



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

March 21, 2025

David Kern
Exxon Mobil Corporation

Re: Exxon Mobil Corporation (the "Company")
Incoming letter dated January 17, 2025

Dear David Kern:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by the National Legal and Policy Center for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests the Company remove all emissions reduction targets covering greenhouse gas emissions from the Company's operations and energy products.

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal seeks to micromanage the Company. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on Rule 14a-8(i)(7). In reaching this position, we have not found it necessary to address the alternative bases for omission upon which the Company relies.

Copies of all of the correspondence on which this response is based will be made available on our website at <https://www.sec.gov/corpfin/2024-2025-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Luke Perlot
National Legal and Policy Center

January 17, 2025

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

RE: Exxon Mobil Corporation
Exclusion of Shareholder Proposal – National Legal and Policy Center
Securities Exchange Act of 1934 – Rule 14a-8

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 the National Legal and Policy Center (the “**Proponent**”) for inclusion in the proxy materials the Company intends to distribute in connection with its 2025 Annual Meeting of Shareholders (the “**2025 Proxy Materials**”). The Proposal and related correspondence are attached hereto as Exhibit A.

We hereby request confirmation that the Staff of the Division of Corporation Finance (the “**Staff**”) will not recommend any enforcement action if, in reliance on Rule 14a-8, the Company omits the Proposal from the 2025 Proxy Materials.

In accordance with relevant Staff guidance, we are submitting this letter and its attachments to the Staff through the Staff’s online Shareholder Proposal Form. In accordance with Rule 14a-8(j), we are simultaneously sending a copy of this letter and its attachments to the Proponent as notice of the Company’s intent to omit the Proposal from the 2025 Proxy Materials. This letter constitutes the Company’s statement of the reasons it deems the omission of the Proposal to be proper.

THE PROPOSAL

The Proposal states:

Resolved: Shareholders request the Company to remove all emissions reduction targets covering greenhouse gas emissions from the Company’s operations and energy products.

REASON FOR EXCLUSION OF THE PROPOSAL

The Proposal may be properly omitted from the 2025 Proxy Materials pursuant to:

1. Rule 14a-8(i)(7): The Proposal deals with matters related to the Company’s ordinary business operations by seeking to micromanage the Company;
2. Rule 14a-8(i)(4): The Proposal relates to redress of a personal claim or grievance against the Company; and
3. Rule 14a-8(i)(12): The Proposal deals with substantially the same subject matter as a proposal that was voted on within the last five years.

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 policy underlying the ordinary business exception is based on two central considerations: (i) that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight," and (ii) the "degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." See Exchange Act Release No. 34-40018 (May 21, 1998) (the "**1998 Release**"); see also Staff Legal Bulletin No. 14L (Nov. 3, 2021) ("**SLB 14L**").

A. The Proposal Seeks to Micromanage the Company by Requiring the Company to Eliminate All Greenhouse Gas ("GHG") Emissions Reduction "Targets"

Based on the second policy consideration underlying the ordinary business exclusion and as reiterated by SLB 14L, the Company believes it may omit the Proposal pursuant to Rule 14a-8(i)(7) because it impermissibly seeks to micromanage the Company by requiring the Company to eliminate "all" GHG emissions reduction "targets" from its operations and energy products.

B. The Level of Granularity Sought in the Proposal Inappropriately Limits the Company's Discretion

According to SLB 14L, the determination of whether a proposal impermissibly micromanages the Company "will focus on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management." SLB 14L. The Staff further clarified that this approach is "consistent with the Commission's views on the ordinary business exclusion, which is designed to preserve management's discretion on ordinary business matters but not prevent shareholders from providing high-level direction on large strategic corporate matters." The Staff has consistently concurred with the exclusion of proposals that inappropriately limit management's discretion, including most recently on proposals that prescribed how companies should manage the complex topic of climate change, or by specifying in detail the manner in which the company should address this global issue. See, e.g. *Exxon Mobil Corporation* (March 20, 2024) (concurring that a proposal micromanaged the company by requesting an annual report on divestitures of assets with material climate impact, including whether each asset purchaser discloses its GHG emissions and has 1.5°C-aligned or other greenhouse gas reduction targets); *Chevron Corp.* (Mar. 29, 2024) (same); *JP Morgan Chase & Co* (Mar. 29, 2024) (concurring that a proposal sought to micromanage the company because it would have required the company to adopt a specific methodology for sector-by-sector achievement of emissions targets within its investment portfolios); *Morgan Stanley* (Mar. 29, 2024) (same); *Wells Fargo & Co.* (Mar. 6, 2024) (same); *The Goldman Sachs Group, Inc.* (Mar. 4, 2024) (same); *Bank of America Corp.* (Feb. 29, 2024) (same); *Tractor Supply Co.* (March 18, 2024) (concurring with the exclusion of a proposal requesting disclosure of GHG emissions from Use of Sold Products, including a breakdown of emissions by product category); *Tesla, Inc.* (Mar. 27, 2024) (concurring with the exclusion of a proposal requesting the redesign of company vehicle tire products to avoid pollution from chemicals); *The Kroger Co.* (Apr. 25, 2023) (concurring with exclusion of a proposal requesting the company's pilot participation in the Fair Food Program for tomato purchases in order to mitigate severe risks of forced labor and other human rights violations in the company's produce supply chain); and *Amazon.com, Inc.* (Apr. 7, 2023) (concurring that a proposal requiring the company to measure and disclose scope 3 greenhouse gas emissions from its full value chain and all products that it sells directly and by third party vendors micromanaged the company). This is also consistent with Staff decisions prior to SLB 14L, see *Exxon Mobil Corporation* (April 2, 2019) (concurring with exclusion of a proposal requesting

disclosure of greenhouse gas emissions targets in line with Paris Agreement goals); *The Goldman Sachs Group, Inc.* (March 12, 2019) (concurring with exclusion of a proposal requesting the company adopt a policy to reduce the carbon footprint of its loan and investment portfolios in alignment with the Paris Agreement); *Wells Fargo & Company* (March 5, 2019) (concurring with exclusion of a proposal requesting the company adopt a policy for reducing greenhouse gas (“GHG”) emissions resulting from its loan and investment portfolios to align with the Paris Agreement); *Devon Energy Corporation* (March 4, 2019, recon. denied April 1, 2019) (concurring in exclusion pursuant to Rule 14a-8(i)(7) of a proposal requesting, in annual reporting beginning in 2020, a report of short-, medium- and long-term greenhouse gas targets aligned with reduction goals set in the Paris Climate Agreement to maintain global average temperatures substantially below two degrees Celsius and to pursue efforts to limit increases to 1.5 degrees Celsius, on the basis that “the Proposal would micromanage the Company by seeking to impose specific methods for implementing complex policies in place of the ongoing judgments of management as overseen by its board of directors”).

The Proposal explicitly requests that the Company remove “all” emission reduction “targets” covering GHG emissions from the Company’s “operations and energy products.” As an initial matter, the Company notes that the Proposal’s use of the term GHG “emissions reduction targets” misconstrues the nature of the Company’s emissions reduction efforts in two ways. First, the Proposal refers to emissions reduction “targets,” but the Company considers these to be emission intensity reduction plans that are built into its short- and medium-term business planning process.¹ The Company also has a 2050 net zero ambition, subject to consistent supportive policy and advances in technology.² Second, the Company’s plans are Scope 1 and Scope 2 emissions intensity reduction plans for our operated assets, not absolute emissions or Scope 3 reduction targets, as implied by the Proposal’s wording. An emissions intensity reduction plan takes into account both the need for an increase in global energy supply and a reduction in GHG emissions, as well as a constantly evolving policy and technology landscape, and supports companies in reducing emissions while also meeting the need for increased global energy supply. As such, because the use of GHG emissions intensity plans is critical to the Company’s business, the Proposal’s requirement to remove all emissions reduction “targets” would effectively require the Company to abandon many aspects of its business or business planning. Similar to the proposals in *Tractor Supply Co.* and *Amazon.com, Inc.* noted above, the Proponent’s request would encompass the Company’s full operations value chain, including the production of products sold and used by the Company around the world. The Company is a multinational integrated oil company with thousands of operations in more than 40 countries spanning the entire oil and gas value chain, including exploration, production, refining and chemical manufacturing and more recently has begun investing to build new businesses in carbon capture and sequestration, nearly zero emissions hydrogen, and lithium production. The Proposal, which implicates nearly every one of these operations, as well as current and future investments, would impose a single approach on the Company (i.e., remove emissions “targets”) that would require the Company to abandon its overall business plans where its emission intensity reduction plans are an integral part of these business plans. This would tie the hands of the Board and management in making business decisions in a way that serves the needs of the Company’s customers, as government policy and technology continue to evolve, to the benefit of its investors.

¹ See “ExxonMobil Advancing Climate Solutions,” pg. 7 for a discussion of our 2030 greenhouse gas emission-reduction plans, available at <https://corporate.exxonmobil.com/-/media/global/files/advancing-climate-solutions/2024/2024-advancing-climate-solutions-report.pdf>.

² Id. at pages 2-3.

Complying with the Proposal's request would significantly disrupt the Company's strategic direction, affecting multiple facets of its business. As described in the section below, the Company has determined, and publicly disclosed, a path towards succeeding in any energy transition, regardless of the pace, that is in the best interest of its business and shareholders. The Proposal prescribes a method that leaves no discretion to the Company's management to achieve this path by requiring that the Company remove all emissions "targets" and effectively abandon the aspects of its business that focus on many potential new markets or changes in the character or requirements of existing markets. In reality, the energy system has evolved dramatically since at least the dawn of the industrial area and has the potential to continue to do so. The company watches and plans for this in detail, including through its publication of the Energy Outlook each year.³

As an example, a number of countries have adopted, or are considering the adoption of, regulatory frameworks to reduce GHG emissions, including emissions from the production and use of oil and gas and their products as well as the use or support for different emission-reduction technologies. Accepting the Proposal's mandate to remove all GHG reduction "targets," without providing any management discretion related to meeting applicable regulatory requirements, could affect the Company's compliance with these regulatory frameworks, jeopardizing existing permits, project approvals, and operational licenses in key jurisdictions. Moreover, the Company collaborates with governments, joint venture partners, and others on many different opportunities and initiatives. Emissions intensity reduction plans are at times an important part of these relationships, and the Company is in the best position to determine how best to manage decisions to change or otherwise modify its decisions around emissions intensity reduction plans to best address business requirements and take advantage of existing and future opportunities in projects, from oil and gas exploration, production, refining and chemical manufacturing to carbon capture and storage, hydrogen, and lithium. For these reasons, the Proposal impermissibly limits management's discretion in determining how to advance the Company's current direction of planning for both sides of the "and" equation – meeting society's needs for energy and essential products and reducing emissions.⁴

C. The Proposal Probes Matters "Too Complex" for Shareholders, as a Group, to Make an Informed Judgment

The micromanagement element of the ordinary business exception under Rule 14a-8(i)(7) is also based on whether a proposal probes matters "too complex" for shareholders, as a group, to make an informed judgement. See SLB 14L, citing the 1998 Release. According to SLB 14L and consistent with preceding SEC guidance, in making this determination as to whether a proposal probes matters "too complex" for shareholders, the Staff may consider "the sophistication of investors generally on the matter, the availability of data, and the robustness of public discussion and analysis on the topic," as well as "references to well-established national or international frameworks when assessing proposals related to disclosure, setting plans, and timeframes as indicative of topics that shareholders are well-equipped to evaluate." The Staff has consistently granted no-action relief for shareholder proposals that probe matters too complex for shareholders. See, e.g. *Walmart Inc.* (Apr. 18, 2024) (permitting exclusion of a proposal requiring a breakdown of GHG emissions for different categories of products in a manner inconsistent with existing reporting frameworks); *The Procter & Gamble Company* (Aug. 14, 2024) (concurring with the exclusion of a proposal asking the company to adopt as policy, and amend the governing documents as necessary, to require each year that director nominees furnish the company information about their political and charitable giving); *NetApp, Inc.* (Jul. 19, 2024) (concurring with the exclusion of a proposal requiring director compensation to be fixed at \$1 for any given fiscal year unless such compensation was disclosed to shareholders in advance of the fiscal year, submitted to shareholders for an approval vote at an annual or

³ See "ExxonMobil Global Outlook: Our view to 2050," available at <https://corporate.exxonmobil.com/sustainability-and-reports/global-outlook>.

⁴ See "ExxonMobil Advancing Climate Solutions," pg. 6 for a discussion of the "and" equation, available at <https://corporate.exxonmobil.com/-/media/global/files/advancing-climate-solutions/2024/2024-advancing-climate-solutions-report.pdf>.

special meeting of shareholders, and approved by shareholder vote); *Delta Air Lines, Inc.* (Apr. 24, 2024) (permitting exclusion of a proposal requiring a report regarding “union suppression expenditures,” including internal and external expenses); *Paramount Global* (Apr. 19, 2024) (concurring with the exclusion of a broadly phrased proposal for detail on charitable contributions that would result in the disclosure of intricate details about the Company’s policies and practices); *Deere & Company* (Dec. 29, 2023) (permitting exclusion of a proposal seeking a report assessing the benefits and drawbacks of opposing “Right to Repair” regulation, as well as the financial and reputational risk associated with such opposition); *GameStop Corp.* (Apr. 25, 2023) (concurring with exclusion of a proposal requesting the company to create a service and provide a daily report on certain shareholding information, a service that was not related to any existing business offering of the company); *Phillips 66* (Mar. 20, 2023) (concurring with exclusion of a proposal requesting the company to disclose specific and detailed information related to the undiscounted expected value to settle obligations for asset retirement obligations with indeterminate settlement dates); and *Valero Energy Corporation* (Mar. 20, 2023) (same).

The Proposal requests that the Company remove all “targets” to reduce GHG emissions, and the supporting argument indicates that the Company has “only one path” to reduce GHG emissions, that is, to reduce oil and gas production. The Proposal takes the position that the Company cannot increase oil and natural gas production while continuing to reduce emissions. This shows a lack of understanding of the company’s current emission intensity reduction plans.⁵ The company’s plans are designed to produce the products needed to meet demand, including increasing production of these products to meet society’s needs, while doing so at lower emissions per unit of production. By confusing the company’s plans with an absolute Scope 3 emissions reduction “target,” which would require a decrease in production, the proponents illustrate why it would be improper to replace the Board and management’s judgment with its own. The Proposal’s rigid demand, and mischaracterization of the company’s plans to meet that demand, ignore the complexity, both operational and regulatory, of these issues as well as management’s expertise and prerogative in these issues. Management is best situated to continue the Company’s position as a preeminent energy producer and has demonstrated that it can both reduce GHG emissions intensity while continuing to invest in oil and natural gas production to meet society’s needs.

Management’s ability to effectively execute its current strategy has generated superior returns for the Company’s shareholders. Over the past five years, the Company has delivered industry-leading earnings, cash flows, and total shareholder returns, all while increasing oil and natural gas production and reducing Scope 1 and 2 operated emissions intensity. The Company has returned more to shareholders in the past five years than any other integrated oil company and has grown its annual dividend for 42 consecutive years. The Proposal imposes its own judgement that ignores the clear ability of management to best deal with the complexities of the Company’s strategic decisions and business operations, insisting that removing *all* (emphasis added) GHG emissions reductions “targets” is the only way to lead to superior shareholder returns.

The Company’s performance demonstrates that the reality is the opposite and that management, under the board’s oversight, is best left to make decisions about the Company’s business strategy, operations, compliance, reputation, shareholder returns and investor goals. Changes or modifications to the Company’s publicly disclosed emissions plans, and the methodology to be applied, are decisions for management and the board, not decisions to be prescribed through the Proposal. Accordingly, the Proposal improperly micromanages the Company by probing matters too complex for informed judgment to be made thereon by shareholders. Consequently, the Company believes that the Proposal may be properly omitted from the 2025 Proxy Materials pursuant to Rule 14a-8(i)(7).

⁵ Id. at page 7.

The Proposal May Be Excluded Under Rule 14a-8(i)(4) Because It Relates to a Personal Claim or Grievance against the Company

Rule 14a-8(i)(4) permits the exclusion of shareholder proposals that are either (i) related to the redress of a personal claim or grievance against a company or any other person, or (ii) designed to result in a benefit to a proponent or to further a personal interest of a proponent, which other shareholders at large do not share. The Commission has stated that Rule 14a-8(i)(4) is designed to “insure that the security holder proposal process [is] not abused by proponents attempting to achieve personal ends that are not necessarily in the common interest of the issuer’s shareholders generally.” Exchange Act Release No. 20091 (Aug. 16, 1983). The Commission has also stated, in discussing the predecessor of Rule 14a-8(i)(4) (Rule 14a-8(c)(4)), that Rule 14a-8 “is not intended to provide a means for a person to air or remedy some personal claim or grievance or to further some personal interest.” Exchange Act Release No. 19135 (Oct. 14, 1982) (the “1982 Release”). Moreover, the Commission has noted that “[t]he cost and time involved in dealing with” a shareholder proposal involving a personal grievance or furthering a personal interest not shared by other shareholders is “a disservice to the interests of the issuer and its security holders at large.” Exchange Act Release No. 19135 (Oct. 14, 1982). 1982 Release. The personal grievance exception applies even to proposals phrased in terms that “might relate to matters which may be of general interest to all security holders,” and thus Rule 14a-8(i)(4) justifies the omission of neutrally worded proposals “if it is clear from the facts presented by the issuer that the proponent is using the proposal as a tactic designed to redress a personal grievance or further a personal interest.” 1982 Release.

Consistent with this interpretation of Rule 14a-8(i)(4), the Staff on numerous occasions has concurred with the exclusion of a proposal that included a facially neutral resolution, but where the facts demonstrated that the proposal’s true purpose was to further a personal interest or redress a personal claim or grievance. See e.g., *General Electric Company* (March 4, 2024) (concurring in exclusion under Rule 14a-8(i)(4) of a proposal to increase executive stock ownership holding requirements, where the facts surrounding the submission of the proposal indicated that the proponent was using the proposal to redress a personal claim or grievance against the company and its former officers); *Sempra Energy* (March 15, 2022) (concurring in exclusion under Rule 14a-8(i)(4) of a proposal to create a committee to oversee the company’s response to developments in human rights, where both the proposal’s supporting statement and facts surrounding the submission of the proposal indicated that the proponent was using the shareholder proposal process to assert his personal grievances against both the company and an affiliate of the company’s public accounting firm, based on the company’s affiliation with its public accounting firm); *General Electric Co.* (Feb. 14, 2020) (concurring with the exclusion of a proposal requesting that the company hire an investment bank to explore the sale of the company when the supporting statement included references to the proponent’s history of employment-related grievances with the company).

On November 14, 2024, Luke Perlot, Associate Director of the Corporate Integrity Project at the Proponent, sent a letter (the “**NLPC Letter**”), attached hereto as Exhibit B, to Mr. Joseph Hooley, the Company’s Lead Independent Director and chair of the Company’s Nominating and Governance Committee. In the NLPC Letter, Mr. Perlot, on behalf of the Proponent, requested that the Company’s Board of Directors immediately seek the resignation of Darren Woods from his positions as Chief Executive Officer and Chairman of the Board of Directors. According to the NLPC Letter, recent comments in the press attributed to Mr. Woods constituted a breach of his fiduciary duty to “maximize shareholder value” and to “protect the company’s competitive advantage and long-term stability.” In addition, the letter argued that under Mr. Woods’ tenure, the Company had strayed from its traditional purpose as an oil and gas company by seeking to align itself with the priorities of government policymakers instead of market-driven business decisions.

The Proponent had previously submitted a shareholder proposal that was included in the Company's proxy materials for its last annual general meeting and which had been opposed by the Company's Board of Directors. In the NLPC Letter, Mr. Perlot criticized the Board's response to the Proponent's prior proposal (the "**Prior Proposal**") as an "ongoing misalignment between the Board's actions and its obligations to shareholders, who expect a commitment to maximizing long-term value rather than chasing politically motivated, risky investments." This criticism was despite over 97% of shareholders voting against the Prior Proposal. Based on this opposition to the Prior Proposal—further described in the NLPC Letter as demonstrating Mr. Woods' "reluctance to prioritize the company's core business and the Board's apparent disregard for shareholder concerns"—Mr. Perlot demanded Mr. Woods' immediate resignation. The NLPC also issued a press release calling for Mr. Woods' resignation and linking to a copy of the letter to Mr. Hooley.⁶

This demand for Mr. Woods' immediate resignation is incredible when you consider that, in 2024, the Company delivered its highest liquid oil production in over 40 years and its highest total oil-equivalent barrel production in nearly 15 years. Additionally, in 2024, the company led all other integrated oil companies in 1, 3 and 5 year total shareholder returns (TSR).⁷ Given the Company's results against competitors, not to mention its record oil and gas production -- which the proponent seems to champion, the call for Mr. Woods' resignation can only be viewed as a personal grievance based on policy differences with the positions attributed to Mr. Woods and not as a concern tied to company performance or value creation on behalf of investors.

The Proposal effectively seeks to redress the same personal agenda against the Company's Board of Directors and senior management as the NLPC Letter, but this time via the 14a-8 shareholder proposal process. The objective of the Proposal—to remove any GHG-related "targets" from Exxon's operations, which the Proponent believes is the only way to maximize return to shareholders—covers the same ground and recites the same grievances as the NLPC Letter. We do not believe it is consistent with the requirements of Rule 14a-8(i)(4) to allow the 14a-8 shareholder proposal process to be used to advance personal grievances or policy positions disconnected from the Company's actions or shareholder value.

The Company believes that the coordinated timing and common themes of the NLPC Letter and the Proposal emphasize that they are part of a unitary campaign to put pressure on the Company's Board of Directors and its CEO. And the Proponent's pressure campaign is not new. Earlier this year, the Proponent filed not one but two exempt solicitation filings, urging shareholders to vote against Larry Kellner, one of the Company's directors, that targeted Mr. Kellner's alleged support for ESG causes.⁸ On December 5, 2024, the Proponent went on to publish a post entitled "Why Does Exxon Repeatedly Reward Failure?" further attacking internal hiring decisions at the Company.⁹ Reviewing the Proposal in this context, it is clear that the Proponent has a personal agenda against Mr. Woods and the Company (despite its industry leading performance) as it seeks to advance "a personal interest not shared by other shareholders." Accordingly, the Company believes the Proposal may properly be omitted pursuant to Rule 14a-8(i)(4).

⁶ Available at <https://nlpc.org/corporate-integrity-project/nlpc-calls-for-resignation-of-exxon-ceo-wants-trump-to-keep-u-s-in-paris-agreement/>.

⁷ See our December 11, 2024 Corporate Plan materials (<https://investor.exxonmobil.com/news-events/corporate-plan-update>). Including page 9 of the "Corporate Plan Update" discussing the shareholder value the Company is generating: <https://d1io3yog0oux5.cloudfront.net/622fc39461d096c1d16cf9571c08a6d5/exxonmobil/db/2261/22346/file/Corporate+Plan+Update+--+FINAL.pdf>. 2024 year-to-date TSR is as of November 29, 2024, consistent with the December 11 date of the presentation.

⁸ See https://www.sec.gov/Archives/edgar/data/34088/000109690624001030/nlpc_px14a6g.htm and https://www.sec.gov/Archives/edgar/data/34088/000109690624001077/nlpc_px14a6g.htm.

⁹ Available at: <https://nlpc.org/corporate-integrity-project/why-does-exxon-repeatedly-reward-failure/>.

The Proposal is Excludable Under Rule 14a-8(i)(12) Because It Deals With Substantially the Same Subject Matter as a Proposal That Was Voted On Within the Last Five Years

Rule 14a-8(i)(12) states that a proposal may be excluded from a company’s proxy materials if “the proposal addresses substantially the same subject matter as a proposal . . . [if it was] previously included in the company’s proxy materials within the preceding five calendar years . . . and the most recent vote was . . . (i) [l]ess than 5 percent of the votes cast if previously voted on once.”

The Proposal may be omitted from the 2025 Proxy Materials because it meets the elements of Rule 14a-8(i)(12). The Proposal deals with substantially the same subject matter as the Prior Proposal (contained in Exhibit C), which was submitted by the same Proponent and included in the Company’s 2024 proxy materials and voted on once within the preceding five calendar years (together with the Proposal, the “**Proposals**”), and the vote on the Prior Proposal at the Company’s 2024 Annual Meeting of Shareholders (the “**2024 Annual Meeting**”) was less than 5% of the votes cast.

The Commission has stated that judgments under Rule 14a-8(i)(12) are to be “based upon a consideration of the *substantive concerns* raised by a proposal rather than the specific language or actions proposed to deal with those concerns.” See Exchange Act Release No. 34-20091 (Aug. 16, 1983) (emphasis added). In past decisions, the Staff has consistently concluded that companies may properly exclude resubmissions that are based on similar substantive concerns, notwithstanding differences in specific language or implementing activities. See, e.g., *Microsoft Corporation* (avail. Sept. 28, 2021); *Alphabet, Inc.* (avail. Apr. 16, 2019); *Apple Inc.* (avail. Nov. 20, 2018); *JPMorgan Chase & Co.* (avail. Jan. 27, 2017); *The Coca-Cola Co.* (avail. Jan. 18, 2017).

A. Assumptions Made for the Analysis

As discussed above, the Proposal asks the Company to eliminate all GHG emissions reduction targets, but the Company has not adopted any GHG emissions reduction targets. Rather, it has disclosed its emissions intensity reduction plans as part of its business plans. Therefore, any mention of “targets” below is done to analyze the textual similarities of the Prior Proposal and the Proposal, and the discussion herein addresses the Proposals’ faulty assertion on its face without conceding its accuracy in describing the Company’s actions.

B. The Proposals Share the Same Substantive Concern

Taking the Proposals at face value, the fundamental “substantive concern” of both Proposals is the same: GHG emissions reduction targets should be eliminated. A comparison of the Resolved clause for each of the Proposals is below. The full text of the Prior Proposal is provided in Exhibit C.

Prior Proposal	Proposal
Resolved: Shareholders of ExxonMobil request the Compensation Committee of the Board of Directors to revisit its incentive guidelines for executive pay, to emphasize legitimate fiduciary goals and <i>consider <u>eliminating greenhouse gas reduction targets</u> and other scientifically dubious goals from compensation inducements.</i>	Resolved: Shareholders request the Company to <i><u>remove all emissions reduction targets covering greenhouse gas emissions from the Company’s operations and energy products.</u></i>

The Prior Proposal asks the Company to consider eliminating greenhouse gas reduction targets from compensation inducements, whereas the Proposal asks the Company to remove all emissions reduction targets covering its operations and energy products. But despite the fact that the Prior Proposal is more narrowly framed than the Proposal, the fundamental impact of both Proposals would address the same “substantive concern”: the elimination of GHG emissions reduction targets.

To illustrate, removing all emissions reduction targets from operations and products would result in the removal of GHG reduction targets from compensation inducements because compensation is an integral part of a company’s operations. Part of setting any operational target is making sure that management is accountable for meeting that target and “manages” towards the target. The Company’s compensation incentives are aligned with its operations goals and are part of its operational goals. Eliminating “all” operational emission reduction targets would require eliminating the incentive compensation metrics that were the focus of the Prior Proposal. Simply expanding the request in a proposal does not allow it to escape being the same “substantive concern.”

The same “substantive concern” raised by both Proposals—that GHG emissions reduction targets should be eliminated—is further evidenced by the similarity in the overarching themes and similar or identical verbiage of both Proposals, as demonstrated in the chart below. Both Proposals address (1) the alleged waste of resources in addressing “climate alarmism,” (2) the Company’s alleged breaches and harms caused by GHG emissions reduction targets, and (3) the Proponent’s general skepticism of climate change, science, and the energy transition.

Prior Proposal	Proposal
<i>Language related to the Company’s allegedly improper use of resources</i>	
Considering the clear evidence climate alarmism is overstated, ExxonMobil’s executive pay incentives are an inefficient deployment of company resources .	Thus, ExxonMobil’s embrace of politically-driven climate alarmism will diminish shareholder resources both in the short and long runs.
<i>Language related to the Company’s allegedly improper and insincere focus on the energy transition and related harm to shareholders</i>	
Energy transition metrics are unscientific and create a breach of fiduciary duty .	The Company has adopted [GHG] emissions reduction targets. . . under the auspices of aligning with an activist-driven climate agenda , which lacks a basis in definitive, observable and actionable science.

ExxonMobil is an oil and gas company and should focus on what it does best . The company cannot afford to be left behind because of misguided executive pay incentives.	CCS projects are unprofitable without government subsidies whose continuation is in doubt in their current form under the new presidential administration. That leaves the Company with one path: reduction of oil and gas investment. ExxonMobil has always been an oil and gas company. Reducing production would harm shareholders' investment .
	Contrarily, ExxonMobil recently completed a \$59.5-billion acquisition of Pioneer Natural Resources Company, which signals that the Company does not take its emissions reduction rhetoric and actions seriously , as it plans to double-down on oil and gas production. If ExxonMobil sincerely believed in the necessity of an energy transition, it would not stake its future on a massive long-term bet on oil and gas.
<i>Language related to skepticism of climate change and the energy transition</i>	
The 'scientific consensus' claims anthropogenically-driven climate change will result in catastrophic impacts to the environment, to the planet, and to humans.	An alleged "scientific consensus" claims anthropogenically driven climate change will result in catastrophic impacts to the environment, to the planet, and to humans.
However, research increasingly shows worst-case scenarios are unlikely, and the potential consequences of carbon dioxide emissions (aka 'plant food') have been greatly overstated.	However, research increasingly shows worst-case scenarios are unlikely, and the potential consequences of carbon dioxide emissions (aka "plant food") have been greatly overstated.
Corporate climate policy is often guided by the Paris Agreement, which is heavily informed by the Intergovernmental Panel on Climate Change. These targets are neither legally binding nor legitimized by scientific evidence.	Corporate [GHG] emissions reduction targets are usually guided by the Paris Agreement, which is heavily informed by the Intergovernmental Panel on Climate Change. These targets are neither legally binding nor legitimized by scientific evidence.
Renewable energy will not replace hydrocarbons in the near future, if ever. [ExxonMobil]'s competitors are betting big on hydrocarbons.	Renewable energy will not replace hydrocarbons in the near future, if ever. Competitors of [ExxonMobil] are betting big on continued demand for oil and gas.

C. The Prior Proposal Did Not Receive the Shareholder Support Necessary to Permit Resubmission

The Prior Proposal was submitted and voted on at the 2024 Annual Meeting. According to the Company's Form 8-K filed on May 31, 2024, there were 44,845,415 votes cast "for" the Prior Proposal and 2,591,710,537 votes cast "against" the Prior Proposal. There were also 19,266,391 "abstentions." The relevant portion of the Form 8-K is attached hereto as Exhibit D and is also available at <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000034088/000003408824000036/xom-20240529.htm>.

As described in Section F.4 of SLB 14, only votes cast “for” and “against” a proposal are included in the calculation of the shareholder vote on a proposal for purposes of Rule 14a-8. The percentage of shares voting “for” the Prior Proposal at the 2024 Annual Meeting constituted 1.7% of the total votes cast, which is below the 5% threshold established in Rule 14a-8(i)(12)(i) for a proposal that has been proposed once within the preceding five calendar years.

Consequently, the Company believes that the Proposal may be properly omitted from the 2025 Proxy Materials pursuant to Rule 14a-8(i)(12) because (1) the Proposals address the same substantive concern, and therefore, the same subject matter, and (2) the Prior Proposal did not receive the necessary shareholder support to permit resubmission.

CONCLUSION

The Proposal micromanages the Company by imposing a one-size-fits-all solution on the Company’s entire operations, which improperly limits the board and management’s discretion over ordinary business matters and probes matters too complex for an informed judgment to be made thereon by shareholders. Further, the Proposal is excludable because it relates to a personal grievance against the Company. Finally, the Proposal is excludable because it is a resubmission of the Prior Proposal that failed to meet the resubmission thresholds.

For each of the reasons set forth above, the Company believes that the Proposal may be excluded from its 2025 Proxy Materials pursuant to Rule 14a-8(i)(7), Rule 14a-8(i)(4) and Rule 14a-8(i)(12).

We would be happy to provide you with any additional information and answer any questions that you may have regarding this request. Please do not hesitate to call me at (346) 502-8123. 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,

Signed by:

54FC4D4FF4C74D5...

David Kern
Executive Counsel
ExxonMobil Corporation
22777 Springwoods Village Parkway
Spring, Texas 77389

DK/dk

Attachment

cc w/ att: Louis Goldberg
Davis Polk & Wardwell LLP
Louis.goldberg@davispolk.com

Luke Perlot, Associate Director, National Legal and Policy Center

Exhibit A

Proposal

Remove Emissions Reduction Targets

Whereas: An alleged “scientific consensus”^{1 2} claims anthropogenically driven climate change will result in catastrophic impacts to the environment, to the planet, and to humans. However, research increasingly shows worst-case scenarios are unlikely, and the potential consequences of carbon dioxide emissions (aka “plant food”) have been greatly overstated.³

Corporate greenhouse gas (GHG) emissions reduction targets are usually guided by the Paris Agreement, which is heavily informed by the Intergovernmental Panel on Climate Change.⁴ These targets are neither legally binding nor legitimized by scientific evidence.

Hydrocarbons are reliable and cost-efficient. Renewable energy will not replace hydrocarbons in the near future, if ever.⁵ Competitors of Exxon Mobil Corporation (“ExxonMobil” or the “Company”) are betting big on continued demand for oil and gas.⁶

Supporting Statement: ExxonMobil’s attempt to play both sides of the climate change debate is untenable. The Company has adopted greenhouse gas (GHG) emissions reduction targets^{7 8} for its scope 1 and 2 emissions – which only cover its own operations – under the auspices of aligning with an activist-driven climate agenda, which lacks a basis in definitive, observable and actionable science. Yet ExxonMobil’s 2024 Global Outlook projects oil and gas demand to be *higher* in 2050⁹ – which it undoubtedly expects to play a continued role in supplying. Somehow, the Company also projects global emissions will go down.¹⁰ Further, the Company states:¹¹

ExxonMobil has supported the goals of the Paris Agreement since its inception and has consistently voiced support for U.S. participation in the agreement. We have also actively engaged with government officials to encourage remaining in the Paris Agreement.

These “goals” include a rapid phaseout of oil and gas in favor of lower emission forms of energy, such as wind and solar.^{12 13} Thus, ExxonMobil’s embrace of politically-driven climate alarmism will diminish shareholder resources both in the short and long runs. The Company has only two paths to reduce greenhouse gas emissions: investing in carbon capture and storage technology, or reducing oil and

¹ <https://www.mdpi.com/2225-1154/11/11/215>

² <https://nypost.com/2023/08/09/climate-scientist-admits-the-overwhelming-consensus-is-manufactured/>

³ <https://judithcurry.com/2023/03/28/uns-climate-panic-is-more-politics-than-science/>

⁴ <https://www.ipcc.ch/sr15/faq/faq-chapter-1/>

⁵ <https://www.forbes.com/sites/rpapier/2024/04/26/us-oil-and-gas-production-are-ahead-of-last-years-record-pace/>

⁶ <https://www.alpha-sense.com/blog/trends/energy-mergers-and-acquisitions-boom/>

⁷ <https://corporate.exxonmobil.com/sustainability-and-reports/advancing-climate-solutions/emission-reduction-plans-and-progress>

⁸ https://corporate.exxonmobil.com/news/news-releases/2022/0118_exxonmobil-announces-ambition-for-net-zero-greenhouse-gas-emissions-by-2050

⁹ <https://corporate.exxonmobil.com/-/media/global/files/global-outlook/2024/global-outlook-executive-summary.pdf>

¹⁰ <https://corporate.exxonmobil.com/-/media/global/files/global-outlook/2024/global-outlook-executive-summary.pdf>

¹¹ <https://corporate.exxonmobil.com/who-we-are/policy/climate-lobbying-report/climate-policy-principles#Manufacturing>

¹² <https://www.epa.ie/environment-and-you/climate-change/what-is-europe-and-the-world-doing/paris-agreement/>

¹³ <https://www.un.org/en/climatechange/paris-agreement>

gas production.¹⁴ CCS projects are unprofitable without government subsidies,¹⁵ ¹⁶ whose continuation is in doubt in their current form under the new presidential administration.¹⁷ That leaves the Company with one path: reduction of oil and gas investment. ExxonMobil has always been an oil and gas company. Reducing production would harm shareholders' investment.

Contrarily, ExxonMobil recently completed a \$59.5-billion acquisition of Pioneer Natural Resources Company,¹⁸ which signals that the Company does not take its emissions reduction rhetoric and actions seriously, as it plans to double-down on oil and gas production. If ExxonMobil sincerely believed in the necessity of an energy transition,¹⁹ ²⁰ it would not stake its future on a massive long-term bet on oil and gas.

Resolved: Shareholders request the Company to remove all emissions reduction targets covering greenhouse gas emissions from the Company's operations and energy products.

¹⁴ <https://commissionshift.org/news/new-report-carbon-capture-sequestration/>

¹⁵ <https://commissionshift.org/news/new-report-carbon-capture-sequestration/>

¹⁶ <https://www.cnbc.com/2024/11/12/exxon-ceo-says-trump-should-keep-us-involved-in-global-effort-to-address-climate-change.html>

¹⁷ <https://www.theguardian.com/environment/2024/nov/14/trump-clean-energy-climate-policies>

¹⁸ https://corporate.exxonmobil.com/news/news-releases/2023/1011_exxonmobil-announces-merger-with-pioneer-natural-resources-in-an-all-stock-transaction

¹⁹ <https://corporate.exxonmobil.com/-/media/global/files/advancing-climate-solutions/2024/acs-report-executive-summary.pdf>

²⁰ <https://corporate.exxonmobil.com/news/viewpoints/thoughts-on-the-energy-transition>

Exhibit B

November 14, 2024

Mr. Joseph L. Hooley
Lead Independent Director and Chair, Nominating and Governance Committee
Exxon Mobil Corporation
22777 Springwoods Village Parkway
Spring, TX 77389

VIA UPS & EMAIL: shareholderrelations@exxonmobil.com.

Dear Mr. Hooley:

We write to request that the Board of Directors (“Board”) immediately seek the resignation of Darren Woods from his positions as the Chief Executive Officer and Chairman of the Board of Exxon Mobil Corporation (“ExxonMobil” or “Company”). Failing his willingness to step down, we request the Board to vote for his removal.

National Legal and Policy Center (“NLPC”) promotes ethics in public life, sponsors the Corporate Integrity Project, and is a shareholder in ExxonMobil.

Mr. Woods’s recent comments at the annual United Nations Climate Change Conference (“COP29”) regarding President-elect Donald Trump’s plan to withdraw the United States from the Paris Accords – the voluntary climate agreement negotiated by 196 parties at the 2015 U.N. Climate Change Conference¹ – reveals Mr. Woods’s serious breach of fiduciary duty to ExxonMobil shareholders. According to the *New York Times*:²

Darren Woods, the chief executive of ExxonMobil, cautioned President-elect Donald J. Trump on Tuesday against withdrawing from the Paris agreement to curb climate-warming emissions, saying Mr. Trump risked leaving a void at the negotiating table.

President Trump previously withdrew the U.S. from the Paris Agreement during his first term. President Joe Biden reentered the U.S. into the agreement not long after taking office in 2021.³ Mr. Woods told the *Wall Street Journal* that “I don’t think the stops and starts are the right thing for businesses,” Woods said. “It is extremely inefficient. It creates a lot of uncertainty.”⁴

Further, Mr. Woods also defended the Inflation Reduction Act (“IRA”), signed into law by President Biden,⁵ because ExxonMobil has become reliant on government subsidies and special tax treatment to support its carbon capture initiatives:⁶

¹ <https://unfccc.int/process-and-meetings/the-paris-agreement>

² <https://www.nytimes.com/2024/11/12/business/energy-environment/exxon-mobil-baku-climate-cop29.html?smid=nytcore-ios-share&referringSource=articleShare&sgrp=c-cb>

³ <https://www.politico.eu/article/donald-trump-paris-agreement-climate-sustainability-us-cop29-global-pact-warm/>

⁴ <https://www.wsj.com/business/energy-oil/exxon-says-trump-should-keep-u-s-in-paris-climate-pact-3d8de471>

⁵ <https://www.whitehouse.gov/cleanenergy/inflation-reduction-act-guidebook/>

⁶ <https://www.cnn.com/2024/11/12/exxon-ceo-says-trump-should-keep-us-involved-in-global-effort-to-address-climate-change.html>

Woods told CNBC on Tuesday that Exxon's investments in technologies to lower emissions depend on federal tax credits that were established or expanded under the IRA. He warned that the company's investments in these technologies would change if the incentives are weakened or repealed.

"There needs to be an incentive to reward those investments and generate a return," Woods said. "If we find that those incentives dissipate or go away entirely, then that would definitely change our investment plans."

Wood previously said Exxon's oil and gas production levels will not change, at least in the short term, in response to the outcome of the U.S. presidential election.

"I'm not sure how 'drill, baby, drill' translates into policy," Woods told CNBC's "Squawk Box" on Nov. 1, referencing one of Trump's campaign slogans.

When did ExxonMobil become something other than an oil and gas company? Under Mr. Woods's leadership, ExxonMobil has pursued untested, government- subsidized climate initiatives that do not align with the best financial interests of shareholders.

By endorsing the IRA and other subsidy-driven gimmicks and schemes, Mr. Woods has subjected the Company to volatile political dynamics and regulatory risks that could jeopardize its profitability if the policies are scaled back or repealed. This approach undermines ExxonMobil's traditional strengths in the energy sector by relying on the goodwill of policymakers rather than robust, market-driven demand for hydrocarbon energy.

ExxonMobil's legacy and competitive advantage have been built on the exploration, extraction, and refinement of hydrocarbons⁷—assets essential to the global economy. Pivoting to less profitable ventures based on the deeply flawed premise of climate stewardship weakens the Company's position within the energy market, particularly as other oil and gas competitors capitalize on unmet global demand. This path represents a breach of Mr. Woods's fiduciary duty to maximize shareholder value, and to protect the company's competitive advantage and long-term stability.

NLPC filed a shareholder proposal with the Company in 2024 that encouraged the board to revisit executive incentives for unprofitable initiatives such as carbon capture and storage, and other schemes driven by climate alarmism.⁸ The Board opposed the Proposal, choosing to double down on unproven ventures tied to government subsidies and climate-agenda emissions metrics rather than refocusing on ExxonMobil's profitable oil and gas operations. This decision reflects an ongoing misalignment between the Board's actions and its obligations to shareholders, who expect a commitment to maximizing long-term value rather than chasing politically motivated, risky investments.

Mr. Woods has been around long enough to know that political priorities in the U.S, especially those surrounding energy production, constantly change – usually every four years, or at least eight. Constructing a profit center that can only survive thanks to the good graces of politicians is not a service or product worth investing in, and Mr. Woods should know better.

Considering Mr. Woods's reluctance to prioritize the company's core business and the Board's apparent disregard for shareholder concerns, new leadership is necessary to realign ExxonMobil with its traditional

⁷ <https://corporate.exxonmobil.com/who-we-are/our-global-organization/our-history>

⁸ https://d1io3yog0oux5.cloudfront.net/6b895eacfe2939ac6a66c96a79c2043c/exxonmobil/db/2301/22254/proxy_statement/2024+ExxonMobil+Proxy+Statement.pdf

strengths and secure a dependably profitable future. Mr. Woods's resignation would be a crucial step in reaffirming the company's commitment to fiduciary duty and operational excellence in the energy sector. Barring that step, the Board should seek to remove and replace him.

I can be reached at (***) or at (***) if you have any further questions. Further correspondence can also be sent to me at (***)

Sincerely,

Luke Perlot
Associate Director
Corporate Integrity Project

Exhibit C

Prior Proposal

Revisit Executive Pay Incentives for GHG Emission Reductions

Whereas: The ‘scientific consensus’^{1 2} claims anthropogenically-driven climate change will result in catastrophic impacts to the environment, to the planet, and to humans. However, research increasingly shows worst-case scenarios are unlikely, and the potential consequences of carbon dioxide emissions (aka ‘plant food’) have been greatly overstated.³ For example:

- Corporate climate policy is often guided by the Paris Agreement, which is heavily informed by the Intergovernmental Panel on Climate Change.⁴ These targets are neither legally binding nor legitimized by scientific evidence.
- The IPCC’s most extreme scenario unrealistically assumes a return to a previous era of unrestricted fossil fuel usage and heavy reliance on coal power.⁵ This extreme scenario is unlikely now that most nations have climate policies in place.⁶
- Regarding catastrophic scenarios that are highly unlikely but are treated as the expectation, ‘the media then often amplifies this message, sometimes without communicating the nuances. This results in further confusion regarding probable emissions outcomes, because many climate researchers are not familiar with the details of these scenarios in the energy-modeling literature.’⁷
- These apocalyptic predictions have been repeatedly proven false.⁸ Climate models used to predict future events ‘may be overly sensitive to carbon dioxide increases and therefore project future warming that is unrealistically high.’⁹
- Renewable energy will not replace hydrocarbons in the near future, if ever.¹⁰ ExxonMobil Corporation’s (‘ExxonMobil’ or the ‘Company’) competitors are betting big on hydrocarbons.¹¹

Supporting Statement: Considering the clear evidence climate alarmism is overstated, ExxonMobil’s executive pay incentives are an inefficient deployment of company resources.

- According to the company’s 2023 proxy statement, the annual bonus and performance share award make up a combined 80 to 90 percent of total compensation for Named Executive Officers.¹²
- The Compensation Committee of the Board of Directors uses ‘Progress Toward Strategic Objectives’ as one of the criteria for awarding the annual bonus and performance shares.
 - ‘Developed detailed roadmaps in support of 2030 GHG Emissions Reduction Plans⁴ and 2050 Net Zero Ambitions.’
 - ‘A founding signatory to the Aiming for Zero Methane Emissions initiative.’
 - ‘Investing ~\$17 billion in lower-emission initiatives from 2022-2027, positioning for attractive returns from large potential addressable markets, and competitively advantaged products.’
 - ‘Capex flexibility to grow lower carbon initiatives spend as opportunity pipeline matures, technology advances, and markets and policies evolve.’

Energy transition metrics are unscientific and create a breach of fiduciary duty. ExxonMobil is an oil and gas company and should focus on what it does best. The company cannot afford to be left behind because of misguided executive pay incentives.

Resolved: Shareholders of ExxonMobil request the Compensation Committee of the Board of Directors to revisit its incentive guidelines for executive pay, to emphasize legitimate fiduciary goals and consider eliminating greenhouse gas reduction targets and other scientifically dubious goals from compensation inducements.

- 1 <https://www.mdpi.com/2225-1154/11/11/215>
- 2 <https://nypost.com/2023/08/09/climate-scientist-admits-the-overwhelming-consensus-is-manufactured/>
- 3 <https://judithcurry.com/2023/03/28/uns-climate-panic-is-more-politics-than-science/>
- 4 <https://www.ipcc.ch/sr15/faq/faq-chapter-1/>
- 5 <https://www.sciencedirect.com/science/article/pii/S0140988317301226>
- 6 <https://www.carbonbrief.org/explainer-the-high-emissions-rcp8-5-global-warming-scenario/>
- 7 <https://www.nature.com/articles/d41586-020-00177-3>
- 8 <https://www.aei.org/carpe-diem/18-spectacularly-wrong-predictions-were-made-around-the-time-of-the-first-earth-day-in-1970-expect-more-this-year/>
- 9 <https://www.sciencedaily.com/releases/2020/04/200430113003.htm>
- 10 <https://www.theguardian.com/environment/2023/nov/27/us-oil-gas-record-fossil-fuels-cop28-united-nations>
- 11 <https://www.wsj.com/articles/chevron-bets-on-peak-green-energy-99e72109>
- 12 https://d1io3yog0oux5.cloudfront.net/_7127b400fb78e05736f323f5511bd2ae/exxonmobil/db/2301/22049/proxy_statement/2023-Proxy-Statement.pdf

Exhibit D

Item 5.07 Submission of Matters to a Vote of Security Holders

Exxon Mobil Corporation (the “Company,” “ExxonMobil,” “we,” or “our”) held its Annual Meeting of Shareholders on May 29, 2024. At the meeting, the matters set forth below were submitted for a vote of security holders.

As of the close of business on April 3, 2024, which was the record date for the Annual Meeting, 3,942,353,584 shares of ExxonMobil common stock, without par value (“Common Stock”), were outstanding and entitled to vote.

Set forth below are the proposals voted upon at the Annual Meeting, and the final vote tabulation that certified the voting results as received from the Inspector of Election. Based on the results, at least 3,302,904,215 shares of Common Stock were voted in person or by proxy at the Annual Meeting, representing 83.8% percent of the shares entitled to be voted. Percentages are based on the total votes cast. Under the corporate law of New Jersey, where we are incorporated, abstentions are not counted as votes cast.

The final voting results for the proposals presented at the Annual Meeting were as follows:

...

The shareholders voted as set forth below on four shareholder proposals:

...

Proposal 4 – Revisit Executive Pay Incentives for GHG Emission Reductions:

Votes Cast For:	44,845,415	1.7	%
Votes Cast Against:	2,591,710,537	98.3	%
Abstentions:	19,266,391		
Broker Non-Votes:	646,909,456		

...

Full Form 8-K available at:

<https://www.sec.gov/ix?doc=/Archives/edgar/data/34088/000003408824000036/xom-20240529.htm>



March 12, 2025

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

Re: *ExxonMobil Corporation*
Shareholder Proposal of the National Legal and Policy Center (“NLPC”)
Securities Exchange Act of 1934—Rule 14a-8

SUBMITTED THROUGH THE SEC ONLINE SHAREHOLDER PORTAL
Reference No. 628951

Ladies and Gentlemen:

This letter responds to the January 17, 2025, correspondence from David Kern, executive counsel for ExxonMobil Corporation (“ExxonMobil” or “Company”), requesting that the Division of Corporation Finance (“Staff”) take no action if the Company excludes our shareholder proposal (“Proposal”) from its proxy materials (“Proxy”) for the 2025 annual shareholder meeting.

The Company’s request provides insufficient justification for exclusion and should be denied no-action relief.

The Proposal requests the “Company to remove all emissions reduction targets covering greenhouse gas emissions from the Company’s operations and energy products.”

ExxonMobil’s no-action relief request to Staff should it exclude the Proposal – on the grounds that the Proposal deals with matters relating to the Company’s ordinary business operations under Rule 14a-8(i)(7); that it constitutes a personal grievance under Rule 14a-8(i)(4); and that it is a resubmission of a previously failed proposal under Rule 14a-8(i)(12) – is insufficient and should be denied. As explained below, the Proposal is eligible for inclusion in the Proxy, and the Staff should recommend enforcement action if ExxonMobil omits it.

First: No backchannel communications

Mr. Kern concludes his no-action pleading by stating:

Nat’l Headquarters: 107 Park Washington Court, Falls Church, Virginia 22046

Phone: (571) 749-5085 | Email: lperlot@nlpc.org

We would be happy to provide you with any additional information and answer any questions that you may have regarding this request. Please do not hesitate to call me at (Mr. Kern's phone number). 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.

NLPC fully expects Staff to act professionally and transparently with us as proponents, and that no communication will be conducted with the Company or its legal representatives without complete and contemporaneous disclosure to us.

Further, the Company is not entitled to supplemental pleadings after Staff has reached its decision – especially “backchannel” ones. Companies and their lawyers already have extremely advantageous rules over proponents in the shareholder proposal process and decisions should be finalized on the basis of their no-action pleadings during the extremely short time period before proxy statements are printed and published. We pre-emptively object to any further or outside communications between Company and Staff representatives beyond what is filed through the SEC's online shareholder proposal form, which demands disclosure to counterparties.

We will seek full legal redress against both the Company and the SEC should either or both parties violate such transparency and equal treatment of the two parties.

Response to No-Action

To address the Company's no-action request, NLPC will address the Company's “Analysis” of its points of objection to the Proposal submission as presented in its January 17 letter.

The Proposal does not impermissibly intrude on “ordinary business” under Rule 14a-8(i)(7)

ExxonMobil claims the Proposal impermissibly intrudes upon “ordinary business” by micromanaging managerial discretion. This objection is misplaced. Our Proposal does not dictate how ExxonMobil must run its day-to-day operations, nor does it prescribe specific methods for meeting (or not meeting) emissions targets. Instead, it encourages the Company to reevaluate and remove policy-driven GHG emissions-reduction goals that appear disconnected from ExxonMobil's fundamental business strategy. While ExxonMobil points to the complexity of energy markets as reason to exclude shareholder input, the Proposal's focus is squarely on strategic direction—an area where shareholders are entitled to weigh in.

Decisional Staff precedents have consistently distinguished between proposals that micromanage by spelling out step-by-step operational instructions and those that

raise legitimate, high-level policy considerations. Asking ExxonMobil to remove targets driven by questionable assumptions about climate catastrophes does not force the Company to adopt a rigid operational scheme. In fact, it grants leadership broad flexibility on production, investment decisions, and research-and-development priorities. NLPC's request simply questions whether these "targets" are more political compliance measures than investor-serving objectives. That is not micromanagement. It is precisely the sort of corporate policy debate the shareholder proposal process was designed to facilitate.

Moreover, shareholders deserve clarity on how the Company plans to navigate the tension between net-zero or emissions-reduction ambitions and the persistent, robust demand for oil and gas – goals that contradict one another. ExxonMobil states that discussing such matters is too complex for shareholders, yet the Commission's own guidance recognizes that significant social and public policy issues—especially those with far-reaching financial ramifications—merit a place on the proxy. External pressures to reduce GHG emissions can affect capital expenditures, joint ventures, permit renewals, and brand reputation. Shareholders are more than capable of evaluating the balance between near-term political advantage and ExxonMobil's long-standing mission to profitably deliver hydrocarbons.

Crucially, removing GHG reduction targets does not equate to crippling all efforts to manage environmental impact. It merely ensures that ExxonMobil's resources and expertise are not diverted by questionable mandates or pressure campaigns that may be detrimental to the Company's competitive position. Far from micromanaging, the Proposal invites ExxonMobil to rely on its own business acumen, unaffected by external "check-the-box" climate metrics.

Finally, the notion that the Proposal ties management's hands is overstated. ExxonMobil can still allocate resources to technologies that show genuine promise, invest in carbon capture if it proves profitable (especially without government subsidies that can easily disappear with changes in political administrations), and optimize its operations to reduce emissions as it sees fit. By removing sweeping "targets" that might distort capital planning or hamper oil and gas development, the Board and management remain free to do what they deem best for shareholders in a dynamic marketplace. The Proposal ensures that if ExxonMobil pursues emissions reductions, it does so on a factual, cost-effective basis—rather than as an obligatory concession to politically driven climate narratives. That is not micromanagement; It is prudent oversight and stewardship of shareholder capital.

Hence, the grounds under Rule 14a-8(i)(7) upon which the Company argues the Proposal is omissible do not apply. The Proposal addresses a significant policy issue bearing directly on ExxonMobil's long-term value, rather than meddling in routine operational minutiae, and thereby belongs on the Proxy for a shareholder vote.

The Proposal does not relate to a personal grievance under Rule 14a-8(i)(4)

ExxonMobil asserts that the Proposal stems from a personal grievance campaign targeting its CEO and leadership, rather than serving the broad interests of shareholders. This is unfounded, and in some aspects on this point, the Company and Mr. Kern provide materially misleading – if not outright deceptive – information to staff.

First of all, Mr. Kern selectively extracts language from the subpoint of the Rule by repeatedly characterizing it as a “personal claim or grievance.” However, the exact language of the Rule’s subpoint is as follows:

(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.

We specifically call attention to the main definition here (in bold), in which the condition for exclusion is described as a “personal grievance” (and/or) a “special interest.” This emphasizes a situation in which a proposal’s result would clearly accrue to the proponent’s personal benefit or satisfaction *only*. It is clear the intent of this potential exclusionary situation is to address matters in which a proponent is at odds with the company for personal reasons. Examples could be a disgruntled former employee seeking redress, or an outside entity that believes the company is responsible for damages, health setbacks, or property loss, or some other problem of a “special,” individualized or tightly-focused nature.

Such is not the case with NLPC’s Proposal. While our organization has voiced concerns about ExxonMobil’s strategic direction under Mr. Woods and called for his resignation, that does not transform an otherwise legitimate shareholder proposal into a personal vendetta. The question of whether ExxonMobil should be bound by politically motivated emissions-reduction targets is one of clear significance to all investors—it affects capital allocation, regulatory risk, and the Company’s competitive standing in an evolving energy market.

Rule 14a-8(i)(4) exists to prevent shareholders from using the proxy process to resolve purely private disputes or grievances that do not concern the wider shareholder community. The Proposal challenges corporate policy that can undermine shareholder value if these GHG targets continue as policy and drive unprofitable or misguided initiatives. Indeed, ExxonMobil’s own performance commentary acknowledges it must invest tens of billions in new ventures to meet self-imposed emissions benchmarks, which can only be viable with sustained government subsidies.

Nonetheless, to rebut a few specifics the Company contends are part of a “personal grievance” by NLPC, Mr. Kern cites:

1. NLPC's letter to the Lead Independent Director calling for the resignation of Chairman/CEO Darren Woods
2. NLPC's shareholder proposal at ExxonMobil's 2024 Annual Meeting (for which the Company also sought no-action relief and failed)
3. NLPC's opposition to the re-election of Larry Kellner to ExxonMobil's board of directors, expressed in exempt solicitation filings
4. NLPC's criticism of personnel decisions as related to performance and/or policy reasons

Despite providing access to some of these cited documents as exhibits or footnotes within his no-action pleading, Mr. Kern – most likely hoping the overwhelmed Staff won't have time to review the source documents – provides his own explanation about what they state. In doing so, he repeatedly misleads Staff. As to each of the four points:

1. Nowhere does Mr. Kern point out in his explanation for Staff that the basis for NLPC's letter is Mr. Woods's call for the United States to remain in the Paris Climate Agreement, a position which he knew incoming President Donald Trump had clearly stated he would remove the country from. This was tethered to Mr. Woods's accompanying statements in a CNBC interview that ExxonMobil's investments in emissions-lowering technologies heavily depend on federal tax credits in the misnamed "Inflation Reduction Act" – another law that President Trump clearly telegraphed that he planned to reverse (frequently calling it the "Green New Scam"). Mr. Woods also added, "If we find that those [IRA] incentives dissipate or go away entirely, then that would definitely change our investment plans," and also "I'm not sure how 'drill, baby, drill' translates into policy." His posture on the Paris agreement, and on hydrocarbons production, leaves the impression that President Trump cares more about maximizing ExxonMobil's performance and improving America's energy future than Mr. Woods does – which hardly represents a "personal grievance," and certainly raises concerns for shareholders about his future priorities.
2. We explain in the next section of this letter why the Proposal does not address substantially the same subject matter as last year's proposal, but as to the point that last year's proposal is part of a "personal grievance" campaign: Last year's shareholder vote results are irrelevant; NLPC's press release is irrelevant; the Company's liquid oil production results are irrelevant; the Company's total oil-equivalent barrel production is irrelevant; 1-,3-, and 5-year shareholder returns are irrelevant; and the Company's results compared

to its competitors are irrelevant – as it pertains to whether the current Proposal represents a “personal grievance” against ExxonMobil. Mr. Kern also points to the “coordinated timing and common themes of the NLPC letter and the Proposal.” The timing was dictated by Mr. Woods’s highly publicized remarks after the November 2024 U.S. election, about staying in the Paris agreement and preserving ExxonMobil’s precious IRA subsidies. NLPC didn’t schedule his statements.

3. In reference to our two exempt solicitations regarding ExxonMobil director Larry Kellner – for which only footnote links to the SEC filings are provided for Staff – Mr. Kern merely characterizes them as targeting Mr. Kellner’s “alleged support for ESG causes.” This is materially deceptive. In the first filing’s nine pages of extensively detailed and footnoted arguments in opposition to Mr. Kellner’s re-election to ExxonMobil’s board, the vast majority – at least seven to eight pages – addresses the catastrophic *safety* and *financial performance* record while he served on the Board of Directors for The Boeing Company – the last five years of which he served as Chairman. During the bulk of his tenure at Boeing, he was responsible for governance oversight on safety issues, yet not long after his placement on ExxonMobil’s board, he was placed as head of the Company’s committee that oversees safety there as well. This certainly is worth questioning the judgment of leadership by shareholders, and has nothing to do with a “personal grievance.” As for the second exempt solicitation regarding Mr. Kellner, it merely highlights with screenshots a video NLPC produced that pointed to information in the first filing.
4. In the NLPC website post titled “Why Does Exxon Repeatedly Reward Failure?,” which Mr. Kern thinly describes as “further attacking internal hiring decisions at the Company,” we questioned ExxonMobil’s promotion of Dan Ammann to president of ExxonMobil Upstream Company. The main points of our criticism of his elevation to oversee an oil production function were 1.) that his previous responsibilities for the Company focused on “low carbon solutions,” which depends largely on extracting subsidies from governments, and 2.) that his previous employer was General Motors, where he was fired after his unsuccessful oversight of the company’s failed autonomous driving subsidiary Cruise. Once again, legitimate criticism of repeated questionable leadership decisions does not place the Proposal in the category of “personal grievance.”

Bottom line: No matter how many times Mr. Kern repeats the term “personal grievance” in his no-action pleading, it does not make it so. His claim that the Proposal represents a “personal grievance based on policy differences” is an oxymoron – if policy differences in shareholder proposals represented personal grievances, then the majority of submitted proposals would be allowed to be excluded by Staff. Even in aggregate, the

evidence shows each of the actions and criticisms NLPC has leveled against ExxonMobil has to do with policy and shareholder value considerations, not personal grievances.

In fact, regarding Mr. Woods and the Company, the opposite appears to be the case. In two separate teleconference meetings with key Company representatives to discuss our resignation request letter, and then to discuss the Proposal, in both instances we were asked if we'd be willing to rescind our call for him to step down. What does that look like – "Nevermind?" And now the characterization of the Proposal as a "personal grievance," with citations of NLPC's other actions and statements marred by Mr. Kern's misrepresentations, is a stretch that betrays a distinct hypersensitivity on the part of corporate leadership. The emotionally-charged no-action pleading is mere projection onto NLPC of what ExxonMobil itself is doing.

Our previously expressed dissatisfaction with ExxonMobil's leadership simply highlights the broader policy concern: a CEO who positions the Company around politically popular (in some camps) but economically dubious emissions-reduction metrics that imperils returns. That stance does not demonstrate a personal animus or a specialized interest unique to an individual or small group. Instead, it raises a red flag that resonates with all shareholders who expect stable, profit-driven strategies.

Critically, the existence of our separate correspondence concerning Mr. Woods's fiduciary duties does not invalidate the broader proposal for removing GHG targets. Those communications highlight management's drift from ExxonMobil's oil-and-gas core, but they do not redound any benefit exclusive to NLPC or attempt to settle a personal dispute. Rather, they underscore the broader shareholder interest: maximizing value free from political or subsidy-dependent constraints. Rule 14a-8(i)(4) is not triggered just because a proponent expresses disagreement with leadership's direction.

Finally, citing management's failings or controversies does not make a proposal excludable if the underlying resolution speaks to a legitimate policy concern for the entire shareholder base. Our emphasis on fiduciary accountability underscores that this is a matter of common, not personal, interest. Therefore, ExxonMobil cannot dismiss the Proposal as a personal grievance. It raises an important business and policy question: whether maintaining GHG reduction "targets" genuinely serves the best interests of the Company's shareholders as a whole.

The Proposal is not a resubmission of a previously failed proposal Rule 14a-8(i)(12)

ExxonMobil argues that the current Proposal addresses "substantially the same subject matter" as a prior proposal, one that received less than five percent support, thereby rendering this new submission excludable under Rule 14a-8(i)(12). This conflation overlooks critical distinctions in scope, intent, and substance between the two proposals referenced. While the earlier measure touched on eliminating certain

emissions-based metrics from executive compensation, the present Proposal targets the entirety of ExxonMobil's climate-related "targets" that cover operational emissions and product lines.

In essence, the prior proposal asked the Board to reconsider linking executive pay to questionable climate goals—a narrower focus on compensation structures and incentive misalignment. By contrast, the current Proposal tackles the Company's broader strategic posture regarding GHG emissions, urging removal of all imposed "targets" that could distract from ExxonMobil's profitable oil and gas core. Any similarity is superficial, and vastly different in scope. Both discuss GHG emissions, but they do so from markedly different angles and with different goals.

Moreover, the Commission has emphasized that to trigger Rule 14a-8(i)(12), a proposal must not only resemble a prior measure but also address the same "substantive concerns." The "substantive concern" of the former proposal was the appropriateness of tying executive compensation to climate measures. The principal question of the current Proposal is whether ExxonMobil should continue to adopt GHG reduction "targets" at all—particularly those that rely on questionable assumptions regarding climate scenarios, or that hinge on indefinite government subsidies. While both are climate policy-related, the current Proposal focuses on the overarching strategic framework. A comparison to another current high-profile policy issue – diversity, equity and inclusion – may be illustrative: removing DEI-based pay metrics is not the same as removing all DEI initiatives across a company; so too with GHG metrics in compensation versus broad, company-wide GHG targets.

Additionally, the Company has significantly evolved its approach over the last year, expanding these "targets" and incurring bigger financial commitments in carbon capture and net-zero pledges. Given that changed circumstance, it is entirely appropriate for shareholders to determine whether these ambitious endeavors truly serve investor interests. The prior vote does not foreclose a fresh inquiry when the Company itself has shifted course.

Finally, even if the Staff found limited overlap in subject matter, it is crucial to note that the previous proposal's low support was partly due to framing: it was narrower, more easily seen as a standard compensation detail. Now, with ExxonMobil more explicitly betting on government incentives to sustain GHG reduction goals, the broader shareholder base may respond differently to a measure addressing the Company's overall climate strategy. The shift in scope means the new Proposal is no carbon copy of the old. Consequently, objections grounded in Rule 14a-8(i)(12) do not apply. The current Proposal is a distinct resolution reflecting significantly expanded Company actions that represent a more comprehensive scope.

Conclusion

Office of Chief Counsel
Division of Corporation Finance
March 12, 2025
Page 9

As outlined above in further explanatory detail and context, that was either misrepresented or omitted by the Company in its no-action request, the Proposal is fully compliant with all aspects of Rule 14a-8. For this reason, NLPC asks the Staff to recommend enforcement action should the Company omit the Proposal.

A copy of this correspondence has been timely provided to the Company. If you have any questions or need more information, please feel free to contact me via email at lperl@nlpc.org or by telephone at (571) 749-5085.

Sincerely,

A handwritten signature in black ink, appearing to read "L Perlot".

Luke Perlot
Associate Director
Corporate Integrity Project

Cc: David Kern, ExxonMobil Corporation