’s detailed analysis of the assessed 2°C scenarios in the Company’s Outlook. The Outlook considers the possible impacts of current and potential future public climate change policies, including the NDCs to the Paris Agreement. The Company believes the NDCs are indicative of countries’ commitments to implement the Paris Agreement. The Outlook represents the Company’s “view of energy demand and supply through 2040” and is used by the Company “to help inform [the Company’s] long-term business strategies and investment plans.” This published analysis is conducted yearly and currently extends through 2040, based upon internal data and analyses as well as publicly available information from external sources including the International Energy Agency. The Outlook incorporates recent developments in economic conditions, policy, and technology, using a data-driven, bottom-up approach to produce a most-likely view of future energy supply and demand, which “anticipates significant changes through 2040 across the world to boost living standards, reshape the use of energy, broaden access to abundant energy supplies, and accelerate decarbonization of the world’s energy system to address the risks of climate change.” The Company’s Outlook already contemplates a future energy mix that shifts toward lower-carbon-intensive fuels.

The 2019 ECS describes the potential impact on the Company’s business of a hypothetical 2°C scenario, how the Company is adapting and implementing GHG emission reduction measures, and how the Company would be able to adapt to a lower-carbon future while remaining “well-positioned to meet the demands of an evolving energy system,” including how the Company is monitoring indicators that may serve as signposts for potential acceleration in shifts to the energy landscape.

With respect to the Proposal’s requests for a “report . . . describing if, and how, it plans to reduce its total contribution to climate change,” and evidence that the Company is “adopting greenhouse gas emission reduction targets,” the 2019 ECS notes that the Company is “committed to mitigating emissions” and describes various measures. In particular, the 2019 ECS notes a commitment of a “15 percent reduction in methane emissions by 2020 compared with 2016,” a “25 percent reduction in flaring by 2020 compared with 2016,” and a “10 percent GHG emissions intensity reduction at [affiliate] operated oil sands by 2023 compared with 20.” Ultimately, technology breakthroughs will be necessary to accelerate progress towards a 2°C pathway. The 2019 ECS describes in detail the many initiatives the Company is currently pursuing to achieve such breakthroughs, including carbonate fuel cells; advanced biofuels including fuel derived from genetically engineered algae; carbon capture and storage; and energy efficient manufacturing and process intensification technologies including advanced reduced energy separation processes, high-efficiency reactors, and enhanced efficiency catalysts.

With respect to the Proposal’s request that the Company’s report be in alignment with the “Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees celsius,” ExxonMobil states directly in the 2019 ECS: “ExxonMobil supports the 2015 Paris Agreement.” Also, as noted above, the Company’s Outlook, which is used to prepare the 2019 ECS and to inform the Company’s operational plans, incorporates an analysis of the impacts of current and potential future public climate change policies, including the goals of the Paris Agreement. Further, the 2019 ECS, p 2.

10 ECS, p 2.
11 ECS, p 2.
12 ECS, p 12.
13 ECS, pp 24-29.
14 ECS, p 25.
15 ECS, p 9 (“Technology advances are expected to play a major role in accelerating progress towards a 2°C pathway”).
16 ECS, pp 16-20.
17 ECS, p 1.
18 Outlook, p 2.
ECS describes the various steps that the Company is taking to develop technology solutions to help society meet the dual challenge of “meeting the world’s growing demand for energy while reducing environmental impacts and the risks of climate change,” and notes these initiatives’ “criticality in addressing the Paris Agreement goals.”

In addition, with respect to the Proposal’s request that the report should address how the Company is “investing at scale in low carbon energy or other reduction measures,” the 2019 ECS describes how the company is “supplying products that help others reduce their emissions” including natural gas (which “emits up to 60 percent fewer GHG emissions . . . than coal”), “weight-reducing materials that result in . . . fuel economy improvement,” halobutyl rubbers for use in tires to increase fuel efficiency, and advanced fuels and lubricants that also increase efficiency. The 2019 ECS describes the steps taken in the Company’s operations to mitigate GHG emissions, such as increasing energy efficiency, reducing flaring, venting and fugitive emissions, implementing a methane management plan, and deploying technologies such as carbon capture and storage and cogeneration. ExxonMobil currently has a working interest in more than one-fifth of the world’s carbon capture and storage capacity, capturing nearly 7 million tonnes of CO2 in 2018 for permanent and safe storage. The 2019 ECS notes that since 2000 ExxonMobil has eliminated or captured 400 million metric tonnes of CO2. The 2019 ECS also notes the substantial purchase of wind and solar energy made by the Company for use in its operations recently, and the Company’s ranking among the top 10 global corporate wind and solar buyers in 2018.

Substantial implementation does not require implementation in full or exactly as presented by a Proposal, and the Staff has found proposals related to climate change excludable pursuant to 14a-8(i)(10) even if the Company’s actions were not identical to the guidelines of the proposal. Both Entergy Corp. and Duke Energy Corp. permitted exclusion of a shareholder proposal pursuant to 14a-8(i)(10), even though the requested disclosures were not made in precisely the manner contemplated by the proponent. Numerous other letters reinforce this approach. See, e.g., Merck & Co., Inc. (March 14, 2012) (permitting exclusion of a shareholder proposal requesting a report on the safe and humane treatment of animals because the company had already provided information on its website and further information was publicly available through disclosures made to the United States Department of Agriculture); ExxonMobil Corp. (March 17, 2011) (permitting exclusion of a shareholder proposal requesting the review of a pipeline project, the development of criteria for involvement in the project and a report to shareholders because it was substantially implemented by prior analysis of the project and publication of such information on the company’s website).

The essential objective of the Proposal is for the Company to “issue a report . . . describing if, and how, it plans to reduce its total contribution to climate change [in alignment with] the Paris Agreement’s goal,” and this has been substantially implemented by the Company through its 2019 ECS. The reports prepared by the Company compare favorably with the essence of the Proposal, and thus the Proposal is excludable under Rule 14a-8(i)(10).

**B. Anticipated Publication of the 2020 ECS Will Further Substantially Implement the Proposal**

The 2020 ECS will further substantially implement the Proposal by providing updated and enhanced disclosure addressing the Proposal’s underlying concerns and essential objectives.
consistent with Rule 14a-8(i)(10). The Company is in the process of finalizing the 2020 ECS and anticipates publication in the near future.

C. Supplemental Notification

We submit this no-action request now to address the timing requirements of Rule 14a-8(j). We will notify the Staff and the Proponent supplementally after publication of the 2020 ECS on the Company’s website, which is expected to occur in the near future.

CONCLUSION

The Company requests confirmation that the Staff will not recommend any enforcement action if, in reliance on the foregoing, the Company omits the Proposal from its 2020 Proxy Materials. If you should have any questions or need additional information, please contact the undersigned at (972) 940-6211 or David A. Kern at (972) 940-7228. 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,

James E. Parsons

Enclosures

cc w/ enc: As You Sow
Andrew Behar
Louis Goldberg
Davis Polk & Wardwell LLP
Louis.goldberg@davispolk.com
January 17, 2020

VIA Email

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549
via email: shareholderproposals@sec.gov

Ladies and Gentlemen:

On behalf of Exxon Mobil Corporation, a New Jersey corporation (the “Company” or “Exxon Mobil”), 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 As You Sow on behalf of Andrew Behar (the “Proponent”) for inclusion in the proxy materials the Company intends to distribute in connection with its 2020 Annual Meeting of Shareholders (the “2020 Proxy Materials”). The Proposal is 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 2020 Proxy Materials. In accordance with Rule 14a-8(j), this letter is being filed with the Securities and Exchange Commission (the “Commission”) not less than 80 days before the Company plans to file its definitive proxy statement.

Pursuant to Staff Legal Bulletin No.14D (CF), Shareholder Proposals (November 7, 2008), Question C, we have submitted this letter and any related correspondence via email to shareholderproposals@sec.gov. Also, in accordance with Rule 14a-8(j), a copy of this submission is being sent simultaneously to the Proponent as notification of the Company’s intention to omit the Proposal from the 2020 Proxy Materials. This letter constitutes the Company’s statement of the reasons it deems the omission of the Proposal to be proper.

THE PROPOSAL

The Proposal states:

“Resolved: Shareholders request that ExxonMobil issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees Celsius.”

REASONS FOR EXCLUSION OF THE PROPOSAL

The Company believes that the Proposal may be properly omitted from the 2020 Proxy Materials pursuant to:

- Rule 14a-8(i)(3), because the Proposal is materially false and misleading;
• Rule 14a-8(i)(7), because it impermissibly seeks to micromanage the Company; and

• Rule 14a-8(i)(10), because the Company has already substantially implemented the Proposal.

1. The Company may omit the Proposal pursuant to Rule 14a-8(i)(3) because it is materially false and misleading and therefore contrary to the Commission’s proxy rules, including Rule 14a-9.

Rule 14a-8(i)(3) permits exclusion of a shareholder proposal if the proposal or supporting statement is contrary to any of the rules promulgated by the SEC, including Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials. See Microsoft Corporation (October 7, 2016) (exclusion of a proposal on Rule 14a-8(i)(3) grounds that misstates the operation of the resolution and supporting statement); Ferro Corporation (March 17, 2015) (exclusion of a proposal on rule 14a-8(i)(3) grounds that contains statements that misrepresent the premise of the proposal); and General Magic, Inc. (May 1, 2000) (exclusion of a proposal on Rule 14a-8(i)(3) grounds that falsely asserts statements about the company’s practices regarding giving information to shareholders). A proposal is false and misleading when implementation by the Company could be significantly different from the actions envisioned by shareholders voting on it. Fuqua Industries, Inc. (March 12, 1991).

Analysis of the materially false and misleading nature of the Proposal requires a background consideration and understanding of the global energy economy, the Paris Agreement, the Company’s role in the energy economy and its constructive current efforts to help further the goals of the Paris Agreement, as compared to the actions called for by the Proposal and their logical consequences.

The Global Energy Economy. As summarized in the Company’s February 2019 Energy and Carbon Summary (the “2019 ECS”), the 2020 updated edition of which is anticipated to be published on the Company’s website in the near future (the “2020 ECS”), and in the Company’s recently published 2019 Outlook for Energy (the “Outlook”), third-party models encompassing the full range of potential technology options to achieve a two degrees Celsius stabilization level of atmospheric carbon dioxide (“CO2”), a greenhouse gas, acknowledge that oil and natural gas will continue to contribute significant portions of global energy demand for decades into the future. Even as currently rising global oil and natural gas demand are expected in these models eventually to peak and decline, the natural decline rate of oil- and natural gas-producing assets means substantial new investment in oil and gas projects will be required for many years. This is a function of the sheer size and scale of the global energy economy, expected growth in global population, and the pursuit of economic development by the developing nations of the world. Economic development for a growing world population requires energy. Without oil and natural gas, the world’s energy needs over a future multi-decade timeframe cannot be met. At the same time, it is important to recognize that oil and natural gas supplies around the world are abundant and provided by thousands of producers, ranging from smaller independent producers, to integrated multi-national companies such as the Company, to the largest state-owned oil and gas companies. The Company’s production represents approximately 2% of the global production among these many and varied producers. The Company does not control global energy demand.

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3 Outlook, page 4.
4 Many state-owned oil and gas companies are based in countries whose national economies and future economic growth are substantially dependent on oil and gas production.
The Paris Agreement. The Paris Agreement is a government-to-government accord under which participating countries seek to reduce their national greenhouse gas emissions according to pledges known as "Nationally Determined Contributions" ("NDCs"). The NDCs represent commitments made by the parties to the Paris Agreement and reflect the parties’ support for that Agreement. The only way to effect change is through the specifics of each country-level policy, each of which must ultimately resolve to alter the demand for energy in their own national markets. ExxonMobil’s Outlook, which forecasts demand and supply trends to 2040, incorporates all of the NDCs into its analysis. By doing this, ExxonMobil’s forecasts and strategic planning for the future are aligned with the Paris Agreement. But how any participating country chooses to formulate policies to attempt to meet its NDC is a matter of a complex interplay of legal and policy decisions affected by local and global economic goals, technological potential, national resource options and geopolitical objectives. Each country must tailor its policies to confront a dual challenge: meeting the needs of each country’s people for reliable and affordable energy and the quality of life that depends on this energy while also addressing the risks of climate change. Today, approximately a quarter of the world’s population lacks affordable and reliable energy and the basics of clean water, sufficient food, dependable transportation infrastructure, and acceptable medical and educational facilities, all of which require energy. Countries also have national security objectives that may vary widely depending on the type and nature of energy supplies to which the country has ready access.

Analysis of the Proposal. The Proposal’s supporting statement makes clear that the underlying intention of the Proposal is not merely to seek a report on if and how the Company is aligning its business with the goals of the Paris Agreement. As explained below in describing how the Company has substantially implemented the Proposal, the Company is already providing this information in multiple public disclosures. Among other things, the supporting statement calls on the Company to:

- Adopt greenhouse gas emission reduction targets for the Company’s full carbon footprint, inclusive of product-related emissions;
- Reduce “non-Paris aligned capital investments” in oil and/or gas resource development; and
- Invest at scale in low carbon energy or other reduction measures.

The supporting statement thus makes clear the focus and intent of the Proposal is for the Company to wind down its current oil, gas, and petroleum product businesses. Pending development and deployment at large scale of potential new energy technologies the Company is already pursuing, there are essentially only three ways the Company could meet the direct objectives of the Proposal and reduce the emission of CO2 by the purchasers of Company products:

- **Sell current oil and gas producing assets.** GHG emissions by customers of oil and gas produced by the Company could be reduced if the Company stopped selling oil and gas to its customers (for example, the Company could divest its producing assets, thereby shrinking the Company’s total production). However, such assets would almost certainly be purchased by other oil and gas producers and would remain in operation, thus having no impact on global emissions or actually result in an increase in such emissions.⁵

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⁵ In correspondence regarding a similar proposal last year (*Exxon Mobil Corporation* (April 3, 2019)), counsel for the proponents of that proposal appeared to agree that selling assets to other producers would be inconsistent with the objective of that proposal to reduce emissions resulting from consumer use of the company’s products and thus would not be aligned with the Paris Agreement. See March 8, 2019 letter (included in the cited no-action response) from Sanford Lewis, Analysis and Response attachment p. 10, confirming that selling Company assets to another
• Invest in current-technology alternative energy projects in lieu of new oil and gas projects. GHG emissions by customers of oil and gas produced by the Company could also be reduced if the Company were to scale back investment in new oil and gas projects that are in global demand, and redirect that investment into "low carbon energy or other reduction measures." In this case, the natural decline rate of existing projects would result in a steady decrease in the Company’s oil and gas production, which would substitute the typically lower return of utility assets for traditional oil and gas returns, but have no impact on global oil or gas demand or consumption. At the same time, however, the Company cannot prevent the eventual resource owners from continuing to develop economically attractive new projects through other producers as long as those projects are necessary to help meet global oil and gas demand and provide attractive investor returns. Singular actions by the Company to shrink its oil and gas business would ultimately not reduce global GHG emissions or advance the goals of the Paris Agreement and would harm the Company’s shareholders by ignoring not only the needs of the Company’s customers, but eventually starving the Company of earnings necessary to meet its obligations and provide an attractive dividend return to shareholders, as well as, importantly, the earnings needed to continue investing in the research and development of future energy technologies with potential to advance the transition to a lower carbon energy future.

• Prevent oil and gas from being produced. In other contexts outside the Proposal, the Proponent advocates an approach sometimes referred to as "keep it in the ground," which envisions that the Company would effectively halt production from its existing projects and not sell those assets to other producers.6 This idea is illusory and impracticable for several reasons. First, even if the Company were able to "lock up" the production to which it currently holds rights, global oil and gas demand would remain unchanged and would be met by other producers resulting in no net reduction – and potential adverse consequences as discussed in more detail below – for global emissions. Of more direct relevance, the Company typically does not own the oil and gas properties it produces. In the United States, oil and gas is generally produced under leases with private or government mineral owners. In other countries, the national sovereign typically owns the country’s oil and gas resources and the Company participates in the production of such resources under production sharing or other contractual arrangements. Under both the typical U.S. oil and gas lease and international contractual arrangements, the Company would be in breach of the applicable contracts if it simply halted the exploration, development, production, and related investment activities it is obligated to undertake, with the result that such agreements would be terminated and resource owners would continue to produce their resources by re-letting the applicable contracts to other producers or continuing operations through their national oil companies. Such actions would thus not reduce global GHG emissions in alignment with the Paris Agreement. Such actions would, however, likely expose the Company and its shareholders to significant claims for damages for breach of contract, as well as the potential loss of billions of dollars of productive capital currently invested in projects that would be retained by host countries.

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The Proposal wants shareholders to vote on a fundamental misconception and false and misleading premise that reducing the Company’s own current investments in oil and gas projects and sale of related products will advance the NDC goals of the Paris Agreement. In the absence of changes in global energy demand, which the Company cannot control, such actions by the Company would simply shift market share from the Company to other producers and do nothing to reduce GHG emission levels by participating countries or further the goals of the Paris Agreement. To the extent other producers replace the Company’s current role in helping meet global oil and gas demand, total GHG emissions could actually increase, because other producers (i) may not operate as efficiently and responsibly as the Company or have the advantages of the Company’s advanced technologies for mitigating emissions from their own operations, (ii) may not share the Company’s commitment to providing products to help customers reduce their emissions, and (iii) may not share the Company’s commitment to investing in advanced energy research, investments which are funded by the Company’s current oil, gas, and petroleum product businesses. A decrease in a single company’s production of oil and natural gas does not provide any insight into whether global GHG emissions are decreasing or whether that company’s operations are aligned with the goals of the Paris Agreement.

The actual intent and effect of the Proposal that shareholders are being asked to vote on is not for the Company simply to issue a report on how it is addressing the risk of climate change (as the Company is already doing, as discussed in more detail below), but for the Company to exit its current oil, gas, and petroleum product businesses in the near term. For the Proponent to represent otherwise under the guise of merely requesting a “report” is false and misleading in violation of the proxy rules. The overly simplistic, and incorrect, premises of the Proposal that shareholders are being asked to vote on represent false and misleading statements that belie the realities of both the global energy economy and the constructive role the Company plays. The false and misleading nature of the Proposal can only be fully appreciated and understood with the benefit of an intricate knowledge of complex issues such as the nature of the Paris Agreement, the global energy economy, and the manner in which oil and gas projects are typically developed, which the above analysis describes at a high level. If a question of such import as to whether the Company should cease its current oil, gas, and petroleum product businesses is to be placed before shareholders, it should be stated plainly and directly, not presented by implication and a need for “reading between the lines” couched in a request for a climate report.

Moreover, the Proposal clearly contemplates that reduction of the Company’s current oil, gas, and petroleum product businesses should be carried out in such a way as to be “aligned with” and advance the goals of the Paris Agreement to reduce national and thereby global GHG emissions. As discussed above, actions the Company could take – beyond (i) incorporating the NDCs into its future strategic planning, (ii) contributing in the most responsible manner to meeting global oil and gas demand (which the Company does not control), and (iii) conducting extensive research and development in pursuit of new lower carbon energy sources and GHG emission reduction technologies – would not in fact reduce global GHG emissions or advance the goals of the Paris Agreement and could well have the opposite effect.

In short, the Proposal is materially false and misleading both in (i) failing to make clear to shareholders that its request is to seek the winding down of the Company’s current oil, gas, and petroleum product businesses, and (ii) its premise that such action would advance the objectives of the Paris Agreement. As such, the Company may omit the Proposal pursuant to Rule 14a-8(i)(3).
because it is materially false and misleading and therefore contrary to the Commission’s proxy rules, including Rule 14a-9.

2. **The Company may omit the Proposal pursuant to Rule 14a-8(i)(7) because it relates to the Company’s ordinary business operations by impermissibly seeking to micromanage the Company by imposing specific methods to implement complex policy issues.**

Rule 14a-8(i)(7) allows a company to omit a shareholder proposal from its proxy materials if such proposal deals with a matter relating to the company's ordinary business operations. The general policy underlying the “ordinary business” exclusion is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at annual shareholders meetings.” Exchange Act Release No. 34-40018 (May 21, 1998). This general policy reflects two central considerations: (i) “[c]ertain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight,” and (ii) the “degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.”

Although the Staff has stated that a proposal generally will not be excludable under Rule 14a-8(i)(7) where it raises a significant policy issue (Staff Legal Bulletin 14E (October 27, 2009)), even if a proposal involves a significant policy issue, the proposal may nevertheless be excluded under Rule 14a-8(i)(7) if it seeks to micromanage the company by specifying in detail the manner in which the company should address the policy issue. See **Exxon Mobil Corporation** (April 2, 2019) (proposal requesting disclosure of greenhouse gas emissions targets in line with Paris Agreement goals); **The Goldman Sachs Group, Inc.** (March 12, 2019) (proposal requesting the company adopt a policy to reduce the carbon footprint of its loan and investment portfolios in alignment with the Paris Agreement); **Wells Fargo & Company** (March 5, 2019) (proposal requesting the company adopt a policy for reducing greenhouse gas (“GHG”) emissions resulting from its loan and investment portfolios to align with the Paris Agreement); **Devon Energy Corporation** (March 4, 2019, recon. denied April 1, 2019) (concurring in exclusion pursuant to Rule 14a-8(i)(7) of a proposal requesting, in annual reporting beginning in 2020, a report of short-, medium- and long-term greenhouse gas targets aligned with reduction goals set in the Paris Climate Agreement to maintain global average temperatures substantially below two degrees Celsius and to pursue efforts to limit increases to 1.5 degrees Celsius, on the basis that “the Proposal would micromanage the Company by seeking to impose specific methods for implementing complex policies in place of the ongoing judgments of management as overseen by its board of directors”); **Walgreens Boots Alliance, Inc.** (November 20, 2018) (proposal requesting that stock buybacks adopted by the board not become effective until approved by shareholders excludable for micromanaging by substituting shareholder approval for board decision-making in a complex matter); **Verizon Communications Inc.** (March 6, 2018) (proposal requesting the Verizon board prepare a report evaluating potential for Verizon to achieve net-zero GHG emissions by a fixed date excludable for micromanaging despite Verizon’s acknowledgment that reduction of GHG emissions, which the proposal sought to address, is a significant policy issue); **EOG Resources, Inc.** (February 26, 2018) (proposal requesting EOG adopt company-wide, quantitative, time-bound GHG emissions reduction targets and issue a report excludable for micromanaging despite EOG’s acknowledgment that the proposal touched on the significant social issue of environmental sustainability and climate change); and **Apple Inc.** (December 21, 2017) (proposal requesting the Apple board prepare a report evaluating potential for Apple to achieve net-zero GHG emissions by a fixed date excludable for micromanaging despite Apple’s acknowledgment that reduction of GHG emissions, which the proposal sought to address, is a significant policy issue). The staff has recognized that a shareholder’s casting of a proposal as a mere request for a report, rather than a request for a specific action, does not mean that the
The evaluation of the manner in which the Proposal seeks to address the subject matter raised, rather than the subject matter itself, is critical to the analysis of whether the Proposal micromanages the Company.

The resolution of the Proposal asks the Company to describe “if, and how,” it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement, and frames the report in the context of asking for “relative benefits and drawbacks,” both of which we recognize are consistent with a particular example of a proposal that SLB 14K deemed not to be micromanagement. However, as SLB 14K also noted, the Proposal will be read in its entirety in determining its “underlying concern or central purpose.” SLB 14K notes that, where “the supporting statement modifies or re-focuses the intent of the resolved clause, or effectively requires some action in order to achieve its central purpose as set forth in the resolved clause,” then the Proposal may seek to micromanage the Company, by supplanting the judgement of management and the board and failing to afford them sufficient flexibility or discretion in addressing the complex matter presented by the Proposal.

The Proposal, through its supporting statement, prescribes the specific methods by which the Company should achieve the objectives of (a) reducing its contribution to climate change and (b) aligning with the goals of the Paris Agreement by mandating that the Company:

- Assess and disclose Scope 3 product emissions;
- Adopt greenhouse gas emission reduction targets for the company’s full carbon footprint, inclusive of product-related emissions;
- Reduce non-Paris aligned capital investments in oil and/or gas resource development; and
- Invest at scale in low carbon energy or other reduction measures.

The resolution in the Proposal that states that the Company should be able to determine “if” the Company plans to reduce its contribution to climate change is completely usurped by the request for the Company to take the above-listed actions. As to seeming to provide the board and management with discretion and flexibility on “how” it should align its operations and investments with the Paris goals, the list of actions entirely re-focuses the resolution by demanding specific
strategies, methods, actions and outcomes relating to the Company’s operations and investments. These strategies, methods, actions and outcomes involve assessment and evaluation not only of the emissions from its own products but also emissions arising from the use of the Company’s products (Scope 3 emissions), adopting greenhouse gas reduction targets for the Company’s “full” carbon footprint that includes emissions relating to its products, reducing capital investment in certain types of product development and while at the same time investing in other types of products and activities. The Proposal takes specific, detailed decision-making out of the hands of management to assess and prescribes the specific strategies, methods, and actions the Company must take.

As to “Paris Alignment,” the supporting statement references a set of specific criteria that further reinforces that the Proposal is imposing on the Company specific methods, actions, and outcomes: “[c]riteria for alignment include: disclosure of Scope 1 through 3 emissions; adoption of a net zero by 2050 or equivalent target; a business plan for becoming Paris Aligned; and a declining carbon footprint.” The criteria includes a net zero emission plan by 2050, which is exactly the type of time-bound target that SLB 14K indicated micromanages companies. Meeting the goals of the Paris Agreement is a central component of the subject matter in the resolution, and the supporting statement prescribes the strategy, method and outcome for addressing reduction of greenhouse gas that the Company would measure itself against and make changes to its operations to meet those goals.

Similar to the reference in the resolved clause to “if, and how,” the illusory flexibility in the Proposal from the request to analyze the “relative benefits and drawbacks” fails to disguise the overly prescriptive and intended nature of the Proposal. Populating the Proposal with “safe” words directly from SLB 14K does not make the Proposal any less prescriptive when analyzed in its entirety, with a focus on the specific directives contained in the Proposal for the Company to meet the Proposal’s central purpose. In short, the highly specific actions called for in the supporting statement undermine the apparently flexible wording used in the “Resolved” clause and place the Proposal squarely back in the realm of micromanagement.

The Proposal does not intend for management and the board to decide “if, and how” it should assess the Company’s climate impact, nor does it intend for the Company to report on the “benefits and drawbacks.” The actions and outcomes specified in the Proposal are not the only ways that the Company may reduce its contribution to climate change, as the Company demonstrates below in describing how it has substantially implemented the Proposal. The Proposal would therefore unduly limit the ability of management and the board to manage complex matters with a level of flexibility necessary to fulfill their fiduciary duties to shareholders.

3. The Company may omit the Proposal pursuant to Rule 14a-8(i)(10) as it has been substantially implemented and its practices, policies and procedures compare favorably to the Proposal.

A. 2019 ECS Substantial Implementation

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if the company has already substantially implemented the proposal. The Commission has stated that “substantial” implementation under the rule does not require implementation in full or exactly as presented by the proponent. See Exchange Act Release No. 34-40018 (May 21, 1998, n.30). The Staff has provided no-action relief under Rule 14a-8(i)(10) when a company has substantially implemented and therefore satisfied the “essential objective” of a proposal, even if the company did not take the exact action requested by the proponent, did not implement the proposal in every detail or exercised discretion in determining how to implement the proposal. See Hess Corporation (April 11, 2019) (permitting exclusion of a proposal requesting that the company issue a report on how it can reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement’s goal where the company had already provided the requested information in its
sustainability report and CDP (formerly known as Carbon Disclosure Project) report; Exxon Mobil Corporation (April 3, 2019) (permitting exclusion of a proposal submitted by the Proponent, that is substantially similar to the Proposal, requesting the Company issue a report on how it can reduce its carbon footprint in alignment with GHG emissions reductions in line with the Paris Agreement where the requested information was readily available in the Company’s public disclosures); Visa (October 11, 2019) (permitting exclusion of a proposal requesting that the company reform its executive compensation philosophy to include social factors where the company had tied annual compensation to the achievement of certain strategic pillars, which included certain social considerations); Exxon Mobil Corporation (March 23, 2018) (permitting exclusion of proposal requesting that the Company issue a report describing how the Company could adapt its business model to align with a decarbonizing economy where the requested information was already available in two published reports describing the company’s long-term outlook for energy and how it would position itself for a lower-carbon energy future); Entergy Corp. (February 14, 2014) (permitting exclusion of proposal requesting a report “on policies the company could adopt . . . to reduce its greenhouse gas emissions consistent with the national goal of 80% reduction in greenhouse gas emissions by 2050” where the requested information was already available in its sustainability and carbon disclosure reports); Duke Energy Corp. (February 21, 2012) (permitting exclusion of proposal requesting that the company assess potential actions to reduce greenhouse gas and other emissions where the requested information was available in the Form 10-K and its annual sustainability report); and Exelon Corp. (February 26, 2010) (concurring in the exclusion of proposal that requested a report on different aspects of the company’s political contributions when the company had already adopted its own set of corporate political contribution guidelines and issued a political contributions report that, together, provided “an up-to-date view of the [c]ompany’s policies and procedures with regard to political contributions”). “[A] determination that the company has substantially implemented the proposal depends upon whether [the Company’s] particular policies, practices, and procedures compare favorably with the guidelines of the proposal.” See Texaco, Inc. (March 28, 1991) (permitting exclusion on substantial implementation grounds of proposal requesting that the company adopt the Valdez Principles where the company had already adopted policies, practices and procedures regarding the environment).

The core of the Proposal, or its “essential objective,” is for the Company to “issue a report . . . describing if, and how, it plans to reduce its total contribution to climate change [in alignment with] the Paris Agreement’s goal.” The Company supports the Paris Agreement and is taking action within its control and core competency to help address the risk of climate change. As described further below, the 2019 ECS demonstrates that the Company has substantially implemented the Proposal by satisfying its essential objective, and thus the Proposal is excludable under Rule 14a-8(i)(10).

In the table below we have succinctly demonstrated how the 2019 ECS report is responsive to the Proposal’s request for “a report . . . describing if, and how, it plans to reduce its total contribution to climate change [in alignment with] the Paris Agreement’s goal.” A more detailed discussion of the disclosures contained in the 2019 ECS that address the essential objective of the Proposal is set forth following the summary table.

<table>
<thead>
<tr>
<th>Proposal request</th>
<th>ExxonMobil 2019 ECS Disclosures</th>
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<td>“report . . . describing if, and how, it plans to reduce its total contribution to climate change”</td>
<td>pp. 1-2, 16-29</td>
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<td>“Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees celsius”</td>
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<td>“Investing at scale in low carbon energy or other reduction measures”</td>
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<td>“adopting greenhouse gas emission reduction targets”</td>
<td>p. 25</td>
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The 2019 ECS draws on the Company’s detailed analysis of the assessed 2ºC scenarios in the Company’s Outlook. The Outlook considers the possible impacts of current and potential future public climate change policies, including the NDCs to the Paris Agreement. The Company believes the NDCs are indicative of countries’ commitments to implement the Paris Agreement. The Outlook represents the Company’s “view of energy demand and supply through 2040” and is used by the Company “to help inform [the Company’s] long-term business strategies and investment plans.” This published analysis is conducted yearly and currently extends through 2040, based upon internal data and analyses as well as publicly available information from external sources including the International Energy Agency. The Outlook incorporates recent developments in economic conditions, policy, and technology, using a data-driven, bottom-up approach to produce a most-likely view of future energy supply and demand, which “anticipates significant changes through 2040 across the world to boost living standards, reshape the use of energy, broaden access to abundant energy supplies, and accelerate decarbonization of the world’s energy system to address the risks of climate change.” The Company’s Outlook already contemplates a future energy mix that shifts toward lower-carbon-intensive fuels.

The 2019 ECS describes the potential impact on the Company’s business of a hypothetical 2ºC scenario, how the Company is adapting and implementing GHG emission reduction measures, and how the Company would be able to adapt to a lower-carbon future while remaining “well-positioned to meet the demands of an evolving energy system,” including how the Company is monitoring indicators that may serve as signposts for potential acceleration in shifts to the energy landscape.

With respect to the Proposal’s requests for a “report . . . describing if, and how, it plans to reduce its total contribution to climate change,” and evidence that the Company is “adopting greenhouse gas emission reduction targets,” the 2019 ECS notes that the Company is “committed to mitigating emissions” and describes various measures. In particular, the 2019 ECS notes a commitment of a “15 percent reduction in methane emissions by 2020 compared with 2016,” a “25 percent reduction in flaring by 2020 compared with 2016,” and a “10 percent GHG emissions intensity reduction at [affiliate] operated oil sands by 2023 compared with 20.” Ultimately, technology breakthroughs will be necessary to accelerate progress towards a 2ºC pathway. The 2019 ECS describes in detail the many initiatives the Company is currently pursuing to achieve such breakthroughs, including carbonate fuel cells; advanced biofuels including fuel derived from genetically engineered algae; carbon capture and storage; and energy efficient manufacturing and process intensification technologies including advanced reduced energy separation processes, high-efficiency reactors, and enhanced efficiency catalysts.

With respect to the Proposal’s request that the Company’s report be in alignment with the “Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees celsius,” ExxonMobil states directly in the 2019 ECS: “ExxonMobil supports the 2015 Paris Agreement.” Also, as noted above, the Company’s Outlook, which is used to prepare the 2019 ECS and to inform the Company’s operational plans, incorporates an analysis of the impacts of current and potential future public climate change policies, including the goals of the Paris Agreement. Further, the 2019

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9 Outlook, p 2.
10 ECS, p 2.
11 ECS, p 2.
12 ECS, p 12.
13 ECS, pp 24-29.
14 ECS, p 25.
15 ECS, p 9 (“Technology advances are expected to play a major role in accelerating progress towards a 2ºC pathway”).
16 ECS, pp 16-20.
17 ECS, p 1.
18 Outlook, p 2.
ECS describes the various steps that the Company is taking to develop technology solutions to help society meet the dual challenge of “meeting the world’s growing demand for energy while reducing environmental impacts and the risks of climate change,” and notes these initiatives’ “criticality in addressing the Paris Agreement goals.”

In addition, with respect to the Proposal’s request that the report should address how the Company is “investing at scale in low carbon energy or other reduction measures,” the 2019 ECS describes how the company is “supplying products that help others reduce their emissions” including natural gas (which “emits up to 60 percent fewer GHG emissions . . . than coal”), “weight-reducing materials that result in . . . fuel economy improvement,” halobutyl rubbers for use in tires to increase fuel efficiency, and advanced fuels and lubricants that also increase efficiency. The 2019 ECS describes the steps taken in the Company’s operations to mitigate GHG emissions, such as increasing energy efficiency, reducing flaring, venting and fugitive emissions, implementing a methane management plan, and deploying technologies such as carbon capture and storage and cogeneration. ExxonMobil currently has a working interest in more than one-fifth of the world’s carbon capture and storage capacity, capturing nearly 7 million tonnes of CO2 in 2018 for permanent and safe storage. The 2019 ECS notes that since 2000 ExxonMobil has eliminated or captured 400 million metric tonnes of CO2. The 2019 ECS also notes the substantial purchase of wind and solar energy made by the Company for use in its operations recently, and the Company’s ranking among the top 10 global corporate wind and solar buyers in 2018.

Substantial implementation does not require implementation in full or exactly as presented by a Proposal, and the Staff has found proposals related to climate change excludable pursuant to 14a-8(i)(10) even if the Company’s actions were not identical to the guidelines of the proposal. Both Entergy Corp. and Duke Energy Corp. permitted exclusion of a shareholder proposal pursuant to 14a-8(i)(10), even though the requested disclosures were not made in precisely the manner contemplated by the proponent. Numerous other letters reinforce this approach. See, e.g., Merck & Co., Inc. (March 14, 2012) (permitting exclusion of a shareholder proposal requesting a report on the safe and humane treatment of animals because the company had already provided information on its website and further information was publicly available through disclosures made to the United States Department of Agriculture); ExxonMobil Corp. (March 17, 2011) (permitting exclusion of a shareholder proposal requesting a report on the steps the company had taken to address ongoing safety concerns where the company’s “public disclosures compare[d] favorably with the guidelines of the proposal”); and ExxonMobil Corp. (January 24, 2001) (permitting exclusion of a shareholder proposal requesting the review of a pipeline project, the development of criteria for involvement in the project and a report to shareholders because it was substantially implemented by prior analysis of the project and publication of such information on the company’s website).

The essential objective of the Proposal is for the Company to “issue a report . . . describing if, and how, it plans to reduce its total contribution to climate change [in alignment with] the Paris Agreement’s goal,” and this has been substantially implemented by the Company through its 2019 ECS. The reports prepared by the Company compare favorably with the essence of the Proposal, and thus the Proposal is excludable under Rule 14a-8(i)(10).

B. Anticipated Publication of the 2020 ECS Will Further Substantially Implement the Proposal

The 2020 ECS will further substantially implement the Proposal by providing updated and enhanced disclosure addressing the Proposal’s underlying concerns and essential objectives.
consistent with Rule 14a-8(i)(10). The Company is in the process of finalizing the 2020 ECS and anticipates publication in the near future.

C. Supplemental Notification

We submit this no-action request now to address the timing requirements of Rule 14a-8(j). We will notify the Staff and the Proponent supplementally after publication of the 2020 ECS on the Company’s website, which is expected to occur in the near future.

CONCLUSION

The Company requests confirmation that the Staff will not recommend any enforcement action if, in reliance on the foregoing, the Company omits the Proposal from its 2020 Proxy Materials. If you should have any questions or need additional information, please contact the undersigned at (972) 940-6211 or David A. Kern at (972) 940-7228. 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,

James E. Parsons

Enclosures

cc w/ enc: As You Sow
Andrew Behar
Louis Goldberg
Davis Polk & Wardwell LLP
Louis.goldberg@davispolk.com
Proposed

Resolved: Shareholders request that ExxonMobil issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees Celsius.

Supporting Statement: Shareholders seek information, at board and management discretion, on the relative benefits and drawbacks of integrating the following actions:

- Disclosing Scope 3 product emissions;
- Adopting greenhouse gas emission reduction targets for the company's full carbon footprint, inclusive of product-related emissions;
- Reducing non-Paris aligned capital investments in oil and/or gas resource development;
- Investing at scale in low carbon energy or other reduction measures.

Whereas: The Intergovernmental Panel on Climate Change warns that global warming above 1.5 degrees Celsius will create catastrophic impacts. Specifically, it instructs that global emissions of carbon dioxide must reach "net zero" by 2050. If warming is kept to 1.5 degrees Celsius versus 2 degrees, studies point to estimated savings of $20 trillion to the global economy by 2100.

The energy industry is one of the largest contributors to climate change and ExxonMobil is the fourth largest global emitter in the sector. ExxonMobil’s investment choices matter. Every dollar invested in fossil fuel resources increases risk to the economy and investor portfolios.

Investors recognize this growing risk. Norway’s sovereign wealth fund announced divestment from oil and gas exploration and production companies. The European Investment Bank and the World Bank announced they will cease funding fossil fuel projects. Other investors are seeking Paris Alignment from large emitters. Criteria for alignment include: disclosure of Scope 1 through 3 emissions; adoption of a net zero by 2050 or equivalent target; a business plan for becoming Paris Aligned; and a declining carbon footprint.

Peer companies are taking steps to align with Paris goals. Shell announced Scope 3 greenhouse gas intensity reduction ambitions and has decreased reserves life below the industry standard. Total has invested substantially in renewable energy and storage. Equinor rebranded itself from

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3 https://climateaction100.wordpress.com/faq/
'StatOil' and is diversifying into renewables. Orsted, previously a Danish oil and gas company, sold its fossil fuel portfolio. Repsol announced a net zero by 2050 target.  

In contrast, ExxonMobil does not report Scope 3 product emissions. Its greenhouse gas reduction goals are short term, limited to certain operations, and do not address Scope 3 emissions. Exxon has no long term business plan to align operations with Paris 1.5 degree goals, instead announcing plans for substantial growth in its reserves base, including carbon intensive oil sands. A recent Carbon Tracker analysis finds that 55 percent of Exxon’s production to 2040 is outside Paris’ below 2 degree objective. The Transition Pathway Initiative also indicates Exxon’s carbon intensity trajectory is far above Paris goals.

Investors seek information to address these concerns.

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9 https://www.carbontracker.org/reports/balancing-the-budget/
FYI – Received today in the Shareholder Relations mailbox “junk” folder.

Alicia – Sending to you, in case you need to provide a copy to Neil (although the email indicates you may have received via fax).

Sherry / Tami – For your further handling.

Kind Regards, 

**Jennifer L. Broussard**  
Executive Staff Assistant  
**Exxon Mobil Corporation**  
Investor Relations & Office of the Secretary  
5959 Las Colinas Blvd.,  
Irving, Texas 75039

[MySite Link]

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From: Kwan Hong Teoh [mailto:Kwan@asyousow.org]  
Sent: Thursday, December 5, 2019 2:48 PM  
To: Shareholder Relations /SM <shareholderrelations@exxonmobil.com>  
Cc: Lila Holzman <holzman@asyousow.org>; Danielle Fugere <DFugere@asyousow.org>; Shareholder Engagement <shareholderengagement@asyousow.org>  
Subject: XOM - Shareholder Resolution - Climate Risk - Paris Aligned Transition

Dear Mr. Hansen,

Please find enclosed a filing letter submitting a shareholder proposal for inclusion in the company’s 2020 proxy statement. This resolution regards climate risk and a Paris Aligned transition. As You Sow is the lead filer on this resolution.

Lila Holzman, here cc-ed, is available to discuss the proposal in detail. I can answer any questions regarding our filing and provide any additional documentation as needed.

A faxed version was also sent today.

Thank you and receipt confirmation of this email would be appreciated.

Best,  
Kwan
Teoh, Kwan Hong (he/him)
Environmental Health Program
Research Manager
As You Sow
2150 Kittredge St., Suite 450
Berkeley, CA 94704
(510) 735-8147 (direct line) | (605) 651-5517 (cell)
kwan@asyousow.org | www.asyousov.org

~Building a Safe, Just and Sustainable World since 1992~
December 5, 2019

VIA FAX & EMAIL

Neil Hansen
Secretary
Exxon Mobil Corporation
5959 Las Colinas Boulevard
Irving, TX 75039-2298

Email: shareholderrelations@exxonmobil.com

RE: Climate Risk – Paris Aligned Transition

Dear Mr. Hansen,

Andrew Behar is a shareholder of Exxon Mobil Corporation. We submit the enclosed shareholder proposal on behalf of Andrew Behar (Proponent) for inclusion in the company’s 2020 proxy statement, and for consideration by shareholders in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

A letter from the Proponent authorizing As You Sow to act on his behalf is enclosed. A representative of the Proponent will attend the stockholders’ meeting to move the resolution as required.

We are available to discuss this issue and are optimistic that such a discussion could result in resolution of the Proponent’s concerns. To schedule a dialogue, please contact Lila Holzman, Energy Program Manager at lholzman@asyousow.org. Please send all correspondence to Ms. Holzman with a copy to shareholderengagement@asyousow.org. Also, please note that our address has changed. Our new address is set forth above.

Sincerely,

Danielle Fugere
President

Enclosures
- Shareholder Proposal
- Shareholder Authorization
Resolved: Shareholders request that ExxonMobil issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees Celsius.

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- Disclosing Scope 3 product emissions;
- Adopting greenhouse gas emission reduction targets for the company's full carbon footprint, inclusive of product-related emissions;
- Reducing non-Paris aligned capital investments in oil and/or gas resource development;
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Whereas: The Intergovernmental Panel on Climate Change warns that global warming above 1.5 degrees Celsius will create catastrophic impacts. Specifically, it instructs that global emissions of carbon dioxide must reach "net zero" by 2050. If warming is kept to 1.5 degrees Celsius versus 2 degrees, studies point to estimated savings of $20 trillion to the global economy by 2100.

The energy industry is one of the largest contributors to climate change and ExxonMobil is the fourth largest global emitter in the sector. ExxonMobil’s investment choices matter. Every dollar invested in fossil fuel resources increases risk to the economy and investor portfolios.

Investors recognize this growing risk. Norway’s sovereign wealth fund announced divestment from oil and gas exploration and production companies. The European Investment Bank and the World Bank announced they will cease funding fossil fuel projects. Other investors are seeking Paris Alignment from large emitters. Criteria for alignment include: disclosure of Scope 1 through 3 emissions; adoption of a net zero by 2050 or equivalent target; a business plan for becoming Paris Aligned; and a declining carbon footprint.

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In contrast, ExxonMobil does not report Scope 3 product emissions. Its greenhouse gas reduction goals are short term, limited to certain operations, and do not address Scope 3 emissions. Exxon has no long term business plan to align operations with Paris 1.5 degree goals, instead announcing plans for substantial growth in its reserves base, including carbon intensive oil sands.8 A recent Carbon Tracker analysis finds that 55 percent of Exxon’s production to 2040 is outside Paris’ below 2 degree objective.9 The Transition Pathway Initiative also indicates Exxon’s carbon intensity trajectory is far above Paris goals.10

Investors seek information to address these concerns.

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9 [https://www.carbontracker.org/reports/balancing-the-budget/](https://www.carbontracker.org/reports/balancing-the-budget/)
December 4, 2019

Andrew Behar
CEO
As You Sow
2150 Kittredge St., Suite 450
Berkeley, CA 94704

Re: Authorization to File Shareholder Resolution

Dear Mr. Behar,

The undersigned (the “Stockholder”) authorizes As You Sow to file or co-file a shareholder resolution on Stockholder’s behalf with the named Company for inclusion in the Company’s 2020 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. The resolution at issue relates to the below described subject.

Stockholder: Andrew Behar
Company: Exxon Mobil Corporation
Subject: Report on whether and how company is aligning its full carbon footprint with Paris climate goals

The Stockholder has continuously owned over $2,000 worth of Company stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the Company’s annual meeting in 2020.

The Stockholder gives As You Sow the authority to address on the Stockholder’s behalf any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder’s name may appear on the company’s proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder’s name in relation to the resolution.

The shareholder further authorizes As You Sow to send a letter of support of the resolution on Stockholder’s behalf.

Sincerely,

[Signature]
Andrew Behar
December 5, 2019

VIA FAX & EMAIL

Neil Hansen
Secretary
Exxon Mobil Corporation
5959 Las Colinas Boulevard
Irving, TX 75039-2298
Email: shareholderrelations@exxonmobil.com

RE: Climate Risk – Paris Aligned Transition

Dear Mr. Hansen,

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Sincerely,

Danielle Fugere
President

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Peer companies are taking steps to align with Paris goals. Shell announced Scope 3 greenhouse gas intensity reduction ambitions and has decreased reserves life below the industry.

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4 https://climateaction100.org/wp-content/uploads/2022/
P4 Aligned Investor Statement;
5 https://www.carbontracker.org/reports/2019-annual-thu-budget/
standard. Total has invested substantially in renewable energy and storage. Equinor rebranded itself from 'StatOil' and is diversifying into renewables. Ørsted, previously a Danish oil and gas company, sold its fossil fuel portfolio. Repsol announced a net zero by 2050 target.

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December 4, 2019

Andrew Behar
CEO
As You Sow
2150 Kittredge St., Suite 450
Berkeley, CA 94704

Re: Authorization to File Shareholder Resolution

Dear Mr. Behar,

The undersigned (the "Stockholder") authorizes As You Sow to file or co-file a shareholder resolution on Stockholder's behalf with the named Company for inclusion in the Company's 2020 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. The resolution at issue relates to the below described subject.

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Company: Exxon Mobil Corporation
Subject: Report on whether and how company is aligning its full carbon footprint with Paris climate goals

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The Stockholder gives As You Sow the authority to address on the Stockholder's behalf any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name in relation to the resolution.

The shareholder further authorizes As You Sow to send a letter of support of the resolution on Stockholder's behalf.

Sincerely,

[Signature]
Andrew Behar
VIA DHL DELIVERY

Mr. Edward Mason
Head of Responsible Investment
The Church of England
Church House, Great Smith Street
London SWIP 3AZ

Dear Mr. Mason:

This will acknowledge receipt of your letter indicating that you wish to co-file on behalf of the Church of England (the "Co-filer"), the proposal previously submitted by As You Sow on behalf of Andrew Behar (the "Proponent") concerning a Report on Climate Risk Management (the "Proposal") in connection with ExxonMobil's 2020 annual meeting of shareholders. By copy of a letter from J. P. Morgan, share ownership has been verified.

In light of the SEC Staff Legal Bulletin No. 14F dealing with Co-filers of shareholder proposals, it is important to ensure that the Proponent, As You Sow on behalf of Andrew Behar, has clear authority to act on behalf of all Co-filers, including with respect to any potential negotiated withdrawal of the Proposal. Unless the Proponent 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 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.

Sincerely,

[Signature]

SME/tlb

December 16, 2019
PACKAGE PICKUP NOTICE

Complete the below, print a hardcopy and attach to the package for your HQ Mail Clerk for pickup.

UPS - GROUND  √ UPS - NEXT DAY  DHL  REGISTERED (INT'L)  CERTIFIED (DOMESTIC)  DATE: December 12, 2019

EXPRESS MAIL  SATURDAY DELIVERY

PROOF OF DELIVERY  √ YES

FROM (NAME/DEPARTMENT)

Marie Clouthier for Sherry M. England

ADRESSED TO

MS. LILA HOLZMAN
ENERGY PROGRAM MANAGER
AS YOU SOW
2150 KITTEDGE ST. SUITE 450
BERKELEY, CA 94704

CONTACT
MS. LILA HOLZMAN

TELEPHONE  510-735-8153

MAILROOM USE ONLY

MAIL RECEIPT  I39-2094

ID Number: ITX17:58:14
Proof of Delivery

Dear Customer,

This notice serves as proof of delivery for the shipment listed below.

**Tracking Number**
1Z75105X0149583269

**Weight**
0.10 LBS

**Service**
UPS Next Day Air®

**Shipped / Billed On**
12/17/2019

**Delivered On**
12/19/2019 3:43 P.M.

**Delivered To**
BERKELEY, CA, US

**Received By**
CHO

**Left At**
Office

Thank you for giving us this opportunity to serve you. Details are only available for shipments delivered within the last 120 days. Please print for your records if you require this information after 120 days.

Sincerely,

UPS

Tracking results provided by UPS: 12/30/2019 11:01 A.M. EST
PACKAGE PICKUP NOTICE

Complete the below, print a hardcopy and attach to the package for your HQ Mail Clerk for pickup.

UPS - GROUND  X  UPS - NEXT DAY  DHL  REGISTERED (INT'L)  CERTIFIED (DOMESTIC)  DATE: December 17, 2019

EXPRESS MAIL  SATURDAY DELIVERY  OTHER (PLEASE SPECIFY)

PROOF OF DELIVERY  X  YES

FROM (NAME/DEPARTMENT)
Marie Clouthier  for  Sherry M. Englund

ADDRESSED TO
MR. ANDREW BEHAR
CEO
AS YOU SOW
2150 KITRIDGE ST. SUITE 450
BERKELEY, CA 94704

CONTENTS
Receipt Letter

MAIL RECEIPT  130-056

ID Number: ITX14:12:40
Proof of Delivery

Dear Customer,

This notice serves as proof of delivery for the shipment listed below.

**Tracking Number**
1Z75105X0151212879

**Weight**
0.10 LBS

**Service**
UPS Next Day Air®

**Shipped / Billed On**
12/17/2019

**Delivered On**
12/19/2019 3:43 P.M.

**Delivered To**
BERKELEY, CA, US

**Received By**
CHO

**Left At**
Office

Thank you for giving us this opportunity to serve you. Details are only available for shipments delivered within the last 120 days. Please print for your records if you require this information after 120 days.

Sincerely,

UPS

Tracking results provided by UPS: 12/20/2019 3:20 P.M. EST
Dear Jenifer,

Thank you for providing these options for a call. While the Proponent Andrew Behar has authorized us to proceed with this engagement on the Proponent’s behalf, since you have asked that he participate, we will be happy to include him. The only time that works for all schedules is 2-3 CT / 12-1 PT on 1/17. Feel free to send a calendar invite or let me know if you would like me to.

Best Regards & Happy Holidays,
Lila

Lila Holzman
Energy Program Manager
As You Sow
2150 Kiltrede St., Suite 450
Berkeley, CA 94704
(510) 735-8153 (direct line) | (415) 483-9533 (cell)
lholzman@asyousow.org | www.asyougow.org

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Dear Ms. Holzman,

We hope that this email finds you well. Neil Hansen would like to schedule an hour to discuss your proposal regarding a report on climate risk for inclusion in the 2020 Proxy Statement. We would like for Mr. Andrew Behar, as proponent, to participate in the engagement as well.

Below you will find suggested date/time (Central Time) slots. We plan for the call to be no longer than an hour. We believe proponent engagement is important and value your perspective on this proposal, so we appreciate your willingness to meet. Please respond to Jenifer Broussard at [email] or at [email] with your preferred timing as soon as convenient.
# Shareholder Relations Engagement Availability Date/Time

All time slots are CT

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We look forward to talking with you soon.

Kind Regards,

**Jenifer L. Broussard**  
Shareholder Relations  
Exxon Mobil Corporation  
Investor Relations & Office of the Secretary  
5959 Las Colinas Blvd., [redacted]  
Irving, Texas 75039  
[redacted]
Good afternoon Lila,

Thank you so much for your response. **January 17, 2:00-3:00pm Central Time (12:00-1:00pm Pacific Time)** is confirmed. A calendar notice will be forthcoming.

Kind Regards,

**Jennifer L. Broussard**  
*Shareholder Relations*  
**Exxon Mobil Corporation**  
5959 Las Colinas Blvd.,  
Irving, Texas 75039

---

From: Lila Holzman [mailto:lholzman@asyousow.org]  
Sent: Thursday, December 19, 2019 2:05 PM  
To: Broussard, Jennifer L. <broussard.jennifer.l@asyousow.org>; Danielle Fugere <dfugere@asyousow.org>  
Cc: Shareholder Engagement <shareholderengagement@asyousow.org>; Englande, Sherry M <sherry.m.englande@asyousow.org>; Williams, John Enrique <jwilliams@asyousow.org>; Bates, Tamara L <tbates@asyousow.org>  
Subject: RE: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Climate Risk Proposal

Dear Jenifer,

Thank you for providing these options for a call. While the Proponent Andrew Behar has authorized us to proceed with this engagement on the Proponent's behalf, since you have asked that he participate, we will be happy to include him. The only time that works for all schedules is 2-3 CT / 12-1 PT on 1/17. Feel free to send a calendar invite or let me know if you would like me to.

Best Regards & Happy Holidays,  
Lila

---

**Lila Holzman**  
*Energy Program Manager*  
**As You Sow**  
2150 Kittredge St., Suite 450  
Berkeley, CA 94704  
(510) 735-8153 (direct line) | (415) 483-9533 (cell)  
lholmzan@asyousow.org | www.asyousov.org

---

From: Broussard, Jennifer L.  
Sent: Wednesday, December 18, 2019 11:40 AM
To: Lila Holzman <lholzman@asyousow.org>
Cc: Shareholder Engagement <shareholderengagement@asyousow.org>; Englande, Sherry M <sherrym@asyousow.org>; Williams, John Enrique <johnw@asyousow.org>; Bates, Tamara L <tmbates@asyousow.org>

Subject: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Climate Risk Proposal

Dear Ms. Holzman,

We hope that this email finds you well. Neil Hansen would like to schedule an hour to discuss your proposal regarding a report on climate risk for inclusion in the 2020 Proxy Statement. We would like for Mr. Andrew Behar, as proponent, to participate in the engagement as well.

Below you will find suggested date/time (Central Time) slots. We plan for the call to be no longer than an hour. We believe proponent engagement is important and value your perspective on this proposal, so we appreciate your willingness to meet. Please respond to Jenifer Broussard at 989-998-88989 or at broussardj@exxonmobil.com with your preferred timing as soon as convenient.

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We look forward to talking with you soon.

Kind Regards,

Jenifer L. Broussard
Shareholder Relations
Exxon Mobil Corporation
5959 Las Colinas Blvd., Room 2615
FYI; received in SR inbox.

Kind Regards,

**Jenifer L. Broussard**
*Executive Staff Assistant*
**Exxon Mobil Corporation**
Investor Relations & Office of the Secretary
5959 Las Colinas Blvd., [redacted]
Irving, Texas 75039
Skype: [redacted]
*MySite Link*

From: Kwan Hong Teoh ([mailto:Kwan@asyousow.org](mailto:Kwan@asyousow.org))
Sent: Thursday, January 2, 2020 7:18 PM
To: Shareholder Relations /SM <shareholderrelations@exxonmobil.com>
Cc: Shareholder Engagement <shareholderengagement@asyousow.org>; Lila Holzman <lholzman@asyousow.org>; Danielle Fugere <DFugere@asyousow.org>
Subject: XOM - Shareholder Resolution - Climate Change - Deficiency Notice Reply

Dear All,

We are in receipt of your letters issued December 17 and 19, 2019 alleging notice of a deficiency in our December 5 and 12, 2019 letters transmitting a climate change related proposal for inclusion on the Company's 2020 proxy. In response to the cited deficiency, we enclose a proof of ownership letters establishing the proponent's and co-filers' ownership of the Company's common stock in the requisite amount and in the time frame necessary to meet eligibility requirements.

Receipt confirmation of the enclosed would be appreciated. Thank you and happy new year.

Best,
Kwan

**Teoh, Kwan Hong** (he/him)
**Environmental Health Program**
**Research Manager**
**As You Sow**
2150 Kittredge St., Suite 450
Berkeley, CA 94704
December 11, 2019

Andrew Behar
CEO
As You Sow
2150 Kittredge St., Suite 450
Berkeley, CA 94704

To Mr. Behar,

RBC Capital Markets, LLC, acts as custodian for Andrew Behar.

We are writing to verify that our books and records reflect that, as of market close on December 5, 2019, Andrew Behar owned 40 shares of Exxon Mobil Corporation (Cusip: 30231GAR3) representing a market value of approximately $2,736 and that, Andrew Behar has owned such shares since October 5, 2015. We are providing this information at the request of Andrew Behar in support of its activities pursuant to rule 14a-8(a)(1) of the Securities Exchange Act of 1934.

In addition, we confirm that we are a DTC participant.

Should you require further information, please contact me directly at 415-445-8304.

Sincerely,

Thomas Van Dyck
Managing Director – Financial Advisor
I am writing in response to your request for information on the above referenced account.

Dear Anna Lyles,

I'm writing to confirm that 60 shares of Exxon Mobil Corp (CUSIP 30231G102) are held in the above referenced account.

As of the date of this letter, shares have been continuously held in this account since June 15, 2015.

This letter is for informational purposes only and is not an official record. Please refer to your statements and trade confirmations as they are the official record of your transactions.

Thank you for choosing Schwab. We appreciate your business and look forward to serving you in the future. If you have any questions, please call me or any Client Service Specialist at +1 (800) 378-0685 x71485.

Sincerely,

Rodney Johnson

Rodney Johnson
Partner Support
8332 Woodfield Crossing Blvd
Indianapolis, IN 46240-2482
Dear Michele Musy,

This letter is to confirm that Charles Schwab is the record holder for the beneficial owner of the Musy Enlightenment Trust account and which holds in the account 455 shares of common stock in Exxon Mobil Corp. These shares have been held continuously for at least one year prior to and including December 12, 2019.

The shares are held at Depository Trust Company under the Participant Account Name of Charles Schwab & Co., Inc., Number 0164.

This letter serves as confirmation that the account holder listed above is the beneficial owner of the above referenced stock.

Thank you for choosing Schwab. If you have questions, please contact your advisor or Schwab Alliance at 1-800-515-2157. We appreciate your business and look forward to serving you in the future.

Sincerely,

Katie Carlton

Katie Carlton
IST West 1 - Northern California
2423 E Lincoln Dr
Phoenix, AZ 85016

Independent investment advisors are not owned by, affiliated with, or supervised by Charles Schwab & Co., Inc. ("Schwab").

Schwab Advisor Services™ serves independent investment advisors, and includes the custody, trading, and support services of Schwab.
From: Lila Holzman [mailto:holzman@asyousow.org]
Sent: Tuesday, January 7, 2020 6:49 PM
To: Broussard, Jenifer L <[
Cc: Shareholder Engagement <shareholderengagement@asyousow.org>; Danielle Fugere <DFugere@asyousow.org>
Subject: RE: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Climate Risk Proposal

Jenifer,

Hope your year is starting off well.

In preparation for our upcoming call, we want to confirm that we have authority to act on behalf of all co-filers and are not sure if all of them have provided notice to us. Can you provide a list of all co-filers on record for this proposal?

Thank you,
Lila

Lila Holzman
Energy Program Manager
As You Sow
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612
(510) 735-8153 (direct line) | (415) 483-9533 (cell)
holzman@asyousow.org | www.asymousow.org

From: Broussard, Jenifer L <[
Sent: Thursday, December 19, 2019 12:14 PM
To: Lila Holzman <holzman@asyousow.org>; Danielle Fugere <DFugere@asyousow.org>
Cc: Shareholder Engagement <shareholderengagement@asyousow.org>; Englande, Sherry M <[
Williams, John Enrique <[
Bates, Tamara L <[
Subject: RE: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Climate Risk Proposal

Good afternoon Lila,

Thank you so much for your response. January 17, 2:00-3:00pm Central Time (12:00-1:00pm Pacific Time) is confirmed. A calendar notice will be forthcoming.

Kind Regards,

Jenifer L. Broussard
Shareholder Relations
Exxon Mobil Corporation
5959 Las Colinas Blvd.
Irving, Texas 75039

From: Lila Holzman [mailto:holzman@asyousow.org]
Sent: Thursday, December 19, 2019 2:05 PM
To: Broussard, Jenifer L <[
Cc: Danielle Fugere <DFugere@asyousow.org>
Dear Jennifer,

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Best Regards & Happy Holidays,
Lila

Lila Holzman
Energy Program Manager
As You Sow
2150 Kittredge St., Suite 450
Berkeley, CA 94704
(510) 735-8153 (direct line) | (415) 483-9533 (cell)
lholzman@asyousow.org | www.asyousow.org

From: Broussard, Jenifer L <jenifer.broussard@bakerbotts.com>
Sent: Wednesday, December 18, 2019 11:40 AM
To: Lila Holzman <lholzman@asyousow.org>
Cc: Shareholder Engagement <shareholderengagement@asyousow.org>; Englande, Sherry M <sherry.englande@bakerbotts.com>; Williams, John Enrique <jnw@bakerbotts.com>; Bates, Tamara L <tmb@bakerbotts.com>
Subject: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Climate Risk Proposal

Dear Ms. Holzman,

We hope that this email finds you well. Neil Hansen would like to schedule an hour to discuss your proposal regarding a report on climate risk for inclusion in the 2020 Proxy Statement. We would like for Mr. Andrew Behar, as proponent, to participate in the engagement as well.

Below you will find suggested date/time (Central Time) slots. We plan for the call to be no longer than an hour. We believe proponent engagement is important and value your perspective on this proposal, so we appreciate your willingness to meet. Please respond to Jenifer Broussard at jenifer.broussard@bakerbotts.com or at <jenifer.broussard@bakerbotts.com> with your preferred timing as soon as convenient.

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We look forward to talking with you soon.

Kind Regards,

Jenifer L. Broussard  
Shareholder Relations  
Exxon Mobil Corporation  
5959 Las Colinas Blvd., [redacted]  
Irving, Texas 75039  
[redacted]
Hi, Marie – The email below is from Lila Holzman, with whom I coordinated the one shareholder proposal call that I set up (January 17, 2-3pm). As I do not have the information requested, can you (or Sherry or Tami) respond to her?

Thank you!

---

From: Lila Holzman [mailto:holzman@asyousow.org]
Sent: Tuesday, January 7, 2020 6:49 PM
To: Broussard, Jennifer L
Cc: Shareholder Engagement <shareholderengagement@asyousow.org>; Danielle Fugere <DFugere@asyousow.org>
Subject: RE: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Climate Risk Proposal

Jennifer,

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In preparation for our upcoming call, we want to confirm that we have authority to act on behalf of all co-filers and are not sure if all of them have provided notice to us. Can you provide a list of all co-filers on record for this proposal?

Thank you,
Lila

---

Lila Holzman
Energy Program Manager
As You Sow
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612
(510) 736-8153 (direct line) | (415) 483-9533 (cell)
holzman@asyousow.org | www.asyou sow.org

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Sent: Thursday, December 19, 2019 12:14 PM
To: Lila Holzman <holzman@asyousow.org>; Danielle Fugere <DFugere@asyousow.org>
Cc: Shareholder Engagement <shareholderengagement@asyousow.org>; Englande, Sherry M & Russell, John Enrique <ru ellis@bateslaw.com>
Subject: RE: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Climate Risk Proposal

Good afternoon Lila,

Thank you so much for your response. January 17, 2:00-3:00pm Central Time (12:00-1:00pm Pacific Time) is confirmed. A calendar notice will be forthcoming.
Kind Regards,

Jenifer L. Broussard  
Shareholder Relations  
Exxon Mobil Corporation  
5959 Las Colinas Blvd.,  
Irving, Texas 75039

From: Lila Holzman [mailto:holzman@asyousow.org]  
Sent: Thursday, December 19, 2019 2:05 PM  
To: Broussard, Jenifer L; Danielle Fugere <Dfugere@asyousow.org>  
Cc: Shareholder Engagement <shareholderengagement@asyousow.org>; Englande, Sherry M; Williams, John Enrique <jwilliams@asyousow.org>; Bates, Tamara L  
Subject: RE: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Climate Risk Proposal

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Best Regards & Happy Holidays,  
Lila

Lila Holzman  
Energy Program Manager  
As You Sow  
2150 Kittredge St., Suite 450  
Berkeley, CA 94704  
(510) 735-8153 (direct line) | (415) 483-9533 (cell)  
holzman@asyousow.org | www.asyousow.org

From: Broussard, Jenifer L  
Sent: Wednesday, December 18, 2019 11:40 AM  
To: Lila Holzman <holzman@asyousow.org>  
Cc: Shareholder Engagement <shareholderengagement@asyousow.org>; Englande, Sherry M; Williams, John Enrique <jwilliams@asyousow.org>; Bates, Tamara L  
Subject: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Climate Risk Proposal

Dear Ms. Holzman,

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Below you will find suggested date/time (Central Time) slots. We plan for the call to be no longer than an hour. We believe proponent engagement is important and value your perspective on this proposal, so we appreciate your
willingness to meet. Please respond to Jenifer Broussard at [redacted] or at [redacted] with your preferred timing as soon as convenient.

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We look forward to talking with you soon.

Kind Regards,

Jenifer L. Broussard  
Shareholder Relations  
Exxon Mobil Corporation  
5959 Las Colinas Blvd., [redacted]  
Irving, Texas 75039
Sherry,

We believe Edward’s participation in this dialogue is important. He not only provided input into the resolution as filed, but we believe his participation will facilitate the collaborative nature and productivity of the discussion. We look forward to speaking with you and your team.

Best,

Danielle

Danielle Fugere
President:
As You Sow
(510) 735-8141 (direct line) | (415) 577-5594 (cell)
dfugere@asyousow.org | www.asyousow.org

From: Englande, Sherry M [mailto:englande@asyousow.org]
Sent: Thursday, January 9, 2020 12:40 PM
To: Lila Holzman <lholzman@asyousow.org>; Danielle Fugere <dfugere@asyousow.org>
Cc: Shareholder Engagement <shareholderengagement@asyousow.org>; Williams, John Enrique
   Bates, Tamara L <tambates@asyousow.org>; Clouthier, Marie A
Subject: RE: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Climate Risk Proposal

Dear Lila –
Happy New Year! I hope that you have had a wonderful holiday!

Thank you for getting back to us so quickly to find a good time to engage on Andrew Behar’s proposal. While we’re encouraging proponents to reach out to any co-fillers or interested others to gather their input and perspectives on the proposals, we do not recommend the inclusion of additional parties on the proponent calls. In the past we have found that additional parties participating in the proponent engagement calls tend to hinder the productivity and collaboration of the discussion between the proponent and the Company.

We hope that all of our proponents will join us in seeking a constructive dialogue on the proposal between the proponent and ExxonMobil.

ExxonMobil always welcomes engagement with its shareholders and stakeholders. So if there is a desire for a broad call, we would be happy to schedule one later in the year. There is never a need to file a shareholder proposal to engage with us.

We look forward to talking with you and Mr. Behar soon.
Dear Jennifer,
Co-filer Edward Mason would like to join this call. The planned time of January 17, 2:00-3:00pm Central Time is a bit late for the UK time zone. Can you provide some earlier options? If we are unable to find an alternative time, we can make the current slot work, so please keep it reserved in the meantime.
Thank you,
Lila

Lila Holzman
Energy Program Manager
As You Sow
2150 Kittredge St., Suite 450
Berkeley, CA 94704
(510) 735-8153 (direct line) | (415) 483-9533 (cell)
lholzman@asyousow.org | www.asyouso.org

Good afternoon Lila,

Thank you so much for your response. **January 17, 2:00-3:00pm Central Time (12:00-1:00pm Pacific Time) is confirmed.** A calendar notice will be forthcoming.

Kind Regards,

Jennifer L. Broussard
Shareholder Relations
Exxon Mobil Corporation
5959 Las Colinas Blvd.,
Irving, Texas 75039

From: Lila Holzman [mailto:lholzman@asyousow.org]
Sent: Thursday, December 19, 2019 12:14 PM
To: Lila Holzman <lholzman@asyousow.org>; Danielle Fugere <DFugere@asyousow.org>
Cc: Shareholder Engagement <shareholderengagement@asyousow.org>; England, Sherry M <sherrym@asyousow.org>; Williams, John Enrique <jwilliams@asyousow.org>; Bates, Tamara L <tambates@asyousow.org>
Subject: RE: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Climate Risk Proposal

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Sent: Thursday, December 19, 2019 2:05 PM
To: Broussard, Jennifer L <jbrbrou<redacted>>; Danielle Fugere <DFugere@asyousow.org>
Cc: Shareholder Engagement <shareholderengagement@asyousow.org>; England, Sherry M <sherrym@asyousow.org>; Williams, John Enrique <jwilliams@asyousow.org>; Bates, Tamara L <tambates@asyousow.org>
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Best Regards & Happy Holidays,
Lila

Lila Holzman
Energy Program Manager
As You Sow
2150 Kittredge St., Suite 450
Berkeley, CA 94704
(510) 735-8153 (direct line) | (415) 483-9533 (cell)
loholzman@asyousow.org | www.asyouwash.org

From: Broussard, Jenifer L <[redacted]>
Sent: Wednesday, December 18, 2019 11:40 AM
To: Lila Holzman <loholzman@asyousow.org>
Cc: Shareholder Engagement <shareholderengagement@asyousow.org>; Englando, Sherry M 
<[redacted]>; Williams, John Enrique <[redacted]>; Bates, Tamara L 
<[redacted]>
Subject: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Climate Risk Proposal

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We look forward to talking with you soon.

Kind Regards,

Jenifer L. Broussard  
Shareholder Relations  
Exxon Mobil Corporation  
5959 Las Colinas Blvd.,  
Irving, Texas 75039
Danielle –

Thank you for your email. As Neil indicated in his email this morning, we welcome constructive engagement by the proponent and others who have interest in the proposal. We’ll look forward to talking with you soon about Mr. Behar’s proposal.

Thank you,

Sherry

---

Danielle Fugere
President
As You Sow
(510) 735-8141 (direct line) | (415) 577-5594 (cell)
dfugere@asyousow.org | www.asyousow.org

---

From: Engande, Sherry M [mailto:________________________]
Sent: Wednesday, January 15, 2020 3:30 PM
To: Danielle Fugere; Lila Holzman
Cc: Shareholder Engagement; Williams, John Enrique; Bates, Tamara L; Clouthier, Marie A
Subject: RE: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Climate Risk Proposal

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Thank you
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Kind Regards,

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Shareholder Relations  
Exxon Mobil Corporation  
5959 Las Colinas Blvd.,  
Irving, Texas  75039

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From: Lila Holzman [mailto:lholzman@asyousow.org]
Sent: Thursday, December 19, 2019 2:05 PM
To: Broussard, Jenifer L < >; Danielle Fugere <DFugere@asyousow.org>
Cc: Shareholder Engagement <shareholderengagement@asyousow.org>; Englande, Sherry M < >; Williams, John Enrique < >; Bates, Tamara L < >
Subject: RE: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Climate Risk Proposal

Dear Jenifer,

Thank you for providing these options for a call. While the Proponent Andrew Behar has authorized us to proceed with this engagement on the Proponent’s behalf, since you have asked that he participate, we will be happy to include him. The only time that works for all schedules is 2-3 CT / 12-1 PT on 1/17. Feel free to send a calendar invite or let me know if you would like me to.

Best Regards & Happy Holidays,
Lila

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From: Broussard, Jenifer L < >
Sent: Wednesday, December 18, 2019 11:40 AM
To: Lila Holzman <lholzman@asyousow.org>
Cc: Shareholder Engagement <shareholderengagement@asyousow.org>; Englande, Sherry M < >; Williams, John Enrique < >; Bates, Tamara L < >
Subject: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Climate Risk Proposal

Dear Ms. Holzman,

We hope that this email finds you well. Neil Hansen would like to schedule an hour to discuss your proposal regarding a report on climate risk for inclusion in the 2020 Proxy Statement. We would like for Mr. Andrew Behar, as proponent, to participate in the engagement as well.

Below you will find suggested date/time (Central Time) slots. We plan for the call to be no longer than an hour. We believe proponent engagement is important and value your perspective on this proposal, so we appreciate your willingness to meet. Please respond to Jenifer Broussard at or at with your preferred timing as soon as convenient.
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We look forward to talking with you soon.

Kind Regards,

Jennifer L. Broussard  
Shareholder Relations  
Exxon Mobil Corporation  
5959 Las Colinas Blvd., D169  
Irving, Texas 75039