February 10, 2020

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F St., NW
Washington DC 20549
Via email: shareholderproposals@sec.gov

Ladies and Gentlemen,

I am responding to the letter of ExxonMobil Corporation (ExxonMobil) dated February 7, 2020 which responds to my letter to the Staff of the Division of Corporation Finance dated January 22, 2020, all concerning ExxonMobil’s request of January 17, 2020 for permission to exclude my shareholder proposal from its 2020 proxy materials.

ExxonMobil’s request continues to be without factual or legal basis and should be denied.

1. ExxonMobil has not disclosed or reported to shareholders the costs and benefits of its actions on climate.

ExxonMobil claims in its February 7 letter that it “has made clear that addressing the risks of climate change through emissions cuts results in benefits to its businesses and its shareholders.”

This statement is false and misleading, and irrelevant to my shareholder proposal.

First, my shareholder proposal requests that ExxonMobil produce a report detailing precisely what the actual costs and benefits of its climate actions are. My shareholder proposal is over and above ExxonMobil’s mere and facile, but unsupported and undocumented, assurances that emissions cuts somehow result in as-yet undescribed, unquantified and possibly entirely imaginary benefits.

Next, my shareholder proposal also requests that ExxonMobil detail the benefits to the public health and environment of its activities on climate — not merely the benefits to its business and shareholders.
ExxonMobil’s February 7 letter fails to cite any ExxonMobil report that details the actual costs and benefits of any of its ongoing climate activities. There is, in fact, no ExxonMobil report that has already satisfied the request of my shareholder proposal.

ExxonMobil’s argument, here, is entirely contrary to the disclosure pillar of our securities laws and regulations. ExxonMobil’s argument is equivalent to the company being allowed to tout profitability without ever having to disclose detailed financial information to shareholders.

The purpose of disclosure is to prevent fraud. “Trust us” is entirely inconsistent with the securities laws.

2. **ExxonMobil’s belated 2020 Energy and Carbon Summary does not at all implement my shareholder proposal.**

First, it should be noted that ExxonMobil’s 2020 Energy and Carbon Summary (2020 ECS) was issued last week or so, even after ExxonMobil’s January 17, 2020 request for a no-action letter.

Next and more importantly, ExxonMobil’s 2020 ECS does not in the slightest implement the shareholder proposal.

As with all other ExxonMobil reports and documents, the 2020 ECS fails to identify and quantify any actual benefits to anyone or anything of its climate activities.

Not surprisingly, ExxonMobil’s February 7, 2020 letter does not, because it cannot cite any example of an actual and existing identified and quantified benefit of its climate-related activities.

3. **ExxonMobil’s attempt to dismiss the Duke Energy and Exelon precedents for the proposal is without factual basis.**

As in the cases of Staff’s refusal to permit Duke Energy and Exelon to exclude proposals substantially similar to this proposal, ExxonMobil has failed to provide any evidence that it has already substantially implemented any part of the proposal.

In fact, ExxonMobil’s empty letters to the Staff to date simply underscore the proposal’s justification. ExxonMobil is spending billions of dollars of shareholder money on climate activities. Yet the actual benefits of these expenditures remain a mystery.

Activities are not the same as accomplishments. If there are no accomplishments, then that should be reported — as should be the actual costs of the activities that are not accomplishing anything.

ExxonMobil wants a free ride from its climate-related activities. It wants to pat itself on the back for its climate activities without having to disclose precisely what it has accomplished and
at what cost. The problem for ExxonMobil, though, is that the securities laws prohibit partial and selective disclosure of financial results and other significant events and activities.

For these reasons as well as those stated in my January 22, 2020 letter, ExxonMobil’s request for a no-action letter should be rejected as being without factual or legal basis.

Sincerely,

Steve Milloy

cc: ExxonMobil and counsel
February 7, 2020

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 (a) respond to the letter from Steven J. Milloy (the “Proponent”) dated January 22, 2020 (the “Proponent Response Letter”) with respect to the request from the Company, dated January 17, 2020 (the “No-Action Letter”) and (b) supplement 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 are included with this letter as Exhibit A.

As explained in the No-Action Letter, 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 so inherently vague and indefinite as to be materially misleading in violation of Rule 14a-9; Rule 14a-8(i)(7), because the Proposal relates to the Company’s ordinary business operations; and Rule 14a-8(i)(10), because the Proposal has been substantially implemented. This letter focuses primarily on the assertions in the Proponent Response Letter that the Company does not disclose the benefits of its environment-related activities and also provides additional support for the Company’s belief that it may omit the Proposal pursuant to Rule 14a-8(i)(10) because it has been substantially implemented. The Company has advised us as to the factual matters set forth below.

The Company has made clear that addressing the risks of climate change through “emission cuts” results in benefits to its business and its shareholders.

The Proponent Response Letter claims that the Company has not disclosed how reducing emissions benefit “anyone or anything,” and questions whether it has resulted in “financial benefits” to shareholders. The Proponent has failed to consider all of the available disclosures that the Company has made regarding the business reasons that it is addressing carbon emissions. As the Company has extensively disclosed, these initiatives are integral to the Company’s strategy to help meet growing energy demand by addressing features of its current products that impact today’s demand for these products and enhancing future product offerings to respond to future demand.
trends. These efforts benefit its shareholders in supporting current sales and the Company’s strategy for business growth.

The Company’s publicly disclosed Outlook for Energy: A perspective to 2040 (the “Energy Outlook”) projects energy demand and supply through 2040, and “has helped inform ExxonMobil’s long term business strategies, investment plans and research programs.” The Company reports that “policy choices, consumer preferences and technology play a role in balancing energy supply and demand and the impact on emissions.” As the Energy Outlook discloses, each of these three drivers (policy changes, consumer preferences and new technology) are expected to affect the global demand for energy in the next twenty years and support a trend toward lower carbon technologies and products.

Since the Company’s forecast shows a strong growth in sources of energy that center on products which generate less emissions as part of “society’s energy and climate objectives,” the Company’s strategies and business activities embrace research, innovation and experimentation in providing products with a reduced environmental impact. It is important for the Company, and to the benefit of its shareholders, for the Company to develop and refine product offerings that continue to meet consumer expectations for its products while also responding to anticipated growth in global energy demand. These efforts are also necessary to position the Company to succeed in a highly competitive energy supply marketplace.

Policy changes. The Energy Outlook discloses that government policies will spur efforts for increased technological efficiency and “aim for a lower-carbon energy mix in pursuit of national climate policy goals,” and “[b]y 2040 the combined effects of lower energy intensity and less carbon-intensive energy sources [will] result in nearly 45 percent reduction in the carbon intensity of the global economy.”

Consumer preferences. The Energy Outlook discloses that consumer preferences can shift “as new technology enables options that better meet a consumer’s needs, such as lower energy costs and lower emissions” (emphasis added). There is an interplay between government policy and consumer preferences, which can “also be altered…by policies that incentivize choices, like a carbon tax that encourages more lower carbon electricity supply.” Consumers are becoming more “environmentally aware,” which is driving not only the global energy demand but also the energy supply, as businesses shift production to meet changing consumer preferences.

New technology. The Company must meet the challenges posed by new technology. The trend in technology is focused on “more efficient fuel use and lower emissions intensity across all

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3 Id.
6 Id.
sources of supply,” while “[l]ower carbon energy sources – including wind/solar, biofuels and nuclear – increase at the fastest pace.”

In terms of the energy supply and demand for specific products, the Company anticipates global energy mix shifting to “lower-carbon fuels,” with natural gas growing the most of any energy type, renewables and nuclear energy sources seeing strong growth and coal dropping, as “China and OECD nations transition toward lower-carbon sources like renewables, nuclear and natural gas.”

The Energy Outlook is based on “likely trends in technology, policy, consumer preferences, geopolitics and economic development.” There is no question that it is part of management’s responsibility to anticipate and understand all of those factors as it manages its business in the best interest of shareholders. Those trends predict that “[b]y 2040 efficiency and emissions intensity reduction are expected to contribute to a nearly 45 percent decline in the carbon intensity of the global economy.” Developing and refining product offerings is a laborious and time-intensive process that requires significant work in the present to meet anticipated future energy demand.

The Company’s recently published Energy and Carbon Summary (the “2020 ECS”) explains that the Company’s “businesses are well positioned for the continuing evolution of the energy system,” which involve “near-term actions” that include expanding supply and production of certain products, engaging in policy discussions and “mitigating emissions from our own operations.” Longer term, the Company’s “business strategies are consistent with the evolving energy landscape,” which include “developing alternative energy solutions with lower-carbon intensity” and “achiev[ing] technology breakthroughs for scalable GHG emission reductions.” The Company’s business strategy as disclosed in the 2020 ECS includes understanding global energy fundamentals, one of which is “GHG emissions.”

As part of this business strategy, the Company continues taking steps to achieve near-term actions and to prepare for longer-term developments. Forecasts of demand show that a combination of policy changes, consumer preferences and new technologies are expected to cause shifts to lower carbon-intense products. The Company is taking actions to develop and deploy the new technologies that will meet evolving energy demand consistent with potential policy changes and consumer preferences. In addition, the Company is taking actions to reduce its own emissions and help consumers lower their emissions to make its current products more resilient to these anticipated trends. Anticipating trends, and undertaking actions in alignment with its own projections, are business decisions that enhance the Company’s current and future product offerings while laying the

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8 Id.
9 See Note 4.
10 See Note 1.
11 See Note 2.
13 Id. at page 2.
14 Id.
15 Id. at page 7.
16 Id. at page 25.
groundwork for the continued growth of the business, which produces the financial benefits that the Proposal seeks.

The 2020 ECS 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 (the “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 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 include 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.

The 2020 ECS describes benefits to the public health and the environment:

- The 2020 ECS notes that as energy demand rises over the next two decades, there is “the potential for greater environmental impact, including greenhouse gas (GHG) emissions and the risks of climate change. As a global community, we need to manage environmental impacts as we meet this growth in demand. This is society’s dual challenge.”
- ExxonMobil believes it has an important role to play in helping reduce climate risks through its commitment to manage operational emissions, produce cleaner, more advanced products, conduct fundamental research into new technology solutions, and engage in climate policy discussions.

The 2020 ECS describes benefits in terms of meeting shifting consumer demand:

- As an example of the Company meeting evolving consumer demand for efficient energy sources, the 2020 ECS notes that over the next two decades “[n]atural gas will expand its role to more than 25 percent of total primary energy, led by growth in electricity generation and industrial output.” and that “[n]atural gas is expected to grow the most of any energy type, reaching a quarter of all demand.” Elsewhere, the report notes that “[n]atural gas demand is expected to grow more than 35 percent from 2017 to 2040… As one of the largest natural gas producers in the U.S., and a significant producer of LNG [low-cost liquefied natural gas] around the world, we are well positioned to support the projected demand shift from coal to natural gas for power generation and industrial use.”
- As another example, “[c]hemical industry growth is forecast to outpace growth in global GDP and energy demand for the next two decades. We are progressing 13 new facilities that are expected to support a 30-percent growth in sales, and for performance products to deliver approximately 60 percent of [chemical] earnings by 2025. Many of our chemical

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17 Id. at page 1.
18 Id.
19 Id. at 35.
20 Id. at 2, 8.
21 Id. at 17.
products help our customers reduce their GHG emissions, particularly in high-performance products as advanced materials that make cars lighter and more fuel efficient, and packaging materials that extend products’ shelf life and reduce the energy needed to ship goods around the world.\textsuperscript{22}

The Company’s public reporting is distinguishable from other companies’ disclosures that have not been found to substantially implement the Proposal.

The Proponent Response Letter cited two prior examples of companies where the Staff did not concur in excluding the Proposal.\textsuperscript{23} We believe that the Company’s existing reports, as cited in the No-Action Letter and this letter, can be distinguished as providing detailed business reasons for its climate-related actions such as reducing carbon emissions, and those business decisions are made in order to provide “actual benefits” to the Company’s financial results and shareholders:

- The 2019 ECS notes that as a result of its environment-related activities, the Company is well-positioned for the continuing evolution of human energy systems and as a producer of more environmentally friendly products than many of its competitors, Exxon has a strong market position in every business line in which it operates, including ExxonMobil Chemical Company’s annual earnings of more than $4 billion in 2017.\textsuperscript{24}

- The Company reports that the Company’s voluntary compliance with energy efficiency standards not only meet evolving consumer demand, but also that these investments benefit shareholders in terms of the Company’s competitive positioning. For example, the 2019 ECS notes that Exxon’s investment in its chemical products has allowed the Company to become a world-leading producer of specific products, such as advanced halobutyl rubber and weight-reducing packaging materials.\textsuperscript{25} The MD&A section of the Company’s 2018 Form 10-K reports that the Company’s environment-related activity is conducted in response to its projections on consumer demand, i.e., that total renewable energy will likely exceed 15% of global energy by 2040, and that total energy supplied from wind, solar, and biofuels will grow nearly 250%.\textsuperscript{26}

- As explained above, the Company’s actions are taken with its competitive positioning, and financial results, in mind. The 2020 ECS describes how the Company is investing in environment-related activities in order to competitively position itself in the changing energy landscape.\textsuperscript{27} The MD&A explains how the Company’s investment in technologies like natural gas is designed to enhance the Company’s own financial performance, which is in the best interest of shareholders. The Company’s Sustainability Report notes that using energy more efficiently enables companies to reduce their costs and that according to the Solomon Refining Industry Survey, Exxon is among the world’s most energy-efficient refining companies.\textsuperscript{28}

\textsuperscript{22} Id.
\textsuperscript{23} Exelon Corporation (March 12, 2019) (proposal by Proponent seeking a report of the costs and benefits that have accrued to shareholders, the public health and the environment, from the company’s environment-related activities) and Duke Energy Corporation (March 12, 2019) (same).
\textsuperscript{24} 2019 ECS at 2, 16.
\textsuperscript{25} Id. at 22.
\textsuperscript{26} https://www.sec.gov/Archives/edgar/data/34088/000003408819000010/xom10k2018.htm
\textsuperscript{27} 2020 ECS at 2.
\textsuperscript{28} https://corporate.exxonmobil.com/en/Community-engagement/sustainability-report
• The Company’s actions and reporting on its environment-related activity focuses on the direct positive impact such investments have on the performance of the Company, which benefits shareholders.

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.

Respectfully yours,

Louis L. Goldberg

Attachment

cc w/ att: James E. Parsons, Exxon Mobil Corporation

Steven J. Milloy
Exhibit A

No-Action Letter
January 17, 2020

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”), 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 Steven J. Milloy (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. The Company has advised us as to the factual matters set forth below.

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. Pursuant to Rule 14a-8(j), we are submitting this letter not less than 80 days before the Company intends to file its definitive 2020 proxy statement. 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, beginning in 2020, ExxonMobil publish an annual report of the incurred costs and associated significant and actual benefits that have accrued to shareholders, the public health and the environment, including the global climate, from the company’s environment-related activities that are voluntary and that exceed U.S. and foreign
compliance and regulatory requirements. The report should be prepared at reasonable cost and omit proprietary information.

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 so inherently vague and indefinite as to be materially misleading in violation of Rule 14a-9;
• Rule 14a-8(i)(7), because the Proposal relates to the Company's ordinary business operations; and
• Rule 14a-8(i)(10), because the Proposal has been substantially implemented.

1. The Company may omit the Proposal pursuant to Rule 14a-8(i)(3) because the Proposal is so inherently vague and indefinite as to be materially misleading under Rule 14a-9.

Under Rule 14a-8(i)(3), a proposal may be excluded if the resolution or supporting statement is contrary to any of the Commission's proxy rules or regulations. The Staff has consistently taken the view that shareholder proposals that are "so inherently vague or indefinite that neither the shareholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires" are materially false and misleading. Staff Legal Bulletin No. 14B (CF) (September 15, 2004). See also Dyer v. SEC, 287 F.2d 773, 781 (8th Cir. 1961) ("[I]t appears to us that the proposal, as drafted and submitted to the company, is so vague and indefinite as to make it impossible for either the board of directors or the shareholders at large to comprehend precisely what the proposal would entail.").

Like Apple, the Proposal fails to provide sufficient description about the proposed changes, actions and ideas necessary to implement its request that the Company publish an annual report (the "Report"). The Report is intended to provide the costs and "associated significant and actual benefits" accruing to shareholders, the public health and the environment from the Company's "environment-related" activities, but Proposal does not define those key terms and lacks any
guidance or clarity on the scope of the Company's activities, and the related benefits, or the manner in which such significant and actual benefits should be measured, that are intended to be covered by the Report. Accordingly, the Company is left unclear on how to implement the Proposal and shareholders will likely be uncertain about exactly what they are voting for the Company to do.

Environment-related activities. The Proposal fails to define the scope of the "environment-related activities." The Proposal indicates that these are voluntary activities that have exceeded legal and regulatory requirements, and the examples cited in the Supporting Statement are the operations and costs from the Company's reduction in emissions as reported in its 2019 Energy and Carbon Summary. But the purpose of the Proposal is obscured by connecting the Report to "greenwashing." The Proposal's title and the supporting statement both refer to "greenwashing," which the Proposal defines as expenditures spent on "ostensibly environment-related activities" but are "merely for the purpose of improving . . . public image." The Proposal targets environment-related activities that are "touted" as protecting the public health and environment but represent "insincere 'green' posturing."

The Company's day-to-day operations have resulted in reducing emissions as the Company adopts new technologies and has made investments in alternative products or improved its practices, and the efforts that have led to reducing emissions are part of the Company's business plan. The Proposal is unclear whether "environment-related" activities should include activities which are the by-product of the Company's established operations and business decisions, or whether the "greenwashing" references means the focus of the Report should be limited to activities that the Proposal suspects of being designed to burnish the Company's public relations and image.

Benefits. The Proposal asks the Company to discuss the "associated significant and actual benefits" to shareholders as well as to "the public health and the environment, including the global climate" from the Company's environment-related activities. The Proposal does not define the scope of the "benefits" to be measured and reported, especially as they accrue to multiple stakeholders. Some of the benefits to shareholders may be tangible, such as cost savings and efficiency gains or additional revenue or cash flow. Other benefits to shareholders that arise from these activities may be more complex and may include the avoidance of liability, improvement to the Company's brand, improved employee satisfaction that reduces turnover and goodwill with regulators. The Proposal also does not address the manner in which the significant and actual benefits should be measured.

The absence of a sufficient description to provide the Company with clear guidance on the nature of the "benefits" that should be included is particularly stark with respect to the Proposal's directive to report on benefits that would emanate to the public health and the environment. There are innumerable ways that the Company, when seeking to implement the Proposal, and shareholders, when voting on the Proposal, could interpret the Proposal's request. Neither the Proposal nor the supporting statement offer any clarity on whether the Company is supposed to measure the open-ended extent to which, for example, emissions reductions have improved both public health and the environment, or take a more targeted action to measure and report on the benefits. Understanding the "benefits" of the Company's activities is central to the Report, and each shareholder voting on the Proposal could be expecting a different accounting of such benefits for the public benefit and the environment.

For all the reasons stated above, the Company believes the Proposal is properly excludable under Rule 14a-8(i)(3).

2. The Proposal may be excluded under Rule 14a-8(i)(7) because the Proposal deals with matters related to the Company's ordinary business operations.
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) (the “1998 Release”). 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 ‘micromanage’ 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.” 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). However, the Staff has indicated that even proposals relating to social policy issues may be excludable in their entirety if they do not “transcend the day-to-day business matters” discussed in the proposals. 1998 Release.

In line with the 1998 Release, the Staff has consistently concurred that a proposal may be excluded in its entirety when it addresses ordinary business matters, even if it also addresses a significant social policy issue. For instance, in Apache Corporation (March 5, 2008), the Staff concurred that a company could exclude a proposal requesting that the company “implement equal employment opportunity policies based on principles specified in the proposal prohibiting discrimination based on sexual orientation and gender identity.” Even though the proposal in Apache Corporation referenced discrimination issues based on sexual orientation and gender identity, the company argued that the proposal and the principles “did not transcend the core ordinary business matters” of the company. The Staff concurred in its exclusion under Rule 14a-8(i)(7), stating “that some of the principles [mentioned in the proposal] related to [the company’s] ordinary business operations.” See also FedEx Corporation (July 14, 2009); The Walt Disney Company (November 30, 2007).

A shareholder proposal that requests a report does not change the nature of the proposal. The Commission has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the subject matter of the report is within the ordinary business of the issuer. See Exchange Act Release No. 20091 (August 16, 1983) (the “1983 Release”). See also Johnson Controls, Inc. (October 26, 1999) ("Where the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business ... it may be excluded under [R]ule 14a-8(i)(7).”). According to Legal Bulletin No. 14E (October 27, 2009), a proposal’s request for a review of certain risks also does not preclude exclusion if the underlying subject matter of the proposal to which the risk pertains or that gives rise to the risk is ordinary business.

A. The Proposal Relates to the Company’s Choice of Technologies.

The Staff has concurred that proposals related to a company’s choice of technologies are generally excludable under Rule 14a-8(i)(7). See Dominion Resources, Inc. (February 14, 2014) (proposal requesting report on the risks faced by company in trying to develop solar power generation); FirstEnergy Corporation (March 8, 2013) (proposal requesting report on the diversification of the company’s energy resources to include increased energy efficiency and renewable energy resources); PG&E Corporation (March 10, 2014) (proposal requesting the company revise its smart meter policy in specific ways); AT&T Inc. (February 13, 2012) (proposal requesting cable and Internet provider to publish a report disclosing actions it was taking to address
the inefficient consumption of electricity by its set-top boxes, including the company’s efforts to accelerate the development and deployment of new energy-efficient set-top boxes; and CSX Corporation (January 24, 2011) (proposal requesting the company develop a kit that would allow it to convert the majority of its locomotive fleet to a more efficient system).

The supporting statement questions the benefits from the Company’s decision to invest in “efforts to reduce emissions.” Yet, as explained on the ExxonMobil website (the “Company Website”), the innovative use and deployment of advances in technology is crucial to the commercial success of the Company’s business, including technologies such as carbon capture, deepwater drilling, exploration and production, energy efficiency, natural gas operations and the technologies used in advanced motor vehicles like electric cars. Management is continually seeking new opportunities to invest in leading-edge, new technologies, which are key to positioning the Company for growth and financial success over the long term as the Company anticipates future changes in the global demand for energy. Given the complex nature of these varying technologies and of the Company’s business, the choice of technology and business strategies that affect determining and implementing these choices are fundamental business matters that are core to management’s functions, and upon which shareholders are not well positioned to make informed judgments.

B. The Proposal Relates to the Company’s Marketing of Its Business and Products.

The Staff has permitted the exclusion of proposals under Rule (i)(7) that are directed at specific resource allocation choices by management. See Walgreens Boots Alliance, Inc. (November 20, 2018) (proposal requesting that any open market share repurchase or stock buybacks must be approved by shareholders); Comcast Corporation (March 2, 2017) (proposal requesting report on the company’s use of funds on politicized news media); The Walt Disney Company (November 20, 2014) (proposal requesting company continue acknowledging the Boy Scouts of America as a charitable organization); and The Home Depot, Inc. (March 18, 2011) (proposal requesting that the company list the recipients of corporate charitable contributions of $5,000 or more on the company website).

Even a proposal that is ostensibly general in scope may be excludable where its supporting statement makes clear that the proponent is seeking to influence the company’s financial choices with respect to specific projects. See Pfizer, Inc. (February 12, 2007) (proposal requesting that the company publish all charitable contributions on its website, where the supporting statement specifically mentioned Planned Parenthood and other charitable groups involved in abortions and same-sex marriages). Relatedly, the Staff has also recognized that management’s choices on marketing and public relations are core ordinary business activities and therefore excludable under Rule 14a-8(i)(7). See Johnson & Johnson (January 12, 2004) (proposal requesting report on how the company intended to respond to public pressure to reduce drug prices) and FedEx Corporation (July 14, 2009) (proposal requesting report addressing company’s efforts to disassociate from products or symbols that disparage Native Americans).

The Company has disclosed the costs and benefits related to its business decisions that respond to climate change in a number of ways, both in response to legal requirements and with supplemental information that the Company believes is important to its shareholders and other stakeholders. The manner in which management chooses to communicate with investors and the public regarding issues that affect the way the Company is perceived by the public, including its

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customers, such as actions the Company is taking to address matters relating to changes in global energy demand, emission-reduction technologies and addressing the risks of climate change, are fundamental to the role of management. The open-ended scope of steps sought by the Proponent to measure costs and benefits would involve significant additional spending by the Company. Management's decisions and strategies on how best to make investment decisions or tailor its marketing and public relations efforts are part of its day-to-day management of the Company.


The principal concern of the Proposal is not about the risks of climate change, but instead focuses on management's ordinary business decisions about investments in research and development opportunities that are necessary for the Company to compete in its markets and pursue shareholder returns. The Proposal questions the benefits of the Company's environmental efforts and the resulting public relations impact on the Company. The Proposal would rather the Company focus on the Proponent's preferred corporate strategy rather than, for example, focus on emission reductions. For this reason, the Proposal implicates ordinary business issues and fails to transcend the Company's ordinary business operations.

Accordingly, the Company believes the Proposal is properly excludable under Rule 14a-8(f)(7).

3. The Company may omit the Proposal pursuant to Rule 14a-8(i)(10) as it has been substantially implemented.

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 SEC 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 Wal-Mart Stores, Inc. (March 25, 2015) (proposal requesting an employee engagement metric for executive compensation where a "diversity and inclusion metric related to employee engagement" was already included in the company's management incentive plan); Entergy Corporation (February 14, 2014) (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 Corporation (February 21, 2012) (shareholder 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 Corporation (February 26, 2010) (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 [company'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." Texaco, Inc. (March 28, 1991) (proposal requesting that the company adopt the Valdez Principles where the company had already adopted policies, practices and procedures regarding the environment).
The Proposal asks the Company to report on “the incurred costs and associated significant and actual benefits . . . from the company’s environment-related activities,” that may have accrued to “shareholders, the public health and the environment.” The Company’s public reports and websites that are described below demonstrate that the Company has substantially implemented the Proposal by satisfying this essential objective, and thus the Proposal is excludable under Rule 14a-8(i)(10).

The Company reports on the costs and benefits of its environment-related activities in its:

- 2019 Energy & Carbon Summary (the “2019 ECS”), as published on February 4, 2019, the 2020 updated edition of which is anticipated to be published on the Company’s website in the near future (the “2020 ECS”);
- The Company’s most recent 10-K for the year ended 2018 (the “Form 10-K”);
- 2018 Sustainability Report Highlights, as published on December 20, 2019 (the “Sustainability Report”); and
- The “Innovating energy solutions: Research and development highlights” section of the Company Website, as published on July 15, 2019 (the “R&D Highlights”).

A. The Company Reports on the Costs.

The following include some of the Company’s descriptions of the costs incurred with respect to its environment-related activities:

- In the ECS, the Company forecasts electrification and gradual decarbonization to be significant global trends, along with strong growth in renewables and nuclear energy. Accordingly, since 2010 the Company has invested more than $9 billion in its facilities and research to develop and deploy lower-emission energy solutions.

- In the Form 10-K, the Company discusses the “new and ongoing measures” to “prevent and minimize the impact of our operations on air, water and ground,” including “significant investment in refining infrastructure and technology to manufacture clean fuels, as well as projects to monitor and reduce nitrogen oxide, sulfur oxide and greenhouse gas emissions.” Using the definitions and guidelines established by the American Petroleum Institute, the Company disclosed that its “2017 world environmental expenditures for all such preventative and remediation steps . . . were $4.7 billion” and the total cost is expected to increase to approximately $5 billion in 2018 and 2019.

- In the Sustainability Report, the Company describes how it has invested over $10 billion since 2000 to develop commercially viable lower-emission energy solutions. This includes $4 billion invested in the Company’s upstream facilities around the world on energy efficiency and product preservation efforts, such as flare mitigation, that enhance the Company’s returns while reducing emissions; $3 billion at the Company’s refining and chemical facilities

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and enabling research to improve energy efficiency while reducing greenhouse gas emissions; and $3 billion in support of Upstream, Downstream and Chemical cogeneration facilities since 2001 to produce electricity more efficiently and reduce greenhouse gas emissions.

- The R&D Highlights note that the Company spends $1 billion per year on research and development to help address the dual challenge of meeting growing demand for energy while also reducing environmental impacts. According to the R&D Highlights, the Company invests in research and development related to “environment-related” business areas, such as natural gas technology, carbon capture and storage, fuel cell technology, and plastics process greenhouse gas emissions technology, among others.

B. The Company Reports on the Benefits.

The following include some of the Company’s descriptions of the benefits that have accrued to shareholders, the public health and the environment in connection with its environment-related activities:

- In the ECS, the Company describes several of its environment-related activities that make the Company well-positioned for the continuing evolution of human energy systems. According to the ECS, in the near-term the Company is expanding the supply of cleaner-burning natural gas; transitioning its refining facilities to increase production of higher-value distillates, lubricants and chemical feedstocks; mitigating emissions from its own operations through energy efficiency, cogeneration, carbon capture, and reduced flaring, venting and fugitive emissions; supplying products that enable others to reduce their emissions, such as premium lubricants and fuels, lightweight materials, and special tire liners; and engaging on policy to address the risks of climate change at the lowest cost to society.

In the longer-term, the Company explains that it is managing its business strategy consistent with the evolving energy landscape, including by researching breakthroughs that make carbon capture and storage technology more economic for power generation, industrial applications and hydrogen production; developing technologies to reduce energy requirements of refining and chemical manufacturing facilities; progressing advanced biofuels for transportation and chemicals; and advancing fundamental science and applying technologies in a number of areas that could lead to breakthroughs, redefining its manufacturing processes and products.

Furthermore, the ECS notes that ExxonMobil Chemical Company is not only a producer of environmentally friendly products, but also has a strong market position in every business line in which it operates, with annual earnings of more than $4 billion in 2017. Many of the Company’s chemical products help its customers reduce their greenhouse gas emissions, particularly in high-performance products such as advanced materials that make cars lighter and more fuel efficient and materials for packaging that reduce the energy needed to ship goods around the world.

As another example of a benefit of the Company’s environment-related activities, the Company explains in the ECS how it is responding to the expected new demand for affordable, reliable energy and hydrocarbon-based products. To that end, the Company notes that it is one of the largest producers of natural gas, which can be used to help decarbonize energy production in multiple sectors, and is also a leader in liquefied natural gas. The Company is also the global leader in producing advanced halobutyl rubber, which is
used to make synthetic innerliners that keep tires inflated longer, improving air retention in a way that increases fuel economy and lowers emissions; this application in motor vehicles could avoid up to 30 million tonnes per year in carbon dioxide emissions. The Company also states in the ECS that it produces weight-reducing materials resulting in an estimated seven percent fuel economy improvement for every 10 percent reduction in vehicle weight, and produces differentiated fuels and lubricants that help minimize operational costs through improved energy efficiency and extended equipment life.

- The Company explains in the MD&A section of its 2018 Form 10-K (the “Long-Term Business Outlook”), and the risk factors sections, its expectations regarding the future global demand for its products, and how those demands are expected to change to include more energy-efficient technologies, natural gas, nuclear power, and renewables. For example, the Company anticipates that total renewable energy is likely to exceed 15 percent of global energy by 2040, and total energy supplied from wind, solar, and biofuels will grow nearly 250 percent from 2016 to 2040. The Company also anticipates that international accords and underlying regional and national regulations covering greenhouse gas emissions will also affect oil and gas supply and demand and other aspects of the Company’s business. With this backdrop, the Company explains how it is investing and developing solutions to the business challenges it faces in the future to enhance the Company’s own financial performance in the best interest of its shareholders that could also help address the risks of climate change.

- In the Sustainability Report, the Company states that among its performance highlights, it is on track to reduce methane emissions by 15% by 2020, compared with 2016; has avoided 162 million metric tons of greenhouse gas emissions over the past 10 years and 21.5 million metric tons in 2018 alone through its actions; has eliminated or captured and stored 400 million metric tons of carbon dioxide, which is equivalent to the energy-related carbon dioxide emissions associated with about 55 million homes; has interests in approximately 5,400 megawatts of cogeneration capacity in more than 100 installations around the world, which helps generate power more efficiently and leads to reduced greenhouse gas emissions; and maintains a working interest in more than one-fifth of the world’s total carbon capture capacity. The Sustainability Report also notes that using energy more efficiently is a powerful tool to reduce emissions, as well as costs, and that according to the Solomon Refining Industry Survey, ExxonMobil is among the world’s most energy-efficient refining companies.

- The R&D Highlights list multiple benefits of the $1 billion per year that the Company invests in research and development. These include “$250 million on biofuels research in the last decade,” including biofuels made from algae to provide a commercial “renewable, lower-emission fuel for transportation.” This website also notes that the Company “has committed $145 million to fund breakthrough energy research” at various universities, which provides the Company with knowledge of significant innovations for commercial use and strategic planning, to “develop new solutions to the world’s energy challenges.”

Substantial implementation does not require implementation in full or exactly as presented by the Proposal. 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 Corporation and Duke Energy Corporation 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 Merck & Company, Inc. (March 14, 2012) (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 Corporation (March 17, 2011) (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 Corporation (January 24, 2001) (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 report “the incurred costs and associated significant and actual benefits . . . from the company’s environment-related activities,” and this has been substantially implemented by the Company as explained by the Company reports and website summarized above. The existing Company materials compare favorably with the essence of the Proposal, and the Proposal is excludable under Rule 14a-8(i)(10).

C. Supplemental Notification.

This no-action request is being submitted 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 (212) 450-4539 or louis.goldberg@davispolk.com. If the Staff does not concur with the Company’s position, we would appreciate an opportunity to confer with the Staff concerning these matters prior to the issuance of its response.

Respectfully yours,

Louis L. Goldberg

Attachment

cc w/ att: James E. Parsons, Exxon Mobil Corporation
Steven J. Milloy
January 22, 2020

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

Ladies and Gentlemen,

I am responding to the letter of ExxonMobil Corporation (ExxonMobil) dated January 17, 2020 requesting permission from the Staff of the Division of Corporation Finance (Staff) to exclude my shareholder proposal (Proposal) from ExxonMobil’s 2020 proxy materials.

ExxonMobil’s request is without factual or legal basis and should be denied.

1. **The Staff has already denied requests to exclude the same proposal.**

I filed the same or substantially similar proposal last year with Duke Energy, Exelon Corporation and ExxonMobil.


Although the Staff agreed with ExxonMobil’s request last year, that agreement was expressly based on the timeliness of providing evidence of ownership and NOT on the substance of the proposal.[3]

So the Staff has already determined that the Proposal is proper under the proxy rules.

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2. **The Proposal is **NOT vague or indefinite.**

The Staff already specifically decided in the previously cited requests by Duke Energy and Exelon that the Proposal is **NOT vague or indefinite. The Staff did **NOT consider the issue with last year’s ExxonMobil request.

Contrary to ExxonMobil’s assertions, the Proposal is straightforward and readily understandable. It explains in plain English its purpose and even provides examples of ExxonMobil's touting and the sort of reporting requested.

ExxonMobil boasts in official reports that it is spending billions of dollars in its “essential role in protecting the environment and addressing the risks of climate change.” ExxonMobil boasts that it has spent $9 billion since 2000 to reduce carbon dioxide (CO2) emissions by an average of about 20 MILLION tons per year.

However, ExxonMobil produces about 1.4 BILLION barrels of oil per year, which when burned, produce about 588 MILLION tons of CO2 emissions — almost 30 times greater than its claimed annual emissions reduction. Moreover, global CO2 emissions were 55.3 BILLION tons, according to the United Nations Environment Programme (UNEP). So ExxonMobil’s emissions amount to a mere one percent (1%) of global emissions.

The Proposal merely requests that ExxonMobil explain to shareholders what is being accomplished and how much it is costing to reduce emissions, especially in light of the company’s business and global emissions.

ExxonMobil’s request to the Staff is disingenuous as it merely pretends not to understand what has been requested. The reality is more likely that ExxonMobil does not want to be embarrassed or accountable to shareholders for its unsubstantiated claims.

3. **The Proposal does NOT try to manage ExxonMobil’s ordinary business operations.**

The Staff already decided in the previously cited requests by Duke Energy and Exelon that the Proposal does **NOT try to manage ExxonMobil’s ordinary business operations. The Staff did **NOT consider the issue with last year’s ExxonMobil request.

The Proposal merely requests that ExxonMobil report to shareholders. Disclosure to shareholders is a fundamental pillar of the securities laws. Disclosure is not micromanagement. Disclosure does not limit ExxonMobil’s technology choices. The purpose of disclosure is to inform shareholders so as to prevent mismanagement and fraud.

The Staff has previously and numerous times rejected arguments that reports to shareholders are efforts to inappropriately interfere in ordinary business operations, including reports calling for disclosure of political contributions, charitable contributions, cost-and benefits of climate-related activities, and many more. The Proposal is no different than any of those.
The environment, especially the climate aspect, are significant policy issues - as the Commission has previously determined with many previous shareholder proposals.

4. **The Proposal has NOT already been substantially implemented.**

Taking action is **NOT** the same thing as assessing and reporting on whether the action taken has produce any benefit to anyone.

ExxonMobil’s CO2 emissions cuts are not required by law or regulation. They are voluntary. They cost money and require management’s attention and efforts. But there is no mention of how anyone or anything (e.g., shareholders, ratepayers, local communities, the climate, the environment) may have benefited from them.

If voluntarily CO2 emissions cuts have actual and tangible benefits, ExxonMobil should disclose to shareholders precisely what those benefits are. Have financial benefits accrued to shareholders? How? How has the climate or environment improved, for example? If there are no benefits, then that should be candidly disclosed.

If the benefits are hypothetical, imaginary or controversial, then that should be disclosed. ExxonMobil has apparently made no such assessments, much less disclosed them, in any report. How are shareholders supposed to monitor and evaluate the use of corporate resources with the sort of unsubstantiated claims presented in various ExxonMobil’s reports.

In none of the reports or documents cited by ExxonMobil in its January 17 letter has the company specified what the actual and tangible benefits of its voluntary activities are. It is not clear how merely cutting emissions is a benefit to anyone or anything.

ExxonMobil expects applause for spending billions to merely cut emissions without any obvious benefits. What are the actual and tangible benefits brought about by cutting emissions? Shareholders want to know. If there are none, that should be disclosed, too.

**Conclusion: ExxonMobil’s request for permission to omit the Proposal from its 2020 proxy materials should be denied.**

If you have any questions, I may be contacted at ***. A copy of this letter has been sent to ExxonMobil and its counsel.

Sincerely,

*Steve Milloy*

Steven J Milloy

Attachment: Milloy shareholder proposal entitled, "Greenwashing Audit"
Greenwashing Audit

Resolved:

Shareholders request that, beginning in 2020, ExxonMobil publish an annual report of the incurred costs and associated significant and actual benefits that have accrued to shareholders, the public health and the environment, including the global climate, from the company’s environment-related activities that are voluntary and that exceed U.S. and foreign compliance and regulatory requirements. The report should be prepared at reasonable cost and omit proprietary information.

Supporting Statement:

The resolution is intended to help shareholders monitor and evaluate whether the company’s voluntary activities and expenditures touted as protecting the public health and environment are producing actual and meaningful benefits to shareholders, the public health and the environment, including global climate.

Corporate managements sometimes engage in the practice of “greenwashing,” which is defined as the expenditure of shareholder assets on ostensibly environment-related activities but actually undertaken merely for the purpose of improving the company’s or management’s public image.

Such insincere “green” posturing and associated touting of hypothetical or imaginary benefits to public health and the environment may harm shareholders by wasting corporate assets, and deceiving shareholders and the public by accomplishing nothing real and significant for the public health and environment.

For example, ExxonMobil claimed in its 2019 “Energy and Carbon Summary” report that it:

- Plays “an essential role in protecting the environment and addressing the risks of climate change”;

- Reduced its operational emissions by an average of about 20 MILLION tons annually since 2000.

- Spent $9 billion since 2000 on efforts to reduce emissions.

None of these emissions reduction activities are required by law or regulation.

But in 2018 alone:

- Exxon produced about 1.4 BILLION barrels of oil which, when burned, produced about 588 MILLION tons of carbon dioxide (CO2).
Global emissions of CO2-equivalents in 2018 were about 55.3 BILLION tons.

So:

- While ExxonMobil touts its operational reductions in CO2, it sells products that, when burned by consumers, emit almost 30 times more CO2.

- ExxonMobil’s products when burned produce CO2 emissions that amount to a mere one percent (1%) of global manmade emissions.

Although ExxonMobil’s operational emissions cuts and the emissions from its products are both meaningless in larger context ExxonMobil bizarrely, if not falsely claims that it plays “an essential role in... addressing the risks of climate change.”

So, what are the actual benefits to shareholders and the climate of ExxonMobil’s multibillion-dollar bid to reduce its CO2 emissions. By how much, in what way, and when will any of these activities reduce, alter or improve climate change, for example?

The information and honesty requested by this proposal is not already contained in any ExxonMobil report. As none of them present the actual and significant cost-benefit details requested here, they may all be reasonably suspected of being examples of don’t-look-behind-the-curtain corporate greenwashing propaganda.

ExxonMobil should report to shareholders what are the actual benefits being produced by its voluntary and highly touted environmental activities. Are they real and worthwhile, or just greenwashing?
January 22, 2020

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

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ExxonMobil’s request is without factual or legal basis and should be denied.

1. The Staff has already denied requests to exclude the same proposal.

I filed the same or substantially similar proposal last year with Duke Energy, Exelon Corporation and ExxonMobil.

The Staff refused to agree with the exclusion requests of Duke Energy\(^1\) or Exelon\(^2\) on the substance of the proposal.

Although the Staff agreed with ExxonMobil’s request last year, that agreement was expressly based on the timeliness of providing evidence of ownership and NOT on the substance of the proposal.\(^3\)

So the Staff has already determined that the Proposal is proper under the proxy rules.

2. **The Proposal is NOT vague or indefinite.**

The Staff already specifically decided in the previously cited requests by Duke Energy and Exelon that the Proposal is NOT vague or indefinite. The Staff did NOT consider the issue with last year’s ExxonMobil request.

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However, ExxonMobil produces about 1.4 BILLION barrels of oil per year, which when burned, produce about 588 MILLION tons of CO2 emissions — almost 30 times greater than its claimed annual emissions reduction. Moreover, global CO2 emissions were 55.3 BILLION tons, according to the United Nations Environment Programme (UNEP). So ExxonMobil’s emissions amount to a mere one percent (1%) of global emissions.

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If the benefits are hypothetical, imaginary or controversial, then that should be disclosed. ExxonMobil has apparently made no such assessments, much less disclosed them, in any report. How are shareholders supposed to monitor and evaluate the use of corporate resources with the sort of unsubstantiated claims presented in various ExxonMobil’s reports.

In none of the reports or documents cited by ExxonMobil in its January 17 letter has the company specified what the actual and tangible benefits of its voluntary activities are. **It is not clear how merely cutting emissions is a benefit to anyone or anything.**

ExxonMobil expects applause for spending billions to merely cut emissions without any obvious benefits. What are the actual and tangible benefits brought about by cutting emissions? Shareholders want to know. If there are none, that should be disclosed, too.

**Conclusion: ExxonMobil’s request for permission to omit the Proposal from its 2020 proxy materials should be denied.**

If you have any questions, I may be contacted at ***. A copy of this letter has been sent to ExxonMobil and its counsel.

Sincerely,

*Steve Milloy*

Steven J Milloy

Attachment: Milloy shareholder proposal entitled, "Greenwashing Audit"
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Resolved:

Shareholders request that, beginning in 2020, ExxonMobil publish an annual report of the incurred costs and associated significant and actual benefits that have accrued to shareholders, the public health and the environment, including the global climate, from the company’s environment-related activities that are voluntary and that exceed U.S. and foreign compliance and regulatory requirements. The report should be prepared at reasonable cost and omit proprietary information.

Supporting Statement:

The resolution is intended to help shareholders monitor and evaluate whether the company’s voluntary activities and expenditures touted as protecting the public health and environment are producing actual and meaningful benefits to shareholders, the public health and the environment, including global climate.

Corporate managements sometimes engage in the practice of “greenwashing,” which is defined as the expenditure of shareholder assets on ostensibly environment-related activities but actually undertaken merely for the purpose of improving the company’s or management’s public image.

Such insincere “green” posturing and associated touting of hypothetical or imaginary benefits to public health and the environment may harm shareholders by wasting corporate assets, and deceiving shareholders and the public by accomplishing nothing real and significant for the public health and environment.

For example, ExxonMobil claimed in its 2019 “Energy and Carbon Summary” report that it:

- Plays “an essential role in protecting the environment and addressing the risks of climate change”;
- Reduced its operational emissions by an average of about 20 MILLION tons annually since 2000.
- Spent $9 billion since 2000 on efforts to reduce emissions.

None of these emissions reduction activities are required by law or regulation.

But in 2018 alone:

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Global emissions of CO2-equivalents in 2018 were about 55.3 BILLION tons.

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- ExxonMobil’s products when burned produce CO2 emissions that amount to a mere one percent (1%) of global manmade emissions.

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So, what are the actual benefits to shareholders and the climate of ExxonMobil’s multibillion-dollar bid to reduce its CO2 emissions. By how much, in what way, and when will any of these activities reduce, alter or improve climate change, for example?

The information and honesty requested by this proposal is not already contained in any ExxonMobil report. As none of them present the actual and significant cost-benefit details requested here, they may all be reasonably suspected of being examples of don’t-look-behind-the-curtain corporate greenwashing propaganda.

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January 17, 2020

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”), 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 Steven J. Milloy (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. The Company has advised us as to the factual matters set forth below.

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. Pursuant to Rule 14a-8(j), we are submitting this letter not less than 80 days before the Company intends to file its definitive 2020 proxy statement. 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, beginning in 2020, ExxonMobil publish an annual report of the incurred costs and associated significant and actual benefits that have accrued to shareholders, the public health and the environment, including the global climate, from the company’s environment-related activities that are voluntary and that exceed U.S. and foreign
Office of Chief Counsel January 17, 2020

compliance and regulatory requirements. The report should be prepared at reasonable cost and omit proprietary information.

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 so inherently vague and indefinite as to be materially misleading in violation of Rule 14a-9;
- Rule 14a-8(i)(7), because the Proposal relates to the Company's ordinary business operations; and
- Rule 14a-8(i)(10), because the Proposal has been substantially implemented.

1. The Company may omit the Proposal pursuant to Rule 14a-8(i)(3) because the Proposal is so inherently vague and indefinite as to be materially misleading under Rule 14a-9.

Under Rule 14a-8(i)(3), a proposal may be excluded if the resolution or supporting statement is contrary to any of the Commission's proxy rules or regulations. The Staff has consistently taken the view that shareholder proposals that are "so inherently vague or indefinite that neither the shareholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires" are materially false and misleading. Staff Legal Bulletin No. 14B (CF) (September 15, 2004). See also Dyer v. SEC, 287 F.2d 773, 781 (8th Cir. 1961) ("[I]t appears to us that the proposal, as drafted and submitted to the company, is so vague and indefinite as to make it impossible for either the board of directors or the shareholders at large to comprehend precisely what the proposal would entail.").

A proposal may be vague, and thus materially misleading, when it fails to address essential aspects of its own implementation. For example, the Staff has allowed the exclusion of executive compensation proposals where a crucial term relevant to implementing the proposal was not clear. See Apple Inc. (December 6, 2019) (proposal seeking to improve "the guiding principles of executive compensation" was vague because it lacked sufficient description about the proposed changes, actions or ideas and failed to describe the nature of the improvements); eBay Inc. (April 10, 2019) (proposal recommending that the company "reform its executive compensation committee" was vague because neither shareholders nor the company would be able to determine with reasonable certainty the nature of the reform requested); The Boeing Company (January 28, 2011, recon. granted March 2, 2011) (concurring with the exclusion of a proposal requesting, among other things, that senior executives relinquish certain "executive pay rights" because the proposal did not sufficiently explain the meaning of the phrase); and General Electric Company (January 21, 2011) (proposal requesting that the compensation committee make specified changes was vague because, when applied to the company, neither the shareholders nor the company would be able to determine exactly what actions or measures the proposal required).

Like Apple, the Proposal fails to provide sufficient description about the proposed changes, actions and ideas necessary to implement its request that the Company publish an annual report (the "Report"). The Report is intended to provide the costs and "associated significant and actual benefits" accruing to shareholders, the public health and the environment from the Company's "environment-related" activities, but Proposal does not define those key terms and lacks any
guidance or clarity on the scope of the Company's activities, and the related benefits, or the manner in which such significant and actual benefits should be measured, that are intended to be covered by the Report. Accordingly, the Company is left unclear on how to implement the Proposal and shareholders will likely be uncertain about exactly what they are voting for the Company to do.

Environment-related activities. The Proposal fails to define the scope of the "environment-related activities." The Proposal indicates that these are voluntary activities that have exceeded legal and regulatory requirements, and the examples cited in the Supporting Statement are the operations and costs from the Company's reduction in emissions as reported in its 2019 Energy and Carbon Summary. But the purpose of the Proposal is obscured by connecting the Report to "greenwashing." The Proposal's title and the supporting statement both refer to "greenwashing," which the Proposal defines as expenditures spent on "ostensibly environment-related activities" but are "merely for the purpose of improving . . . public image." The Proposal targets environment-related activities that are "touted" as protecting the public health and environment but represent "insincere 'green' posturing."

The Company's day-to-day operations have resulted in reducing emissions as the Company adopts new technologies and has made investments in alternative products or improved its practices, and the efforts that have led to reducing emissions are part of the Company's business plan. The Proposal is unclear whether "environment-related" activities should include activities which are the by-product of the Company's established operations and business decisions, or whether the "greenwashing" references means the focus of the Report should be limited to activities that the Proposal suspects of being designed to burnish the Company's public relations and image.

Benefits. The Proposal asks the Company to discuss the "associated significant and actual benefits" to shareholders as well as to "the public health and the environment, including the global climate" from the Company's environment-related activities. The Proposal does not define the scope of the "benefits" to be measured and reported, especially as they accrue to multiple stakeholders. Some of the benefits to shareholders may be tangible, such as cost savings and efficiency gains or additional revenue or cash flow. Other benefits to shareholders that arise from these activities may be more complex and may include the avoidance of liability, improvement to the Company's brand, improved employee satisfaction that reduces turnover and goodwill with regulators. The Proposal also does not address the manner in which the significant and actual benefits should be measured.

The absence of a sufficient description to provide the Company with clear guidance on the nature of the "benefits" that should be included is particularly stark with respect to the Proposal's directive to report on benefits that would emanate to the public health and the environment. There are innumerable ways that the Company, when seeking to implement the Proposal, and shareholders, when voting on the Proposal, could interpret the Proposal's request. Neither the Proposal nor the supporting statement offer any clarity on whether the Company is supposed to measure the open-ended extent to which, for example, emissions reductions have improved both public health and the environment, or take a more targeted action to measure and report on the benefits. Understanding the "benefits" of the Company's activities is central to the Report, and each shareholder voting on the Proposal could be expecting a different accounting of such benefits for the public benefit and the environment.

For all the reasons stated above, the Company believes the Proposal is properly excludable under Rule 14a-8(i)(3).

2. The Proposal may be excluded under Rule 14a-8(i)(7) because the Proposal deals with matters related to the Company's ordinary business operations.
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) (the “1998 Release”). 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 `micromanage’ 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.” 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). However, the Staff has indicated that even proposals relating to social policy issues may be excludable in their entirety if they do not “transcend the day-to-day business matters” discussed in the proposals. 1998 Release.

In line with the 1998 Release, the Staff has consistently concurred that a proposal may be excluded in its entirety when it addresses ordinary business matters, even if it also addresses a significant social policy issue. For instance, in Apache Corporation (March 5, 2008), the Staff concurred that a company could exclude a proposal requesting that the company “implement equal employment opportunity policies based on principles specified in the proposal prohibiting discrimination based on sexual orientation and gender identity.” Even though the proposal in Apache Corporation referenced discrimination issues based on sexual orientation and gender identity, the company argued that the proposal and the principles “did not transcend the core ordinary business matters” of the company. The Staff concurred in its exclusion under Rule 14a-8(i)(7), stating “that some of the principles [mentioned in the proposal] related to [the company’s] ordinary business operations.” See also FedEx Corporation (July 14, 2009); The Walt Disney Company (November 30, 2007).

A shareholder proposal that requests a report does not change the nature of the proposal. The Commission has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the subject matter of the report is within the ordinary business of the issuer. See Exchange Act Release No. 20091 (August 16, 1983) (the “1983 Release”). See also Johnson Controls, Inc. (October 26, 1999) (“[W]here the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business . . . it may be excluded under [R]ule 14a-8(i)(7).”). According to Legal Bulletin No. 14E (October 27, 2009), a proposal’s request for a review of certain risks also does not preclude exclusion if the underlying subject matter of the proposal to which the risk pertains or that gives rise to the risk is ordinary business.

A. The Proposal Relates to the Company’s Choice of Technologies.

The Staff has concurred that proposals related to a company’s choice of technologies are generally excludable under Rule 14a-8(i)(7). See Dominion Resources, Inc. (February 14, 2014) (proposal requesting report on the risks faced by company in trying to develop solar power generation); FirstEnergy Corporation (March 8, 2013) (proposal requesting report on the diversification of the company’s energy resources to include increased energy efficiency and renewable energy resources); PG&E Corporation (March 10, 2014) (proposal requesting the company revise its smart meter policy in specific ways); AT&T Inc. (February 13, 2012) (proposal requesting cable and Internet provider to publish a report disclosing actions it was taking to address
the inefficient consumption of electricity by its set-top boxes, including the company's efforts to accelerate the development and deployment of new energy-efficient set-top boxes); and CSX Corporation (January 24, 2011) (proposal requesting the company develop a kit that would allow it to convert the majority of its locomotive fleet to a more efficient system).

The supporting statement questions the benefits from the Company's decision to invest in "efforts to reduce emissions." Yet, as explained on the ExxonMobil website (the "Company Website"),1 the innovative use and deployment of advances in technology is crucial to the commercial success of the Company's business, including technologies such as carbon capture, deepwater drilling, exploration and production, energy efficiency, natural gas operations and the technologies used in advanced motor vehicles like electric cars. Management is continually seeking new opportunities to invest in leading-edge, new technologies, which are key to positioning the Company for growth and financial success over the long term as the Company anticipates future changes in the global demand for energy. Given the complex nature of these varying technologies and of the Company's business, the choice of technology and business strategies that affect determining and implementing these choices are fundamental business matters that are core to management's functions, and upon which shareholders are not well positioned to make informed judgments.


The Staff has permitted the exclusion of proposals under Rule (i)(7) that are directed at specific resource allocation choices by management. See Walgreens Boots Alliance, Inc. (November 20, 2018) (proposal requesting that any open market share repurchase or stock buybacks must be approved by shareholders); Comcast Corporation (March 2, 2017) (proposal requesting report on the company's use of funds on politicized news media); The Walt Disney Company (November 20, 2014) (proposal requesting company continue acknowledging the Boy Scouts of America as a charitable organization); and The Home Depot, Inc. (March 18, 2011) (proposal requesting that the company list the recipients of corporate charitable contributions of $5,000 or more on the company website).

Even a proposal that is ostensibly general in scope may be excludable where its supporting statement makes clear that the proponent is seeking to influence the company's financial choices with respect to specific projects. See Pfizer, Inc. (February 12, 2007) (proposal requesting that the company publish all charitable contributions on its website, where the supporting statement specifically mentioned Planned Parenthood and other charitable groups involved in abortions and same-sex marriages). Relatedly, the Staff has also recognized that management's choices on marketing and public relations are core ordinary business activities and therefore excludable under Rule 14a-8(i)(7). See Johnson & Johnson (January 12, 2004) (proposal requesting report on how the company intended to respond to public pressure to reduce drug prices) and FedEx Corporation (July 14, 2003) (proposal requesting report addressing company's efforts to disassociate from products or symbols that disparage Native Americans).

The Company has disclosed the costs and benefits related to its business decisions that respond to climate change in a number of ways, both in response to legal requirements and with supplemental information that the Company believes is important to its shareholders and other stakeholders. The manner in which management chooses to communicate with investors and the public regarding issues that affect the way the Company is perceived by the public, including its

1 http://corporate.exxonmobil.com/.
customers, such as actions the Company is taking to address matters relating to changes in global energy demand, emission-reduction technologies and addressing the risks of climate change, are fundamental to the role of management. The open-ended scope of steps sought by the Proponent to measure costs and benefits would involve significant additional spending by the Company. Management’s decisions and strategies on how best to make investment decisions or tailor its marketing and public relations efforts are part of its day-to-day management of the Company.


The principal concern of the Proposal is not about the risks of climate change, but instead focuses on management’s ordinary business decisions about investments in research and development opportunities that are necessary for the Company to compete in its markets and pursue shareholder returns. The Proposal questions the benefits of the Company’s environmental efforts and the resulting public relations impact on the Company. The Proposal would rather the Company focus on the Proponent’s preferred corporate strategy rather than, for example, focus on emission reductions. For this reason, the Proposal implicates ordinary business issues and fails to transcend the Company’s ordinary business operations.

Accordingly, the Company believes the Proposal is properly excludable under Rule 14a-8(f)(7).

3. The Company may omit the Proposal pursuant to Rule 14a-8(i)(10) as it has been substantially implemented.

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 SEC 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 had 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 Wal-Mart Stores, Inc. (March 25, 2015) (proposal requesting an employee engagement metric for executive compensation where a “diversity and inclusion metric related to employee engagement” was already included in the company’s management incentive plan); Entergy Corporation (February 14, 2014) (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 Corporation (February 21, 2012) (shareholder 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 Corporation (February 26, 2010) (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 [company’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.” Texaco, Inc. (March 28, 1991) (proposal requesting that the company adopt the Valdez Principles where the company had already adopted policies, practices and procedures regarding the environment).
The Proposal asks the Company to report on "the incurred costs and associated significant and actual benefits . . . from the company's environment-related activities," that may have accrued to "shareholders, the public health and the environment." The Company's public reports and websites that are described below demonstrate that the Company has substantially implemented the Proposal by satisfying this essential objective, and thus the Proposal is excludable under Rule 14a-8(i)(10).

The Company reports on the costs and benefits of its environment-related activities in its:

- 2019 Energy & Carbon Summary (the "2019 ECS")\(^2\), as published on February 4, 2019, the 2020 updated edition of which is anticipated to be published on the Company's website in the near future (the "2020 ECS");
- The Company's most recent 10-K for the year ended 2018 (the "Form 10-K")\(^3\)
- 2018 Sustainability Report Highlights, as published on December 20, 2019 (the "Sustainability Report")\(^4\); and
- The "Innovating energy solutions: Research and development highlights" section of the Company Website, as published on July 15, 2019 (the "R&D Highlights")\(^5\).

A. The Company Reports on the Costs.

The following include some of the Company's descriptions of the costs incurred with respect to its environment-related activities:

- In the ECS, the Company forecasts electrification and gradual decarbonization to be significant global trends, along with strong growth in renewables and nuclear energy. Accordingly, since 2010 the Company has invested more than $9 billion in its facilities and research to develop and deploy lower-emission energy solutions.

- In the Form 10-K, the Company discusses the "new and ongoing measures" to "prevent and minimize the impact of our operations on air, water and ground," including "significant investment in refining infrastructure and technology to manufacture clean fuels, as well as projects to monitor and reduce nitrogen oxide, sulfur oxide and greenhouse gas emissions." Using the definitions and guidelines established by the American Petroleum Institute, the Company disclosed that its "2017 world environmental expenditures for all such preventative and remediation steps . . . were $4.7 billion" and the total cost is expected to increase to approximately $5 billion in 2018 and 2019.

- In the Sustainability Report, the Company describes how it has invested over $10 billion since 2000 to develop commercially viable lower-emission energy solutions. This includes $4 billion invested in the Company's upstream facilities around the world on energy efficiency and product preservation efforts, such as flare mitigation, that enhance the Company's returns while reducing emissions; $3 billion at the Company's refining and chemical facilities

\(^3\) https://www.sec.gov/Archives/edgar/data/34088/000003408819000010/xom10k2018.htm.
and enabling research to improve energy efficiency while reducing greenhouse gas emissions; and $3 billion in support of Upstream, Downstream and Chemical cogeneration facilities since 2001 to produce electricity more efficiently and reduce greenhouse gas emissions.

- The R&D Highlights note that the Company spends $1 billion per year on research and development to help address the dual challenge of meeting growing demand for energy while also reducing environmental impacts. According to the R&D Highlights, the Company invests in research and development related to “environment-related” business areas, such as natural gas technology, carbon capture and storage, fuel cell technology, and plastics process greenhouse gas emissions technology, among others.

B. The Company Reports on the Benefits.

The following include some of the Company’s descriptions of the benefits that have accrued to shareholders, the public health and the environment in connection with its environment-related activities:

- In the ECS, the Company describes several of its environment-related activities that make the Company well-positioned for the continuing evolution of human energy systems. According to the ECS, in the near-term the Company is expanding the supply of cleaner-burning natural gas; transitioning its refining facilities to increase production of higher-value distillates, lubricants and chemical feedstocks; mitigating emissions from its own operations through energy efficiency, cogeneration, carbon capture, and reduced flaring, venting and fugitive emissions; supplying products that enable others to reduce their emissions, such as premium lubricants and fuels, lightweight materials, and special tire liners; and engaging on policy to address the risks of climate change at the lowest cost to society.

In the longer-term, the Company explains that it is managing its business strategy consistent with the evolving energy landscape, including by researching breakthroughs that make carbon capture and storage technology more economic for power generation, industrial applications and hydrogen production; developing technologies to reduce energy requirements of refining and chemical manufacturing facilities; progressing advanced biofuels for transportation and chemicals; and advancing fundamental science and applying technologies in a number of areas that could lead to breakthroughs, redefining its manufacturing processes and products.

Furthermore, the ECS notes that ExxonMobil Chemical Company is not only a producer of environmentally friendly products, but also has a strong market position in every business line in which it operates, with annual earnings of more than $4 billion in 2017. Many of the Company’s chemical products help its customers reduce their greenhouse gas emissions, particularly in high-performance products such as advanced materials that make cars lighter and more fuel efficient and materials for packaging that reduce the energy needed to ship goods around the world.

As another example of a benefit of the Company’s environment-related activities, the Company explains in the ECS how it is responding to the expected new demand for affordable, reliable energy and hydrocarbon-based products. To that end, the Company notes that it is one of the largest producers of natural gas, which can be used to help decarbonize energy production in multiple sectors, and is also a leader in liquefied natural gas. The Company is also the global leader in producing advanced halobutyl rubber, which is
used to make synthetic innerliners that keep tires inflated longer, improving air retention in a way that increases fuel economy and lowers emissions; this application in motor vehicles could avoid up to 30 million tonnes per year in carbon dioxide emissions. The Company also states in the ECS that it produces weight-reducing materials resulting in an estimated seven percent fuel economy improvement for every 10 percent reduction in vehicle weight, and produces differentiated fuels and lubricants that help minimize operational costs through improved energy efficiency and extended equipment life.

- The Company explains in the MD&A section of its 2018 Form 10-K (the “Long-Term Business Outlook”), and the risk factors sections, its expectations regarding the future global demand for its products, and how those demands are expected to change to include more energy-efficient technologies, natural gas, nuclear power, and renewables. For example, the Company anticipates that total renewable energy is likely to exceed 15 percent of global energy by 2040, and total energy supplied from wind, solar, and biofuels will grow nearly 250 percent from 2016 to 2040. The Company also anticipates that international accords and underlying regional and national regulations covering greenhouse gas emissions will also affect oil and gas supply and demand and other aspects of the Company’s business. With this backdrop, the Company explains how it is investing and developing solutions to the business challenges it faces in the future to enhance the Company’s own financial performance in the best interest of its shareholders that could also help address the risks of climate change.

- In the Sustainability Report, the Company states that among its performance highlights, it is on track to reduce methane emissions by 15% by 2020, compared with 2016; has avoided 162 million metric tons of greenhouse gas emissions over the past 10 years and 21.5 million metric tons in 2018 alone through its actions; has eliminated or captured and stored 400 million metric tons of carbon dioxide, which is equivalent to the energy-related carbon dioxide emissions associated with about 55 million homes; has interests in approximately 5,400 megawatts of cogeneration capacity in more than 100 installations around the world, which helps generate power more efficiently and leads to reduced greenhouse gas emissions; and maintains a working interest in more than one-fifth of the world’s total carbon capture capacity. The Sustainability Report also notes that using energy more efficiently is a powerful tool to reduce emissions, as well as costs, and that according to the Solomon Refining Industry Survey, ExxonMobil is among the world’s most energy-efficient refining companies.

- The R&D Highlights list multiple benefits of the $1 billion per year that the Company invests in research and development. These include “$250 million on biofuels research in the last decade,” including biofuels made from algae to provide a commercial “renewable, lower-emission fuel for transportation.” This website also notes that the Company “has committed $145 million to fund breakthrough energy research” at various universities, which provides the Company with knowledge of significant innovations for commercial use and strategic planning, to “develop new solutions to the world’s energy challenges.”

Substantial implementation does not require implementation in full or exactly as presented by the Proposal. 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 Corporation and Duke Energy Corporation 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 Merck & Company, Inc. (March 14, 2012) (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 Corporation (March 17, 2011) (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 Corporation (January 24, 2001) (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 report “the incurred costs and associated significant and actual benefits . . . from the company’s environment-related activities,” and this has been substantially implemented by the Company as explained by the Company reports and website summarized above. The existing Company materials compare favorably with the essence of the Proposal, and the Proposal is excludable under Rule 14a-8(i)(10).

C. Supplemental Notification.

This no-action request is being submitted 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 (212) 450-4539 or louis.goldberg@davispolk.com. If the Staff does not concur with the Company’s position, we would appreciate an opportunity to confer with the Staff concerning these matters prior to the issuance of its response.

Respectfully yours,

Louis L. Goldberg

Attachment

cc w/ att: James E. Parsons, Exxon Mobil Corporation

Steven J. Milloy
Resolved:

Shareholders request that, beginning in 2020, ExxonMobil publish an annual report of the incurred costs and associated significant and actual benefits that have accrued to shareholders, the public health and the environment, including the global climate, from the company’s environment-related activities that are voluntary and that exceed U.S. and foreign compliance and regulatory requirements. The report should be prepared at reasonable cost and omit proprietary information.

Supporting Statement:

The resolution is intended to help shareholders monitor and evaluate whether the company’s voluntary activities and expenditures touted as protecting the public health and environment are producing actual and meaningful benefits to shareholders, the public health and the environment, including global climate.

Corporate managements sometimes engage in the practice of “greenwashing,” which is defined as the expenditure of shareholder assets on ostensibly environment-related activities but actually undertaken merely for the purpose of improving the company’s or management’s public image.

Such insincere “green” posturing and associated touting of hypothetical or imaginary benefits to public health and the environment may harm shareholders by wasting corporate assets, and deceiving shareholders and the public by accomplishing nothing real and significant for the public health and environment.

For example, ExxonMobil claimed in its 2019 “Energy and Carbon Summary” report that it:

- Plays “an essential role in protecting the environment and addressing the risks of climate change”;
- Reduced its operational emissions by an average of about 20 MILLION tons annually since 2000.
- Spent $9 billion since 2000 on efforts to reduce emissions.

None of these emissions reduction activities are required by law or regulation. But in 2018 alone:

- Exxon produced about 1.4 BILLION barrels of oil which, when burned, produced about 588 MILLION tons of carbon dioxide (CO2).
- Global emissions of CO2-equivalents in 2018 were about 55.3 BILLION tons.

So:

- While ExxonMobil touts its operational reductions in CO2, it sells products that, when burned
by consumers, emit almost 30 times more CO2.

- ExxonMobil's products when burned produce CO2 emissions that amount to a mere one percent (1%) of global manmade emissions.

Although ExxonMobil's operational emissions cuts and the emissions from its products are both meaningless in larger context ExxonMobil bizarrely, if not falsely claims that it plays “an essential role in... addressing the risks of climate change.”

So, what are the actual benefits to shareholders and the climate of ExxonMobil's multibillion-dollar bid to reduce its CO2 emissions. By how much, in what way, and when will any of these activities reduce, alter or improve climate change, for example?

The information and honesty requested by this proposal is not already contained in any ExxonMobil report. As none of them present the actual and significant cost-benefit details requested here, they may all be reasonably suspected of being examples of don't-look-behind-the-curtain corporate greenwashing propaganda.

ExxonMobil should report to shareholders what are the actual benefits being produced by its voluntary and highly touted environmental activities. Are they real and worthwhile, or just greenwashing?
Exhibit B

Shareholder Correspondence
Dear Mr. Hansen,

I am submitting the attached shareholder proposal for the 2020 meeting.

Please confirm receipt.

Sincerely,

Steve Milloy
Dear Mr. Hansen:

I hereby submit the enclosed shareholder proposal for inclusion in the ExxonMobil Corporation proxy statement to be circulated to shareholders in conjunction with the next annual meeting of shareholders. The proposal is submitted under Rule 14(a)-8 of the U.S. Securities and Exchange Commission's proxy regulations.

I am the beneficial owner of 250 shares of Exxon Mobil common stock that have been held continuously for more than one year prior to this date of submission. I intend to hold the shares through the date of the next annual meeting of shareholders. Verification of my beneficial ownership is attached.

I or a designated representative will present the proposal at the annual meeting of shareholders.

If you have any questions or wish to discuss the proposal, please contact me at [contact information].Copies of correspondence or a request for a "no action" letter should be forwarded to me at [contact information].

Sincerely,

Steven J. Milloy

Steven J. Milloy

Attachments: Shareholder Proposal: Greenwashing Audit
Proof of Beneficial Ownership of XOM common stock
Greenwashing Audit

Resolved:

Shareholders request that, beginning in 2020, ExxonMobil publish an annual report of the incurred costs and associated significant and actual benefits that have accrued to shareholders, the public health and the environment, including the global climate, from the company’s environment-related activities that are voluntary and that exceed U.S. and foreign compliance and regulatory requirements. The report should be prepared at reasonable cost and omit proprietary information.

Supporting Statement:

The resolution is intended to help shareholders monitor and evaluate whether the company’s voluntary activities and expenditures touted as protecting the public health and environment are producing actual and meaningful benefits to shareholders, the public health and the environment, including global climate.

Corporate managements sometimes engage in the practice of “greenwashing,” which is defined as the expenditure of shareholder assets on ostensibly environment-related activities but actually undertaken merely for the purpose of improving the company’s or management’s public image.

Such insincere “green” posturing and associated touting of hypothetical or imaginary benefits to public health and the environment may harm shareholders by wasting corporate assets, and deceiving shareholders and the public by accomplishing nothing real and significant for the public health and environment.

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But in 2018 alone:

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• Global emissions of CO2-equivalents in 2018 were about 55.3 BILLION tons.

So:

• While ExxonMobil touts its operational reductions in CO2, it sells products that, when burned by consumers, emit almost 30 times more CO2.

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So, what are the actual benefits to shareholders and the climate of ExxonMobil’s multibillion-dollar bid to reduce its CO2 emissions. By how much, in what way, and when will any of these activities reduce, alter or improve climate change, for example?

The information and honesty requested by this proposal is not already contained in any ExxonMobil report. As none of them present the actual and significant cost-benefit details requested here, they may all be reasonably suspected of being examples of don’t-look-behind-the-curtain corporate greenwashing propaganda.

ExxonMobil should report to shareholders what are the actual benefits being produced by its voluntary and highly touted environmental activities. Are they real and worthwhile, or just greenwashing?
Here is the account information you requested.

Dear Steven Milloy,

I'm writing in response to your request for information for your account:

This letter is to confirm that Charles Schwab & Co. holds as custodian for the above account 250 shares of Exxon Mobile Corp (XOM) common stock, valued in excess of $17,000.00. The Steven Milloy SEP-IRA has continuously held these shares in the account referenced above since January 28, 2015.

These shares are held at Depository Trust Company under the nominee name of Charles Schwab & Company.

Please note that this letter applies only to the account number(s) noted above. Independent investment advisors are not owned by, affiliated with, or supervised by Charles Schwab & Co., Inc. ("Schwab").

This letter is for informational purposes only and is not an official record. Please refer to your statements and/or trade confirmations as they are the official record of your account(s).

**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 877-561-1918 ext 35475.

Sincerely,

Donte Henton

Manager, Resolution Team
2423 E Lincoln Dr
Phoenix, AZ 85016-1215
I confirm receipt.

Neil A. Hansen  
Vice President and Corporate Secretary,  
Investor Relations and Office of the Secretary  
Exxon Mobil Corporation

-----Original Message-----
From: Steve Milloy [mailto: ]  
Sent: Thursday, December 12, 2019 1:56 PM  
To: Hansen, Neil A <>  
Cc: Parsons, Jim E <>; Gilbert, Jeanine <>; Englande, Sherry M <>; Palmer, Molly A <>  
Subject: Shareholder proposal submission

Dear Mr. Hansen,

I am submitting the attached shareholder proposal for the 2020 meeting.

Please confirm receipt.

Sincerely,  

Steve Milloy
Mr. Steven J. Milloy

Dear Mr. Milloy:

This will acknowledge receipt of the proposal concerning a Report on Environmental Expenditures (the "Proposal"), which you have submitted on behalf of Steven J. Milloy (the "Proponent") in connection with ExxonMobil's 2020 annual meeting of shareholders. However, date deficiencies exist between the proof letter and the submission date and therefore, do not meet requirements, as shown below.

In order to be eligible to submit a shareholder proposal, Rule 14a-8 (copy enclosed) requires a proponent to submit sufficient proof that it has continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to vote on the proposal for at least one year through and including the date the shareholder proposal was submitted. For this Proposal, the date of submission is December 12, 2019, which is the date the Proposal was received electronically by email.

The Proponent does not appear in our records as a registered shareholder. Moreover, to date we have not received proof that the Proponent has satisfied these ownership requirements. We note the letter you furnished separately from Charles Schwab only establishes the Proponent's continuous ownership of shares as of December 9, 2019, and therefore does not verify continuous ownership for the one-year period preceding and including the December 12, 2019 date of the Proposal. Therefore, new proof of ownership establishing that you have continuously held at least $2,000 in market value of ExxonMobil stock for no less than a period of one year preceding and including December 12, 2019, will be required as described in more detail below and in the enclosed Staff Legal Bulletin No.14F.

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

- a written statement from the "record" holder of the Proponent's shares (usually a broker or a bank) verifying that the Proponent continuously held the requisite number of ExxonMobil shares for the one-year period preceding and including December 12, 2019; or
if the Proponent has filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting the Proponent's ownership of the requisite number of ExxonMobil shares as of or before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that the Proponent continuously held the requisite number of ExxonMobil shares for the one-year period.

If the Proponent intends to demonstrate ownership by submitting a written statement from the "record" holder of their shares as set forth in the first bullet point above, please note that most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company ("DTC"), a registered clearing agency that acts as a securities depository (DTC is also known through the account name of Cede & Co.). Such brokers and banks are often referred to as "participants" in DTC. In Staff Legal Bulletin No. 14F (October 18, 2011) (copy enclosed), the SEC staff has taken the view that only DTC participants should be viewed as "record" holders of securities that are deposited with DTC.

The Proponent can confirm whether its broker or bank is a DTC participant by asking its broker or bank or by checking the listing of current DTC participants, which is available on the internet at: http://www.dtcc.com/~media/Files/Downloads/client-center/DTC/alpha.ashx. In these situations, shareholders need to obtain proof of ownership from the DTC participant through which the securities are held, as follows:

- If the Proponent's broker or bank is a DTC participant, then the Proponent needs to submit a written statement from its broker or bank verifying that the Proponent continuously held the requisite number of ExxonMobil shares for the one-year period preceding and including December 12, 2019.

- If the Proponent's broker or bank is not a DTC participant, then the Proponent needs to submit proof of ownership from the DTC participant through which the securities are held verifying that the Proponent continuously held the requisite number of ExxonMobil shares for the one-year period preceding and including December 12, 2019. The Proponent should be able to find out who this DTC participant is by asking the Proponent's broker or bank. If the Proponent's broker is an introducing broker, the Proponent may also be able to learn the identity and telephone number of the DTC participant through the Proponent's account statements because the clearing broker identified on the Proponent's account statements will generally be a DTC participant. If the DTC participant that holds the Proponent's shares knows the Proponent's broker's or bank's holdings, but does not know the Proponent's holdings, the Proponent needs to satisfy the proof of ownership requirement by obtaining and submitting two proof of ownership statements verifying that for the one-year period preceding and including December 12, 2019, the required amount of securities were continuously held – one from the Proponent's broker or bank, confirming the Proponent's ownership, and the other from the DTC participant, confirming the broker or bank's ownership.
The SEC's rules require that any response to this letter must be postmarked or transmitted electronically to us no later than 14 calendar days from the date this letter is received. Please mail any response to me at ExxonMobil at the address shown above. Alternatively, you may send your response to me via facsimile at 972-940-6748, or by email to shareholderrelations@exxonmobil.com.

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

If the Proponent intends for a representative to present the Proposal, the Proponent must provide documentation that specifically identifies their intended representative by name and specifically authorizes the representative to act as the Proponent's proxy at the annual meeting. To be a valid proxy entitled to attend the annual meeting, the representative must have the authority to vote the Proponent's shares at the meeting. A copy of this authorization meeting state law requirements should be sent to my attention in advance of the meeting. The authorized representative should also bring an original signed copy of the proxy documentation to the meeting and present it at the admissions desk, together with photo identification if requested, so that our counsel may verify the representative's authority to act on the Proponent's behalf prior to the start of the meeting.

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

Note that under Staff Legal Bulletin No. 14F, the SEC will distribute no-action responses under Rule 14a-8 by email to companies and proponents. We encourage 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.

We are interested in discussing this Proposal and will contact you in the near future.

Sincerely,

[Nah/SmE Signature]

NAH/sme

Enclosures
Division of Corporation Finance  
Securities and Exchange Commission  

Shareholder Proposals  
Staff Legal Bulletin No. 14F (CF)  

Action: Publication of CF Staff Legal Bulletin  

Date: October 18, 2011  

Summary: This staff legal bulletin provides information for companies and shareholders regarding Rule 14a-8 under the Securities Exchange Act of 1934.  

Supplementary Information: The statements in this bulletin represent the views of the Division of Corporation Finance (the “Division”). This bulletin is not a rule, regulation or statement of the Securities and Exchange Commission (the “Commission”). Further, the Commission has neither approved nor disapproved its content.  

Contacts: For further information, please contact the Division’s Office of Chief Counsel by calling (202) 551-3500 or by submitting a web-based request form at https://www.sec.gov/forms/corp_fin_interpretive.  

A. The purpose of this bulletin  

This bulletin is part of a continuing effort by the Division to provide guidance on important issues arising under Exchange Act Rule 14a-8. Specifically, this bulletin contains information regarding:  

- Brokers and banks that constitute “record” holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8;  
- Common errors shareholders can avoid when submitting proof of ownership to companies;  
- The submission of revised proposals;  
- Procedures for withdrawing no-action requests regarding proposals submitted by multiple proponents; and  
- The Division’s new process for transmitting Rule 14a-8 no-action responses by email.  

You can find additional guidance regarding Rule 14a-8 in the following bulletins that are available on the Commission’s website: SLB No. 14, SLB No. 14A, SLB No. 14B, SLB No. 14C, SLB No. 14D, and SLB No. 14E.  

B. The types of brokers and banks that constitute “record” holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8  

1. Eligibility to submit a proposal under Rule 14a-8
To be eligible to submit a shareholder proposal, a shareholder must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the shareholder meeting for at least one year as of the date the shareholder submits the proposal. The shareholder must also continue to hold the required amount of securities through the date of the meeting and must provide the company with a written statement of intent to do so.1

The steps that a shareholder must take to verify his or her eligibility to submit a proposal depend on how the shareholder owns the securities. There are two types of security holders in the U.S.: registered owners and beneficial owners.2 Registered owners have a direct relationship with the issuer because their ownership of shares is listed on the records maintained by the issuer or its transfer agent. If a shareholder is a registered owner, the company can independently confirm that the shareholder's holdings satisfy Rule 14a-8(b)'s eligibility requirement.

The vast majority of investors in shares issued by U.S. companies, however, are beneficial owners, which means that they hold their securities in book-entry form through a securities intermediary, such as a broker or a bank. Beneficial owners are sometimes referred to as "street name" holders. Rule 14a-8(b)(2)(i) provides that a beneficial owner can provide proof of ownership to support his or her eligibility to submit a proposal by submitting a written statement "from the 'record' holder of [the] securities (usually a broker or bank)," verifying that, at the time the proposal was submitted, the shareholder held the required amount of securities continuously for at least one year.3

2. The role of the Depository Trust Company

Most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company ("DTC"), a registered clearing agency acting as a securities depository. Such brokers and banks are often referred to as "participants" in DTC.4 The names of these DTC participants, however, do not appear as the registered owners of the securities deposited with DTC on the list of shareholders maintained by the company or, more typically, by its transfer agent. Rather, DTC's nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants. A company can request from DTC a "securities position listing" as of a specified date, which identifies the DTC participants having positions in the company's securities and the number of securities held by each DTC participant on that date.5

3. Brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8

In The Hain Celestial Group, Inc. (Oct. 1, 2008), we took the position that an introducing broker could be considered a "record" holder for purposes of Rule 14a-8(b)(2)(i). An introducing broker is a broker that engages in sales and other activities involving customer contact, such as opening customer accounts and accepting customer orders, but is not permitted to maintain custody of customer funds and securities.6 Instead, an introducing broker engages another broker, known as a "clearing broker," to hold custody of client funds and securities, to clear and execute customer trades, and to handle other functions such as issuing confirmations of customer trades and customer account statements. Clearing brokers generally are DTC participants; introducing brokers generally are not. As introducing brokers generally are not DTC participants, and therefore typically do not appear on DTC's securities position listing, Hain Celestial has required companies to...
accept proof of ownership letters from brokers in cases where, unlike the positions of registered owners and brokers and banks that are DTC participants, the company is unable to verify the positions against its own or its transfer agent’s records or against DTC’s securities position listing.

In light of questions we have received following two recent court cases relating to proof of ownership under Rule 14a-8(b) and in light of the Commission’s discussion of registered and beneficial owners in the Proxy Mechanics Concept Release, we have reconsidered our views as to what types of brokers and banks should be considered “record” holders under Rule 14a-8(b)(2)(i). Because of the transparency of DTC participants’ positions in a company’s securities, we will take the view going forward that, for Rule 14a-8(b)(2)(i) purposes, only DTC participants should be viewed as “record” holders of securities that are deposited at DTC. As a result, we will no longer follow Hain Celestial.

We believe that taking this approach as to who constitutes a “record” holder for purposes of Rule 14a-8(b)(2)(i) will provide greater certainty to beneficial owners and companies. We also note that this approach is consistent with Exchange Act Rule 12g5-1 and a 1988 staff no-action letter addressing that rule, under which brokers and banks that are DTC participants are considered to be the record holders of securities on deposit with DTC when calculating the number of record holders for purposes of Sections 12(g) and 15(d) of the Exchange Act.

Companies have occasionally expressed the view that, because DTC’s nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants, only DTC or Cede & Co. should be viewed as the “record” holder of the securities held on deposit at DTC for purposes of Rule 14a-8(b)(2)(i). We have never interpreted the rule to require a shareholder to obtain a proof of ownership letter from DTC or Cede & Co., and nothing in this guidance should be construed as changing that view.

How can a shareholder determine whether his or her broker or bank is a DTC participant?

Shareholders and companies can confirm whether a particular broker or bank is a DTC participant by checking DTC’s participant list, which is currently available on the Internet at http://www.dtcc.com/~/media/Files/Downloads/client-center/DTC/alpha.ashx.

What if a shareholder’s broker or bank is not on DTC’s participant list?

The shareholder will need to obtain proof of ownership from the DTC participant through which the securities are held. The shareholder should be able to find out who this DTC participant is by asking the shareholder’s broker or bank.

If the DTC participant knows the shareholder’s broker or bank’s holdings, but does not know the shareholder’s holdings, a shareholder could satisfy Rule 14a-8(b)(2)(i) by obtaining and submitting two proof of ownership statements verifying that, at the time the proposal was submitted, the required amount of securities were continuously held for at least one year - one from the shareholder’s broker or bank confirming the shareholder’s ownership, and the other from the DTC participant confirming the broker or bank’s ownership.

How will the staff process no-action requests that argue for exclusion on the basis that the shareholder’s proof of ownership is not from a DTC?
The staff will grant no-action relief to a company on the basis that the shareholder's proof of ownership is not from a DTC participant only if the company's notice of defect describes the required proof of ownership in a manner that is consistent with the guidance contained in this bulletin. Under Rule 14a-8(f)(1), the shareholder will have an opportunity to obtain the requisite proof of ownership after receiving the notice of defect.

C. Common errors shareholders can avoid when submitting proof of ownership to companies

In this section, we describe two common errors shareholders make when submitting proof of ownership for purposes of Rule 14a-8(b)(2), and we provide guidance on how to avoid these errors.

First, Rule 14a-8(b) requires a shareholder to provide proof of ownership that he or she has "continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal" (emphasis added). We note that many proof of ownership letters do not satisfy this requirement because they do not verify the shareholder's beneficial ownership for the entire one-year period preceding and including the date the proposal is submitted. In some cases, the letter speaks as of a date before the date the proposal is submitted, thereby leaving a gap between the date of the verification and the date the proposal is submitted. In other cases, the letter speaks as of a date after the date the proposal was submitted but covers a period of only one year, thus failing to verify the shareholder's beneficial ownership over the required full one-year period preceding the date of the proposal's submission.

Second, many letters fail to confirm continuous ownership of the securities. This can occur when a broker or bank submits a letter that confirms the shareholder's beneficial ownership only as of a specified date but omits any reference to continuous ownership for a one-year period.

We recognize that the requirements of Rule 14a-8(b) are highly prescriptive and can cause inconvenience for shareholders when submitting proposals. Although our administration of Rule 14a-8(b) is constrained by the terms of the rule, we believe that shareholders can avoid the two errors highlighted above by arranging to have their broker or bank provide the required verification of ownership as of the date they plan to submit the proposal using the following format:

"As of [date the proposal is submitted], [name of shareholder] held, and has held continuously for at least one year, [number of securities] shares of [company name] [class of securities]."

As discussed above, a shareholder may also need to provide a separate written statement from the DTC participant through which the shareholder's securities are held if the shareholder's broker or bank is not a DTC participant.

D. The submission of revised proposals

On occasion, a shareholder will revise a proposal after submitting it to a company. This section addresses questions we have received regarding revisions to a proposal or supporting statement.
1. A shareholder submits a timely proposal. The shareholder then submits a revised proposal before the company’s deadline for receiving proposals. Must the company accept the revisions?

Yes. In this situation, we believe the revised proposal serves as a replacement of the initial proposal. By submitting a revised proposal, the shareholder has effectively withdrawn the initial proposal. Therefore, the shareholder is not in violation of the one-proposal limitation in Rule 14a-8(c). If the company intends to submit a no-action request, it must do so with respect to the revised proposal.

We recognize that in Question and Answer E.2 of SLB No. 14, we indicated that if a shareholder makes revisions to a proposal before the company submits its no-action request, the company can choose whether to accept the revisions. However, this guidance has led some companies to believe that, in cases where shareholders attempt to make changes to an initial proposal, the company is free to ignore such revisions even if the revised proposal is submitted before the company’s deadline for receiving shareholder proposals. We are revising our guidance on this issue to make clear that a company may not ignore a revised proposal in this situation.

2. A shareholder submits a timely proposal. After the deadline for receiving proposals, the shareholder submits a revised proposal. Must the company accept the revisions?

No. If a shareholder submits revisions to a proposal after the deadline for receiving proposals under Rule 14a-8(e), the company is not required to accept the revisions. However, if the company does not accept the revisions, it must treat the revised proposal as a second proposal and submit a notice stating its intention to exclude the revised proposal, as required by Rule 14a-8(j). The company’s notice may cite Rule 14a-8(e) as the reason for excluding the revised proposal. If the company does not accept the revisions and intends to exclude the initial proposal, it would also need to submit its reasons for excluding the initial proposal.

3. If a shareholder submits a revised proposal, as of which date must the shareholder prove his or her share ownership?

A shareholder must prove ownership as of the date the original proposal is submitted. When the Commission has discussed revisions to proposals, it has not suggested that a revision triggers a requirement to provide proof of ownership a second time. As outlined in Rule 14a-8(b), proving ownership includes providing a written statement that the shareholder intends to continue to hold the securities through the date of the shareholder meeting. Rule 14a-8(f)(2) provides that if the shareholder “fails in [his or her] promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of [the same shareholder’s] proposals from its proxy materials for any meeting held in the following two calendar years.” With these provisions in mind, we do not interpret Rule 14a-8 as requiring additional proof of ownership when a shareholder submits a revised proposal.

6. Procedures for withdrawing no-action requests for proposals submitted by multiple proponents

We have previously addressed the requirements for withdrawing a Rule 14a-8 no-action request in SLB Nos. 14 and 14C. SLB No. 14 notes that a company should include with a withdrawal letter documentation demonstrating that a shareholder has withdrawn the proposal. In cases where a proposal submitted by multiple shareholders is withdrawn, SLB No. 14C states that, if each shareholder has designated a lead individual to act
on its behalf and the company is able to demonstrate that the individual is authorized to act on behalf of all of the proponents, the company need only provide a letter from that lead individual indicating that the lead individual is withdrawing the proposal on behalf of all of the proponents.

Because there is no relief granted by the staff in cases where a no-action request is withdrawn following the withdrawal of the related proposal, we recognize that the threshold for withdrawing a no-action request need not be overly burdensome. Going forward, we will process a withdrawal request if the company provides a letter from the lead filer that includes a representation that the lead filer is authorized to withdraw the proposal on behalf of each proponent identified in the company's no-action request.16

F. Use of email to transmit our Rule 14a-8 no-action responses to companies and proponents

To date, the Division has transmitted copies of our Rule 14a-8 no-action responses, including copies of the correspondence we have received in connection with such requests, by U.S. mail to companies and proponents. We also post our response and the related correspondence to the Commission's website shortly after issuance of our response.

In order to accelerate delivery of staff responses to companies and proponents, and to reduce our copying and postage costs, going forward, we intend to transmit our Rule 14a-8 no-action responses by email to companies and proponents. We therefore encourage both companies and proponents to include email contact information in any correspondence to each other and to us. We will use U.S. mail to transmit our no-action response to any company or proponent for which we do not have email contact information.

Given the availability of our responses and the related correspondence on the Commission's website and the requirement under Rule 14a-8 for companies and proponents to copy each other on correspondence submitted to the Commission, we believe it is unnecessary to transmit copies of the related correspondence along with our no-action response. Therefore, we intend to transmit only our staff response and not the correspondence we receive from the parties. We will continue to post to the Commission's website copies of this correspondence at the same time that we post our staff no-action response.

1 See Rule 14a-8(b).

2 For an explanation of the types of share ownership in the U.S., see Concept Release on U.S. Proxy System, Release No. 34-52495 (July 14, 2010) [75 FR 42982] ("Proxy Mechanics Concept Release"), at Section II.A. The term "beneficial owner" does not have a uniform meaning under the federal securities laws. It has a different meaning in this bulletin as compared to "beneficial owner" and "beneficial ownership" in Sections 13 and 16 of the Exchange Act. Our use of the term in this bulletin is not intended to suggest that registered owners are not beneficial owners for purposes of those Exchange Act provisions. See Proposed Amendments to Rule 14a-8 under the Securities Exchange Act of 1934 Relating to Proposals by Security Holders, Release No. 34-12598 (July 7, 1976) [41 FR 29982], at n.2 ("The term 'beneficial owner' when used in the context of the proxy rules, and in light of the purposes of those rules, may be interpreted to have a broader meaning than it would for certain other purpose[s] under the federal securities laws, such as reporting pursuant to the Williams Act.").

https://www.sec.gov/interp/legal/dslb14f.htm

6/8
3 If a shareholder has filed a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5 reflecting ownership of the required amount of shares, the shareholder may instead prove ownership by submitting a copy of such filings and providing the additional information that is described in Rule 14a-8(b)(2)(ii).

4 DTC holds the deposited securities in “fungible bulk,” meaning that there are no specifically identifiable shares directly owned by the DTC participants. Rather, each DTC participant holds a pro rata interest or position in the aggregate number of shares of a particular issuer held at DTC. Correspondingly, each customer of a DTC participant – such as an individual investor – owns a pro rata interest in the shares in which the DTC participant has a pro rata interest. See Proxy Mechanics Concept Release, at Section II.B.2.a.


7 See KBR Inc. v. Chevedden, Civil Action No. H-11-0196, 2011 U.S. Dist. LEXIS 36431, 2011 WL 1463611 (S.D. Tex. Apr. 4, 2011); Apache Corp. v. Chevedden, 696 F. Supp. 2d 723 (S.D. Tex. 2010). In both cases, the court concluded that a securities intermediary was not a record holder for purposes of Rule 14a-8(b) because it did not appear on a list of the company’s non-objecting beneficial owners or on any DTC securities position listing, nor was the intermediary a DTC participant.

8 Techne Corp. (Sept. 20, 1989).

9 In addition, if the shareholder’s broker is an introducing broker, the shareholder’s account statements should include the clearing broker’s identity and telephone number. See Net Capital Rule Release, at Section II.C.(iii). The clearing broker will generally be a DTC participant.

10 For purposes of Rule 14a-8(b), the submission date of a proposal will generally precede the company’s receipt date of the proposal, absent the use of electronic or other means of same-day delivery.

11 This format is acceptable for purposes of Rule 14a-8(b), but it is not mandatory or exclusive.

12 As such, it is not appropriate for a company to send a notice of defect for multiple proposals under Rule 14a-8(c) upon receiving a revised proposal.

13 This position will apply to all proposals submitted after an initial proposal but before the company’s deadline for receiving proposals, regardless of whether they are explicitly labeled as “revisions” to an initial proposal, unless the shareholder affirmatively indicates an intent to submit a second, additional proposal for inclusion in the company’s proxy materials. In that case, the company must send the shareholder a notice of defect pursuant to Rule 14a-8(f)(1) if it intends to exclude either proposal from its proxy materials in reliance on Rule 14a-8(c). In light of this guidance, with respect to proposals or revisions received before a company’s deadline for submission, we will no longer follow Layne Christensen Co. (Mar. 21, 2011) and other prior staff no-action letters in which we took the view that a proposal would violate the Rule 14a-8(c) one-proposal limitation if such proposal is submitted to a company after the company has either submitted a Rule 14a-8 no-action request to exclude an earlier proposal submitted by
the same proponent or notified the proponent that the earlier proposal was excludable under the rule.


15 Because the relevant date for proving ownership under Rule 14a-8(b) is the date the proposal is submitted, a proponent who does not adequately prove ownership in connection with a proposal is not permitted to submit another proposal for the same meeting on a later date.

16 Nothing in this staff position has any effect on the status of any shareholder proposal that is not withdrawn by the proponent or its authorized representative.

§240.14a-8 Shareholder proposals.

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to "you" are to a shareholder seeking to submit the proposal.

(a) Question 1: What is a proposal? A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word "proposal" as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) Question 2: Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible? (1) In order to be eligible to submit a proposal, you must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting.

(2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:

(i) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or

(ii) The second way to prove ownership applies only if you have filed a Schedule 13D (§240.13d–101), Schedule 13G (§240.13d–102), Form 3 (§249.103 of this chapter), Form 4 (§249.104 of this chapter) and/or Form 5 (§249.105 of this chapter), or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the
company:

(A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level;

(B) Your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement; and

(C) Your written statement that you intend to continue ownership of the shares through the date of the company's annual or special meeting.

(c) Question 3: How many proposals may I submit? Each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.

(d) Question 4: How long can my proposal be? The proposal, including any accompanying supporting statement, may not exceed 500 words.

(e) Question 5: What is the deadline for submitting a proposal? (1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10-Q ($249.308a of this chapter), or in shareholder reports of investment companies under §270.30d-1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) Question 6: What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section? (1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later
have to make a submission under §240.14a–8 and provide you with a copy under Question 10 below, §240.14a–8(j).

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) Question 7: Who has the burden of persuading the Commission or its staff that my proposal can be excluded? Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) Question 8: Must I appear personally at the shareholders’ meeting to present the proposal? (1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.

(2) If the company holds its shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.

(3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) Question 9: If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal? (1) Improper under state law: If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company’s organization;

Note to paragraph(i)(1): Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

(2) Violation of law: If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

Note to paragraph(i)(2): We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

(3) Violation of proxy rules: If the proposal or supporting statement is contrary to any of the Commission’s proxy rules, including §240.14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;
(4) **Personal grievance; special interest:** If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

(5) **Relevance:** If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

(6) **Absence of power/authority:** If the company would lack the power or authority to implement the proposal;

(7) **Management functions:** If the proposal deals with a matter relating to the company's ordinary business operations;

(8) **Relates to election:** If the proposal relates to a nomination or an election for membership on the company's board of directors or analogous governing body or a procedure for such nomination or election;

(9) **Conflicts with company's proposal:** If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

Note to paragraph(i)(9): A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

(10) **Substantially implemented:** If the company has already substantially implemented the proposal;

(11) **Duplication:** If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) **Resubmissions:** If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received:

(i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;

(ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or

(iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

(13) **Specific amount of dividends:** If the proposal relates to specific amounts of cash or stock dividends.
(j) Question 10: What procedures must the company follow if it intends to exclude my proposal? (1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) Question 11: May I submit my own statement to the Commission responding to the company's arguments?

Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) Question 12: If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?

(1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) Question 13: What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains
materially false or misleading statements that may violate our anti-fraud rule, §240.14a–9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under §240.14a–6.

**PACKAGE PICKUP NOTICE**

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

<table>
<thead>
<tr>
<th>UPS - GROUND</th>
<th>UPS - NEXT DAY</th>
<th>DHL</th>
<th>REGISTERED (INT'L)</th>
<th>CERTIFIED (DOMESTIC)</th>
<th>DATE: December 18, 2019</th>
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**PROOF OF DELIVERY**

|x YES  □ NO |

**CHARGE CODE**

100595

**FROM (NAME/DEPARTMENT)**

Marie Clouthier for Sherry M. Englande / IR

**TO**

MR. STEVEN J. MILLOY

**ADDRESS TO**

MR. STEVEN J. MILLOY

**CONTACT**

MR. STEVEN J. MILLOY

**CONTENTS**

Receipt Letter

**LETTER/PACKAGE NO.**

100595

**MAIL RECEIPT**

ID Number: ITX09:46:43
Proof of Delivery

Dear Customer,

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

Tracking Number

Weight
0.10 LBS

Service
UPS Next Day Air®

Shipped / Billed On
12/18/2019

Delivered On
12/19/2019 3:16 P.M.

Delivered To
POTOMAC, MD, US

Received By
DRIVER RELEASE

Left At
Front Door

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 3:19 P.M. EST
Hi Neil,

Here is the properly dated township letter yo requested for my shareholder proposal.

Let me know if there are any problems.

Please confirm receipt.

Merry Christmas,

Steve
Dear Steven Milloy,

I'm writing in response to your request for information for your account:

This letter is to confirm that Charles Schwab & Co. holds as custodian for the above account 250 shares of Exxon Mobile Corp (XOM) common stock, valued in excess of $17,000.00. The Steven Milloy SEP-IRA has continuously held these shares in the account referenced above since January 28, 2015.

These shares are held at Depository Trust Company under the nominee name of Charles Schwab & Company.

Please note that this letter applies only to the account number(s) noted above. Independent investment advisors are not owned by, affiliated with, or supervised by Charles Schwab & Co., Inc. ("Schwab").

This letter is for informational purposes only and is not an official record. Please refer to your statements and/or trade confirmations as they are the official record of your account(s).

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 +1 877-561-1918 x35485.

Sincerely,

Brady Richardson
Sr Specialist, Escalation Support
2423 E Lincoln Dr
Phoenix, AZ 85016-1215
I confirm receipt. Thank you.

Neil A. Hansen  
Vice President and Corporate Secretary,  
Investor Relations and Office of the Secretary  
Exxon Mobil Corporation  

-----Original Message-----
From: Steve Milloy  
Sent: Monday, December 23, 2019 7:35 PM  
To: Hansen, Neil A  
Cc: Parsons, Jim E; Gilbert, Jeanine; Englande, Sherry M; Palmer, Molly A; Broussard, Jenifer L  
Subject: Re: Shareholder proposal submission  

Hi Neil,  

Here is the properly dated township letter you requested for my shareholder proposal.  

Let me know if there are any problems.  

Please confirm receipt.  

Merry Christmas,  

Steve
Bates, Tamara L

From: Steve Milloy <...
Sent: Wednesday, December 18, 2019 1:31 PM
To: Broussard, Jenifer L
Cc: Englande, Sherry M; Williams, John Enrique; Bates, Tamara L
Subject: Re: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Environmental Expenditures Proposal

Categories: External Sender

Great. Thanks, Steve

Sent from my iPhone

On Dec 18, 2019, at 1:53 PM, Broussard, Jenifer L <...> wrote:

Hi Steve,

Thank you so much for your response. **January 15, 1:00-2:00pm Central Time** is confirmed. A calendar notice will be forthcoming.

Kind Regards,

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

---

From: Steve Milloy [mailto:...
Sent: Wednesday, December 18, 2019 12:42 PM
To: Broussard, Jenifer L <...>
Cc: Englande, Sherry M <...>; Williams, John Enrique <...>; Bates, Tamara L <...>
Subject: Re: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Environmental Expenditures Proposal

Hi Jenifer,

I'll take 1/15 at 1-2 CT

Please confirm.
Thanks,

Steve

On Dec 18, 2019, at 1:22 PM, Broussard, Jenifer L. wrote:

Dear Mr. Milloy,

We hope that this email finds you well. Neil Hansen would like to schedule an hour to discuss your proposal regarding a report on environmental expenditures for inclusion in the 2020 Proxy Statement.

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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<td>9-10AM</td>
<td>1-2PM</td>
<td>2-3PM</td>
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</table>

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.,  
Irving, Texas 75039
From: Englande, Sherry M <xxxx@xxxxx.com>
Sent: Wednesday, January 15, 2020 2:04 PM
To: Steve Milloy
Subject: RE: Shareholder proposal submission

We're on when you're ready....

Join by phone
(USA, Dallas)       English (United States)
Find a local number

Conference ID:

-----Original Message-----
From: Steve Milloy [mailto:...
Sent: Wednesday, January 15, 2020 1:03 PM
To: Hansen, Neil A <xxxx@xxxxx.com>
Cc: Parsons, Jim E <xxxx@xxxxx.com>; Gilbert, Jeanine <xxxx@xxxxx.com>; Englande, Sherry M <xxxx@xxxxx.com>; Palmer, Molly A <xxxx@xxxxx.com>; Broussard, Jenifer L <xxxx@xxxxx.com>
Subject: Re: Shareholder proposal submission

What is the conference ID? I only have the number.

Steve Milloy

> On Dec 23, 2019, at 8:50 PM, Hansen, Neil A <xxxx@xxxxx.com> wrote:
> I confirm receipt. Thank you.
> Neil A. Hansen
> Vice President and Corporate Secretary, Investor Relations and Office
> of the Secretary Exxon Mobil Corporation
> 
> > -----Original Message-----
> > From: Steve Milloy [mailto:...
> > Sent: Monday, December 23, 2019 7:35 PM
> > To: Hansen, Neil A <xxxx@xxxxx.com>
> > Cc: Parsons, Jim E <xxxx@xxxxx.com>; Gilbert, Jeanine <xxxx@xxxxx.com>; Englande, Sherry M <xxxx@xxxxx.com>; Palmer, Molly A <xxxx@xxxxx.com>; Broussard, Jenifer L <xxxx@xxxxx.com>
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