SANFORD J. LEWIS, ATTORNEY

February 24, 2021
Via electronic mail

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

Re: Shareholder Proposal to Exxon Mobil Regarding Financial Impacts from Net Zero Scenario on Behalf of Christian Brothers Investment Services

Ladies and Gentlemen:

Christian Brothers Investment Services, Inc. (the "Proponent"), on behalf of its client, the Catholic United Investment Trust (CUIT) as beneficial owner of common stock of Exxon Mobil (the "Company"), has submitted a shareholder proposal (the "Proposal") to the Company. I have been asked by the Proponent to respond to the supplemental letter dated February 15, 2021 ("Supplemental Letter") sent to the Securities and Exchange Commission by Louis Goldberg. A copy of this response letter is being emailed concurrently to Louis Goldberg.

Audited Report Request Is Not Misleading

The Proponent uses the term "audited report" advisedly, because there is significant concern among investors and experts that existing financial statements and audits are failing to integrate consideration of climate risks into the significant assumptions that go into asset and liability valuations; depreciation, depletion, and amortization; and evaluation of asset impairment. The Company's climate report is unaudited and not linked to the Company's financial statements. At least two former board members of the Public Company Accounting Oversight Board (PCAOB) have called for more auditor involvement in non-financial reporting.[1] Because such assurance is not mandatory today, the Proponent has sought to use the shareholder proposal process to communicate the desire for an audited report on the financial impact that economic demand under the IEA's Net-Zero 2050 would have on the Company.

Accounting firms have long offered audit services to clients seeking to obtain reasonable assurance as to specified assertions. As a recent report by the Center for Audit Quality explains, "Third-party assurance from an independent accounting firm can enhance the reliability of ESG information reported by companies, in a manner similar to the process that occurs with audits of

[1] See Daniel L. Goelzer, Audit Oversight and Effectiveness: Understanding the Past and Looking Toward the Future, CPA Journal (February 2021) (calling to expand the PCAOB's mission beyond financial statement auditing) available at https://www.cpajournal.com/2021/02/22/audit-oversight-and-effectiveness/.

financial statements and internal control over financial reporting."[2] This report also provides examples and standards that may be used for such assurance engagements.

The use of the term audit in the Proposal is not misleading. In context, it clearly implies a rigorous evaluation by an independent, trained third party of specified assertions by a Company, in this case a report of a climate-related scenario analysis that the Proponent seeks in order to better understand the sensitivity of the Company's financial statements and position to certain shocks set forth in a specified climate scenario. The Company already claims that it tested the (undisclosed) significant assumptions in its audited financial statements under more than 70 climate scenarios. The Proponent merely asks that the Company obtain and provide to investors similar reasonable assurance over the results of similar testing under the IEA's Net-Zero 2050 scenario in order that investors can understand what the impact of such a scenario would be on the Company's financial position and results.

Assessment of a more stringent scenario through an audited report is particularly apropos given the current understanding that significant assumptions made by companies and auditors related to climate change vary widely by organization, especially assumptions used to evaluate asset life and impairment of extremely long-lived property, plant, and equipment used in the hydrocarbon industry. Standard & Poor's recently reported that "a significant number of organizations conclude that [certain climate related] future cash flows are not even possible, but remote, and therefore the majority of issuers do not even disclose climate-risk-related contingent liabilities."

Standard & Poor's contrasts this "remote" treatment of cash flow impact against some of Exxon Mobil's peers who are taking action today that leads to changes in assumptions and values in the financial statements:

> "We believe that this contrasts with many organizations in the oil and gas, transportation, and chemicals sectors making public commitments to achieve net-zero, or significantly reduce their greenhouse gas (GHG) emissions, within a timeframe that suggests at least some cash outflows are possible or even probable today."[3]

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[2] Center for Audit Quality, ESG Reporting and Attestation: A Roadmap for Practitioners (Feb. 2021), page 2, available at https://www.thecaq.org/wp-content/uploads/2021/02/caq-esg-reporting-and-attestation-roadmap-2021-Feb_v2.pdf. The report further explains:

> A review or examination level attestation from an independent accounting firm results in the issuance of an independent accountant's report that is designed to enhance the reliability of that information for the intended users of that attestation report by expressing a conclusion or opinion on that information (e.g., management assertions, data, and other disclosures made by management). Independent accounting firms adhere to robust requirements for independence, a firm system of quality control, and subject matter competency. Obtaining any level of assurance by practitioners involves the evaluation of processes, systems, and data, as appropriate, and then evaluating the evidence obtained and the results of the procedures in order to form a conclusion in a review engagement or an opinion in an examination engagement. Id. at 5.

[3] https://www.spglobal.com/ratings/en/research/articles/201204-reimagining-accounting-to-measure-climate-change-risks-11762634

More light has been shed on this impact on financial statements and relevance to audits through the recently established requirement for disclosure of Critical Audit Matters. Critical Audit Matters reflect a narrative discussion of the issues that required extra attention, reflection and care in the course of an auditor's work. The requirement has led a few companies, as cited in the Proposal, to identify climate change as a critical area of uncertainty that affects the valuations and assumptions underlying financial statements.

Jay Brown, as a member of the PCAOB[4] noted, "… the discretion used to analyze the effects of climate change on the financial statements has narrowed. The days of optimistically thinking that the effects of climate change would be insignificant or modest appear to be over for many public companies. Climate change is accelerating and the likely impact on estimates and valuations is becoming more pronounced. Analyzing the impact, therefore, requires consideration of scenarios or models with increasingly severe outcomes. Simply assuming no effect or assuming the least disruptive effect will not in many cases be reasonable."

Brown went on to note that **"independent accounting firms examine these estimates and valuations as part of the audit. Increasingly, the failure to consider the impact of climate change or the unreasonable assumptions of the impact will make more and more difficult for firms the ability to obtain the necessary degree of assurance required for an audit."[5]**

<u>Critical Audit Matters Reporting Inspires Current Proposal</u>

In one company report on Critical Audit Matters that came to the attention of the Proponent:

> …the auditor discussed management's estimates that were inconsistent with the 2050 "net zero" commitment. The auditor also observed that depreciating the assets in line with net zero targets would result in additional reductions to net income that were not reflected in the financial statements. The report also discussed how the auditor challenged management's assertion that carbon-emitting equipment could be used in alternative ways after a net-zero target date that supported management's estimate of operation until 2070.[6]

In this example, the reporting company had announced a commitment to reduce its greenhouse gas emissions to net-zero by the year 2050. To the Proponent, this example demonstrated that auditors can and should consider the implications of net zero scenarios in current financial statements for high-emitting companies.

The Proponent believes that testing a scenario in which the global economy moves toward net-

[4] Brown resigned from the PCAOB in January 2021.
[5] https://corpgov.law.harvard.edu/2020/11/19/revealing-esg-in-critical-audit-matters/
[6] *See* REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM, *Form 20-F, National Grid, plc*, filed June 25, 2020. https://www.sec.gov/Archives/edgar/data/1004315/000100431520000053/nationalgrid20f2020redacdoc.htm

zero emissions by 2050 is important to understand the impacts on the significant assumptions that go into the Company's financial statements, regardless of whether the Company itself has committed to reduce its own greenhouse gas emissions to that level. This is because a global move toward net-zero emissions may affect demand for the Company's hydrocarbon products.

At Exxon Mobil, which the Proponent views as having lagged its peers in describing how its financial statements are affected by climate change scenarios, the current Proposal was crafted as the clearest way to ensure that shareholders are getting information on the financial statements that does not obscure these issues. Thus, the current Proposal represents a reasonable and appropriate attempt to ensure that audit-type issues, which are being addressed by other companies in the financial statements and Critical Audit Matters, are addressed more clearly by this Company.

As an advocacy matter, the current request represents a reasonable private ordering attempt to address a failure of current disclosure requirements to prompt clear and effective disclosure by this large oil and gas company. It represents an appropriate initiative by investors to hone-in on the areas where the Company is believed to be failing to provide sufficient clarity and accountability in its financial statements.

Thus, the Company's arguments that an audit of these issues is inappropriate must be viewed in the context of opposing advocacy perspectives on where disclosure and accountability on these existential climate change issues need to be. The Company's position that the changes in valuation and assumptions are not auditable is contradicted not only by another Company having done so, but also by the commentary of a PCAOB expert that just the type of assessment requested by the current Proposal is becoming a necessity for companies. Staff Legal Bulletin 14 B made it clear that, to the extent a word is not materially or objectively misleading, where the issue can be raised, as this one can, in the Company's statement in opposition, that is the appropriate remedy rather than excluding or requiring modification of the proposal.[7]

Ultimately, we recognize that this is a decision of the Staff. Therefore, to the extent that the Staff is inclined to agree with the Company's argument that the term could be misleading, the Proponent is willing to omit the term from the Proposal, or substitute "verified" for "audited." In any event, we urge the Staff not to exclude the Proposal on the basis of this term.

Overview of Substantial Implementation Issue

The Supplemental Letter asserts that the Proponent takes "an overly narrow view" of its own Proposal's essential objective, and that the Proposal as the Company sees it gives the Company flexibility to implement the Proposal with its existing actions and reporting.

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7 The Company's arguments that there are no audit standards applicable to the proposed review may not, in the current context, even be a position that the Company could take in its statement in opposition, because it might raise further questions about the Company's financial statement.

Yet, the scenarios documented in the Company's 2021 Energy and Carbon Summary (ECS)—and related communications like the Company's website and blogs—do not implement the Proposal because they 1) do not focus on a commensurate aggressive reduction in demand of oil and gas on par with the IEA scenario mentioned in the Proposal, and 2) do not provide rigorous discussion of how that scenario would change the related financial assumptions and outcomes for the Company, as articulated in the Proposal. Instead, the Company's ECS focuses on another set of indicators—that of an "average" of 74 of over 200 IPCC (Intergovernmental Panel on Climate Change) scenarios—where that average features a much higher demand point for oil and gas than the IEA's Net Zero 2050 analysis, and without providing the needed clarity on the Company's financial assumptions and outcomes associated with it as requested in the Proposal.

Essential Purpose/Objective of the Proposal

As we have discussed in the prior letter, the background section of the Proposal sheds light on its essential purpose. The recitations in the whereas clauses emphasize the following points:

• Focus of policymakers, companies and financial bodies on the economic impacts of driving greenhouse gas emissions to well below 2°C, including 1.5° C ambitions;

• The adoption by Company peers of commitments to major GHG reductions, including net zero goals and the inclusion of product emissions in setting those goals;

• The need for high-emitting companies to test their financial assumptions and financial statements against substantial reduced demand climate scenarios;

• The evidence that, in contrast to the Company, peers are addressing those steeper fossil fuel reduction climate scenarios, and disclosing climate issues in audit reports, flagging the potential for altered price assumptions and potential misstatements, discussing changes in asset values and impairment, and flagging the inconsistency of estimates with net zero commitments. Proponents further note that some oil and gas companies have even undertaken adjustments to critical accounting assumptions, resulting in material impairments, and disclosing how climate change affected those adjustments;

• The failure of Exxon Mobil to either commit to net zero emissions across its value chain nor disclose how that would change its financial assumptions;

• The availability of the new "IEA Net Zero 2050" scenario, which the Proponent believes is a good proxy as to what it would mean in the near-term for the energy sector globally to be on track to reach net-zero GHG emissions by 2050 consistent with a 1.5° C temperature increase globally.

The essential purpose of the resolution is that investors want the Company to better connect climate change-related trends facing both the energy sector, and the Company itself, **with impacts to financial value**. Exxon Mobil discusses a myriad of climate trends in the ECS, but it does not address the core purpose of the resolution—a detailed discussion and analysis of the financial impacts to the Company from much steeper declines in fossil fuel demand. The Proposal seeks details about how aggressively reducing oil and gas demand on par with a compatible net zero scenario, based on the need to dramatically lower GHG emissions in the near term, would impact the Company financially, including the various assumptions that undergird its strategy, research and expenditures. The Company has failed to provide that, so the Proposal has not been implemented. One must look at the entirety of the Proposal when contemplating the Resolved Clause, including its accompanying Supporting Statement and background, to understand the essential purpose of the Proponent's request.

Rule 14a-8(i)(10) was intended, according to the Commission, to prevent shareholders from deliberating on matters already acted upon favorably by the Company. Yet the Company's existing disclosures are unresponsive to the issues raised in the whereas clauses. The Proposal here has not been acted upon favorably. Furthermore, the Proponent believes that there is a material gap between what the Company discusses when it comes to climate change impacts to itself and what the Proponent has sought. Thus, the Proposal provides an opportunity for shareholders to vote as to whether the Company should go further in its disclosures to provide the analysis requested by the Proposal.

While the Proponent and its co-filers are focused on the impacts to the Company from the urgent market need to meet net zero emissions globally by 2050 (in order to keep atmospheric warming to around 1.5 degrees Celsius above pre-industrial temperatures to avoid severely disruptive markets and less reliable energy systems), the Company seems to focus in its literature, its recent Energy and Carbon Summary 2021, its op-eds on climate goals, and its Energy Outlook on climate actions that are now in the rearview mirror of much of the scientific community, as well as a growing swath of peer companies and political leaders.

The energy sector is now at a point where nine of the 10 largest economies in the world have committed to achieving Net Zero emissions within 29 years.

Upon a global consensus, net zero by 2050 will mean that GHG emissions globally need to be cut by 45% within nine years' time, in order to meet that objective, according to the science and the IEA. It seems increasingly unlikely that the Company could maintain current strategies and objectives, with business-as-usual outcomes, when the majority of large players in its industry, and the largest emitting countries in the world are headed down a stringent GHG emitting path by 2030, and beyond. The IEA's Net Zero 2050 initial short-term assessment—going out to the year 2030--spares no punches in the visceral and significant business, market and lifestyle changes that will be needed to meet that goal. The Company highlights some of those aggressive changes in its original challenge to the Proposal.

The Company continues to argue that its disclosures provide analysis about how such a significant transformation to its industry impacts its own strategy. But the Proponent and its co-filers fundamentally disagree that what the Company has provided meets the essential purpose of the Proponent's request. What it has provided is a number of broad energy market assumptions based on a 2 degree Celsius pathway, or charts on estimated energy demand for the average of 74 IPCC pathways—both of which are markedly different than analysis of a 1.5 degree C world or a Net Zero by 2050 transformation.

To put this in some industry perspective, integrated oil and gas companies have announced major changes to their businesses upon consideration and commitment to alignment with the Paris Agreement and a Net Zero 2050 pathway. BP has dramatically cut its CAPEX for oil discovery, reduced its oil reserves and reduced its oil production staff by 40% in recent months. Royal Dutch Shell has launched business strategies to transform itself into an energy-providing company by 2030, versus a fossil fuel exploration and production company. Occidental, the first U.S. company to commit to Net Zero by 2050, has already established a plan to meet that target where it includes emissions from customers using its fuels. The Proponent is not saying that the Company has to choose a similar path. The Proponent is concerned, however, that the changes taking place in the industry are so fundamental that if Exxon Mobil is reporting that it will have no stranded assets, and has been largely unaffected by such changes and that demand for its core fossil fuel products will not be impacted by the Paris Agreement's ultimate objective—then the filers want to see the data, energy price assumptions, and Company assessments focused on an aggressive decline in oil and gas that undergird those conclusions.

<u>Focus on 2º C Pathway in Financial Projections</u>

When it comes to price assumptions and market conditions, the ECS focuses on a 2º C pathway, not an IEA net zero one. According to page 18 of the Company's ECS:

> **"All investments are tested over a wide range of commodity price assumptions and market conditions. Notably, the IEA's estimates of <u>future prices under its 2ºC pathway</u> fall within the range used to test investments."**

Notably, not even the range of price assumptions associated with this 2º C pathway are included in the ECS.

In order for investors to understand the risk and opportunity profile of companies in the industry today, they need much-improved disclosures on how integrated oil and gas companies will be nimble during and after the coming energy transition. That means more clear and cogent strategies being articulated, with a balance sheet that fundamentally recognizes the changes to come.

<u>Diffuse Analysis Cherry-picks Data to Paint a Rosy Picture for Fossil Fuels</u>

In contrast, the Company's ECS tends to focus on the scenarios that show a rosy future for fossil fuels, not the "severe outcomes" mentioned by the PCAOB's board member above. The Company diffuses the tangible impact that some lower demand scenarios from the IPCC might have in its averaging of 74 of them. Had the Company wanted to test and prove its resiliency against such "severe outcomes" of policy shifts or low demand, it could have chosen the lowest demand scenarios for both oil and gas of the assessments now existing. Instead, it focuses on a discussion of the Paris Agreement, or being aligned with the Paris Agreement, or 2 degree C scenarios, without delving into detail about the scenarios that the industry and government leaders are now critically focused on. While the current country-specific Nationally Determined Contributions (NDCs) to meet the Paris Agreement's goals fall far below what is needed to meet the ultimate objective of the Paris Agreement of limiting global atmospheric warming towards 1.5 deg C, which Exxon admits in the ECS 2021, the report and the Company continue to rally around such generic descriptions, when the markets are increasingly demanding attention to 1.5 deg C, and net zero emissions by 2050, not emission reductions by 2070 nor 2100.

The Company argues in its latest letter to the SEC that its reporting focuses on a trajectory that goes well below the average of those 74 scenarios. And yet, Exxon Mobil spends the overwhelming bulk of its time in the ECS talking about 2º C, the NDCs, and the average of 74 scenarios. Proponents were not focused on "Paris alignment," 2º C, nor the current slate of NDCs. And the impact of the average of those 74 IPCC scenarios lies far below what the Proponent requested. The Proponent was focused on Net Zero by 2050, and meeting a global target of 1.5 deg C, which the science now tells us we need to hit to avoid dramatic impacts to energy systems and markets as a whole, not to mention our physical infrastructure.

The examples below illustrate this point, and others were not included for brevity's sake:

ECS, pg. 15:

> "The IPCC Lower 2ºC scenarios produce a variety of views on projected global energy demand in total and by specific types of energy. The average of the scenarios' growth rates per energy source has been used to consider potential impacts on energy demand for this report."

ECS, pg. 13:

> "Consistent with third-party assessments, ExxonMobil expects the world to meet, in aggregate, the Nationally Determined Contributions of the Paris Agreement pledges by 2030. However, more effort is needed for the world to accelerate progress toward a **2° C pathway.** Recent announcements by some governments further strengthen this effort. The IEA concludes that the full implementation of recent net zero pledges by 2050 as well as the Chinese government's 2060 net-zero commitment, would cover around 50 percent of the energy-related CO2 emission reductions required to move from its STEPS scenario to its well below 2°C scenario or SDS scenario."

ECS, pg. 51:

> Footnote 14: "Since it is impossible to know which elements, if any, of these models are correct given the inherent uncertainty in energy demand modeling, **an average of all 74 scenarios was used to approximate growth rates for various energy types** as a means to estimate trends to 2040 indicative of hypothetical 2°C pathways."

ECS, pg. 51:

> Footnote 15: "**Based on the average of the IPCC Lower 2°C scenarios referenced in this report**, the combination of renewables, nuclear and fossil fuels using CCS is estimated in these scenarios to increase significantly as a percentage of total primary energy demand, rising from over 10 percent in 2010 to roughly 50 percent in 2040."

When the ECS does present financial assumptions, they typically reference either the Paris Agreement broadly or 2° C, rather than focusing on the more aggressive reduction scenarios. While such an analysis is within the Company's prerogatives, the analysis requested by the Proposal is also an appropriate investor request—which is based on large investors, governments, and other oil and gas companies committing to becoming carbon neutral in their emissions within 29 years' time, and the impact that transition will likely have on overall energy markets.

The imprecision of the analysis in the ECS is also highlighted by the way that the report often seems to conflate 2º C with a net zero 2050 scenario. Page 46 of the ECS notes: **"Even under 2°C and net-zero scenarios,** meeting this increase in energy demand will require significant investment in new supplies of oil and natural gas, generally consistent with ExxonMobil's investment levels." But again, the report stops short of showing the financial assumptions for investment underlying any net zero scenario.

As we stated in our prior response, we believe that the current Company reporting, by presenting an average of a wide group of scenarios that falls above the IEA Net Zero scenario (one that shows far less impact), continues to project a more optimistic demand scenario than a rigorous analysis of an IEA Net Zero set of assumptions would reveal.

<u>Examining Company's Anticipated Carbon Emissions Confirms ECS is Contrary to Net Zero and Ultimately to Paris Alignment</u>

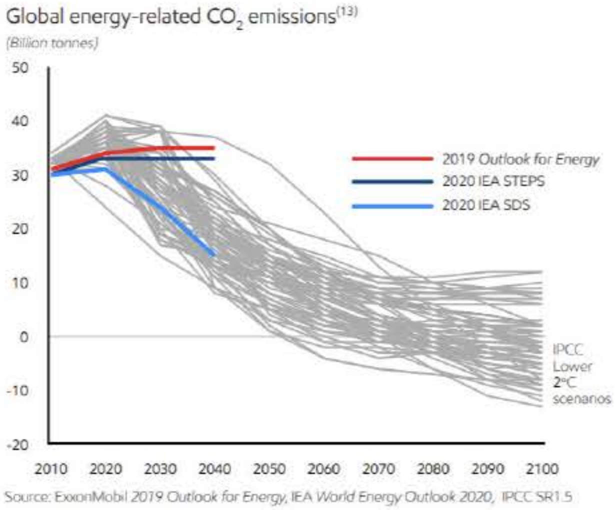
The Company's strategy is not designed to reduce global greenhouse gas emissions to net-zero by 2050, even though many governments, customers, banks and other sources of financing have signaled intent to do so, among other ways by transitioning energy systems away from hydrocarbons. These market changes could have a material financial impact on the Company. Investors are entitled to understand the financial impact of the Company maintaining its stated strategy in the face of strong policy and market forces to achieve net-zero emissions by 2050 and the related sensitivity of the assumptions that go into the financial statements. The Company does not disclose its significant assumptions. It also claims it has used, and thus essentially blended, more than 70 different, unspecified scenarios to arrive at the assumptions it used. Even if the Company did consider some scenario with strong policy changes, the results of that scenario could have been canceled out by other rosier scenarios.

The Proponent seeks the requested report specifically to understand how the Company's financial position and results would be affected in a scenario in which global policies use mechanisms to prompt shifts in demand to achieve net-zero emissions by 2050. The Proponent seeks auditor assurance over the requested report in order to ensure the integrity and appropriateness of the scenario analysis, including the inputs and other data used in the scenario. Experienced auditors routinely perform just such procedures to evaluate corporate sensitivity analyses in financial statement audits.

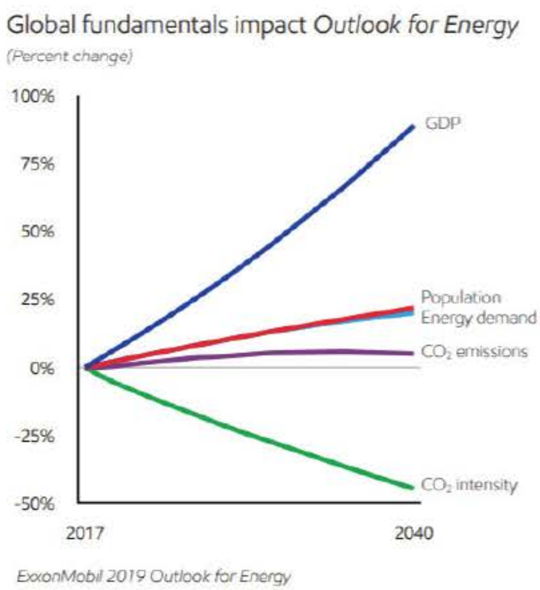
One shareholder advocate currently seeking to replace several Board Members at the Company because of ineffective board oversight and lack of clear climate strategy, notes: "In an apparent acknowledgment of investor sentiment, ExxonMobil has now gone from dismissing emissions reduction goals as a "beauty competition" to claiming repeatedly this month that its emissions reduction plans are "consistent" with the Paris Agreement.[1] We have therefore reviewed the Company's claims with a number of experts, including Professor David Victor at the University of California San Diego, who was a convening lead author for the Intergovernmental Panel on Climate Change (IPCC), which provides the analysis that underpins the Paris Agreement. After doing so, we believe it is clear that, as detailed below, the Company's true trajectory is nowhere near Paris consistency, and that a clear understanding of Exxon Mobil's claims underscores the long-term risk facing the Company in a decarbonizing world. None of the Company's new claims change its long-term trajectory, which would grow total emissions for decades to come. This is not consistent with, but rather runs directly counter to the goals of the Paris Agreement."[8]

In contrast to many Paris-aligned and Net Zero scenarios, BOTH of which imply a reduction in carbon dioxide emissions, charts featured in the ECS report show carbon dioxide levels rising slightly, not lowering. Charts from the Company's 2021 ECS demonstrate that the Company's expected greenhouse gas outcome, as shown in its *Outlook for Energy*, is for global energy-related carbon dioxide emissions to continue to rise on a gentle upward slope through 2040. This is the predominant scenario portrayed in the Energy and Carbon Summary, and appears to be reflected in the majority of the discussion in that document that relates to carbon demand and financial outcomes.

[8] https://reenergizexom.com/materials/letter-to-the-board-of-directors-february-22/



ECS pg. 14 chart shows that Exxon Mobil is estimating emissions to be much higher than other scenarios, including the IEA's STEPS and SDS scenarios. The Proposal's focus is on a scenario where oil and gas demand significantly fall to help drive those emissions downward. Note data for current year 2021 and how the three lines diverge.



This chart from the ECS, pg. 12, also emphasizes the Company's view on increased emissions: Proponent notes that emissions stay almost level but actually increase for most of span out to 2040 instead of being reduced by 45% by 2030, which is critical to meeting climate objectives, notes the IEA.

<u>In contrast with these two charts, the Proposal envisions a world that acts</u> to dramatically lower greenhouse gas emissions, not have them increase nor flatline, to meet 1.5 deg C or net zero

2050 goals. Here is what that looks like in the IEA Net Zero analysis:

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Exxon Mobil has a number of conflicts in its assumptions and reporting which make its disclosures less helpful to investors. Exxon Mobil notes in several places in its ECS that it would be largely unaffected by a global drive to lower emissions aligned below 2º C. It also says that if policy shifts, its resources out to 2040 would largely be unscathed. It fails to connect two key ideas: the fact that a world focused on net zero by 2050 and 1.5 deg C necessitates dramatic and rapid lowering of GHG emissions worldwide from every sector. The **IEA estimates clearly note that we need to reduce GHG emissions by 45% within 9 years, by 2030.** Yet the Company assumes increased or flatlined emissions over the next several decades, as seen above.

The Company articulates that notion in a discussion of its proved reserves in the ECS on pg. 17: "Based on currently anticipated production schedules, a substantial majority of ExxonMobil's year-end 2019 proved reserves are expected to have been produced by **2040**. Since the average of the IPCC Lower 2°C scenarios **implies significant use of oil and natural gas through the middle of the century, these reserves face little risk from declining demand."**

Assumptions Regarding Scope 3 Emissions Reductions

Although the Proposal is framed around how fossil fuel demand would drop under the IEA Net Zero scenario, the Proponent believes, as documented in the whereas clauses, that the Proposal's Net Zero scenario envisions policies that would necessitate significant reductions in Scope 3 (product) emissions by the Company and its peers. Yet Exxon Mobil fails to consider a strategy for reducing those product emissions. It understands the importance of life cycle analysis, as noted in the ECS, but only recently disclosed its (unaudited) Scope 3 emissions several weeks ago after another shareholder resolution seeking them. Exxon Mobil focuses on page 18 of its ECS on the emissions and policy risks of its emissions from *production*, not from its end-product.

Natural Rates of Decline Irrelevant to Request

The Company letter notes that the red X on the chart is above natural rates of decline and therefore there would still be some additional investment needed under the IEA Net Zero scenario. This is an assertion with which we do not disagree. However, this remark also demonstrates the absolute lack of rigor in an analysis of the IEA Net Zero scenario in the Company's existing reporting. There is no disclosure of information, assumptions and valuations appropriate to the net zero scenario.

Timeframe for IEA Net Zero

We do not disagree that the time period covered by the current IEA Net Zero scenario is shorter than the Company's projected scenarios. In fact, the investor request for a more careful focus on the next 10 years is motivated by the sense that trends of the next 10 years in carbon reduction will be critical to global net zero goals, therefore a more rigorous assessment as requested by the Proposal is appropriate.

Future Prices Outside Company's Control Are Not Proprietary

The Company claims that it did not disclose the significant assumptions about future oil and gas prices that it used in testing its long-lived property, plant and equipment for impairment because they are proprietary. Assumptions about future prices, which are outside of the Company's control, are not proprietary informational assets warranting protection as trade secrets as, for example, plans for exploration might be. Moreover, GAAP requires that significant assumptions be disclosed. Many of the Company's peers have complied with such requirements. The SEC should not allow the Company's non-compliance with accounting requirements to be a justification for excluding a valid shareholder proposal. While the Proponent desires that the Company disclose its significant assumptions as required, given the indications that the assumptions used apparently resulted from an amalgamation of more than 70 scenarios, the Proponent still seeks disclosure of how sensitive the significant assumptions are to a Net-Zero 2050 scenario.

Company's Exhibit B

The Supplemental Letter notes that our prior correspondence ignored Exhibit B. That exhibit, to the best of our knowledge, does not appear in the ECS or other publications. While it graphically shows where IEA net zero might appear as against Company projections, it is neither a published analysis nor a rigorous analysis of changes in financial assumptions as requested by the Proposal.

CONCLUSION

In these and all other aspects, we stand by our original letter, and our assertion that the Proposal is not excludable pursuant to Rule 14a-8(i)(10). We urge the Staff to notify the Company that the Proposal is not excludable and must appear on the 2021 proxy statement.

Sincerely,

Sanford Lewis

cc:
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Tracey Rembert

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February 15, 2021

VIA Email

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Ladies and Gentlemen:

On behalf of Exxon Mobil Corporation, a New Jersey corporation (the "**Company**"), we are writing to respond to the letter from Sanford J. Lewis on behalf of Christian Brothers Investment Services, Inc. (the "**Proponent**") dated February 8, 2021 (the "**Proponent Response Letter**") with respect to the request from the Company dated January 5, 2021 (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 2021 Annual Meeting of Shareholders (the "**2021 Proxy Materials**"). Capitalized terms not defined herein are used as defined in the No-Action Letter. A copy of both the No-Action Letter and the Proponent Response Letter (each without the attachments) are included with this letter as Exhibit A.

1. **As described in the No-Action Letter, the Company's 2021 ECS demonstrates substantial implementation pursuant to Rule 14a-8(i)(10), and the Proponent Response Letter's focus on the specific net zero scenario mentioned in the Proposal ignores the Proposal's essential objective.**

The Proponent Response Letter takes an overly narrow view of the Proposal by implying that anything short of an in-depth analysis of the single IEA Net Zero 2050 scenario released only four months ago will be insufficient in the Proponent's view. However, this narrow reading of the Proposal not only goes against Staff precedent regarding what constitutes an "essential objective," as described in the No-Action Letter, it also contradicts the text of the Proposal itself. The Proposal requests a report analyzing "a significant reduction in fossil fuel demand, *envisioned* in the IEA Net Zero 2050 scenario [emphasis added]." The Proposal does not request an analysis of the *specific* reduction in demand exactly as laid out in IEA Net Zero 2050; the use of the word *envisioned* suggests that the Proposal is instead using IEA Net Zero 2050 as an example of the type of reduction in demand that should be analyzed. For the reasons laid out in the No-Action Letter, the

Company's 2021 ECS substantially implements this essential objective by analyzing a range of scenarios, certain of which forecast *more* significant reductions in oil and gas demand and *more* significant reductions in carbon emissions than the solitary IEA Net Zero 2050 scenario.[1]

The Proponent seeks to distinguish the IEA Net Zero 2050 scenario on the basis of the decline rate. The Proponent Response Letter on page 2 states that IEA Net Zero 2050 shows an annual 3.5% decline rate for oil from 2019-2030, and that this is steeper than the scenarios analyzed by the Company in the 2021 ECS. However, the IEA Net Zero 2050 starts at a higher starting point of demand than many scenarios in the ECS, which makes a comparison of decline rates misleading. Additionally, the time period covered by the scenarios in the 2021 ECS is longer (2010-2040), which makes a year-by-year comparison between the shorter IEA Net Zero 2050 timeline and the longer timeline of the 2021 ECS effectively meaningless as the rates of decline cover different periods.

The Proponent seeks to distinguish the IEA Net Zero 2050 scenario on the basis of the predicted demand. The Proponent Response Letter states that IEA Net Zero 2050 predicts oil demand of 65 million barrels per day in 2030; we note that there are eight scenarios analyzed in the 2021 ECS that predict oil demand to be *even lower* than this by 2030, yet none are lower than the 45 million barrels that is projected to be supplied based on natural decline in 2030. In other words, regardless of any difference in the year-over-year rate of decline in oil demand between IEA Net Zero 2050 and the scenarios in the 2021 ECS, certain of the scenarios analyzed in the 2021 ECS result in an even greater oil demand reduction by 2030 than that envisioned by the IEA Net Zero 2050 scenario cited by the Proponent, and all require new investment in the future. In addition, the analysis of the ECS is not limited to the average of the scenarios, but the ECS analyzes the lowest scenario as well. The demand outcome of the IEA Net Zero 2050 scenario is effectively already analyzed in the ECS and does not result in any different or new conclusions.

In addition, at other points in the Proponent Response Letter, the author elides the fact that the Proposal requests an analysis of reductions in *fossil fuel* (e.g., oil and gas) demand, in order to focus on Company disclosures about oil demand (rather than oil and gas) in an attempt to claim that the Company's disclosures do not substantially implement the Proposal's essential objective. For example, page 16 of the Proponent Response Letter copies a graph from the 2021 ECS that shows estimates of global oil supply, placing a red "x" on the graph in an attempt to show that the IEA Net Zero 2050 oil demand prediction demonstrates a more significant demand reduction than the scenarios analyzed by the Company. Even if this were accepted, the "x" is still above the natural rates of decline and the suggested level of demand would require additional investment (growth) to meet this future demand.[2] However, when both oil and gas are analyzed as requested by the Proposal, and as described in more detail in the No-Action Letter, the 2021 ECS shows that the Company has analyzed scenarios that result in reductions in oil *and* gas demand that are

[1] As noted in the No-Action Letter, the use of multiple scenarios, rather than a focus on one specific scenario, is recommended by relevant industry stakeholders and provides materially more useful decision-making information to investors as compared to using one scenario only. In particular, the Task Force on Climate-Related Financial Disclosures, or TCFD, disclosure which several nations, including the United Kingdom and New Zealand, are now requiring, specifically recommends that organizations use a 2C or lower scenario "in addition to two or three other scenarios most relevant to their circumstance." See Page 27 https://assets.bbhub.io/company/sites/60/2020/10/FINAL-2017-TCFD-Report-11052018.pdf.

[2] This means the analysis needed would be the same analysis the Company is undertaking today. "Are the additional resources the Company is investing in cost-competitive to meet this increase in demand beyond current production after natural decline?" The Company believes it is currently invested in some of the most attractive projects in the industry, such as in offshore Guyana as mentioned on page 19 of the ECS. The Proponent's argument that this scenario would somehow lead to a different analysis or outcome is incorrect.

substantially similar to those in the IEA Net Zero 2050 scenario. This is most clearly demonstrated by the graph that the Company attached to the No-Action Letter as Exhibit B (which the Proponent Response Letter conveniently ignores), which graph shows the reductions in oil and gas demand predicted by IEA Net Zero 2050 as falling squarely within the reductions analyzed by the Company in the 2021 ECS.[3] In other words, the Company's 2021 ECS disclosures have substantially implemented the Proposal's essential objective.[4]

For these reasons as well as those stated in the No-Action Letter, we believe that the Company may exclude the Proposal pursuant to Rule 14a-8(i)(10) because it has been substantially implemented by the Company, and the Company's practices, policies and procedures compare favorably to the Proposal.

2. As described in the No-Action Letter, the Proposal is materially false and misleading and should be excluded pursuant to Rule 14a-8(i)(3).

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

As noted above and in the No-Action Letter, it is materially misleading to focus on one specific scenario in a way that elevates that scenario's importance above the 74 scenarios analyzed in the 2021 ECS, and that contradicts guidance from TCFD and others. In addition, while the Proponent Response Letter takes pains to argue that it is not misleading to request an audit of the type of information requested in the Proposal, we disagree. While the Proponent Response Letter includes purported examples of other climate-related audits and assurances, the vagueness of the supposed "audits" described in the Proponent Response Letter is further proof of the misleading nature of a request for an audit. The Proponent Response Letter quotes at length from PwC marketing materials about the wide range of climate-related services PwC provides, but tellingly, at no point in this extended quote from PwC is the word "audit" applied to any of these climate-related services.[5] In addition, the Proposal requests an audit of a very specific type of climate-related information (demand scenarios), rather than a general audit of climate risk disclosures of the type described in the Proponent Response Letter. Further, because the Proponent Response Letter

[3] In addition, although the Proponent Response Letter is focused on public and governmental support for the idea of achieving net zero emissions by 2050, the demand projections in IEA Net Zero 2050 extend only to 2030. Many of the scenarios analyzed by the Company in the 2021 ECS predict demand beyond 2030, again demonstrating that the multiple scenarios analyzed by the Company are more useful in meeting the Proposal's essential objective than the single IEA Net Zero 2050 scenario.

[4] In addition, we would note that, although irrelevant to the substance of the Proposal, at the end of the Proponent Response Letter, the author argues that the Staff should overturn prior substantial implementation precedent that allowed exclusion of proposals requesting a report on "if and how" a company is aligned with the Paris Agreement when, in the view of the Proponent, a company's reporting did not adequately answer the "if and how" question. The Company's 2021 ECS includes an entire section titled "How are ExxonMobil's operations and investments aligned with the Paris Agreement?" and prior versions of the ECS also included disclosures regarding Paris Agreement alignment. The Proponent's objection to these prior Staff decisions (and their objection to the Company's response to the Proposal) seems to be that the Proponent did not like the response that the Company gave to the "if and how" question, but that is irrelevant for purposes of a substantial implementation argument.

[5] The Proponent Response Letter also seems to be pointing to impairment analyses made by certain European companies under the International Financial Reporting Standards (IFRS) and tying them down to the Proposal by inferring that the Company missed a crucial analysis that the IEA Net Zero 2050 scenario would provide, without any regard to the requirements under U.S. GAAP or their differences to IFRS. This reasoning is inappropriate and, without context, misleading.

liberally interchanges the words "audit" and "assurance", we take this as an implicit acknowledgement by the Proponent that the Lloyd's assurance that the Company has requisitioned and which will be completed by the end of 2021, as described in the No-Action Letter, does in fact constitute an "audit" as requested in the Proposal.

In addition, the Proponent Response Letter itself makes statements that we believe to be misleading on their own. First, the Proponent Response Letter takes issue with the Company's investments in carbon capture technology without disclosing that the emissions reductions under a IEA Net Zero 2050 scenario itself depends on significant increases in carbon capture.[6] Second, the Proponent Response Letter faults the Company for not disclosing future commodity price assumptions. However, the Company considers such information to be proprietary, and the Proposal itself states that any reporting should omit proprietary information.

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

Sincerely,

Louis Goldberg

Enclosures

cc w/ enc: Sanford J. Lewis, Attorney

Christian Brothers Investment Services

James E. Parsons & David A. Kern, ExxonMobil

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[6] While the Proponent Response Letter suggests that the IEA Net Zero 2050 scenario involves less reliance on carbon capture and sequestration, the IEA Net Zero 2050 analysis actually assumes that carbon capture and storage "would form an integral part" of the emissions reduction strategy thereunder. *See* IEA Net Zero 2050 Scenario, at page 124. The Proponent Response Letter demonstrates either a disinterest or overly simplistic view as to what achieving the IEA Net Zero Scenario would require in terms of technology or human behavioral changes. In contrast, the Company considers these important elements in evaluating and presenting its disclosures to shareholders. The Proponent Response Letter therefore appears to rest on what it believes is a significantly lower total fossil fuel demand that would somehow weaken the Company's plans if it were to come to pass. This narrow focus, without the necessary context, could result in misleading disclosures, which is not only against shareholder interest, but should be considered in evaluating the appropriateness, and basis, for the Proposal's exclusion.

Exhibit A

No-Action Letter and Proponent Response Letter

New York
Northern California
Washington DC
São Paulo
London
Paris
Madrid
Hong Kong
Beijing
Tokyo

Davis Polk

Louis L. Goldberg

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January 5, 2021

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

Ladies and Gentlemen:

On behalf of Exxon Mobil Corporation, a New Jersey corporation (the "**Company**" or "**Exxon Mobil**"), and in accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), we are filing this letter with respect to the shareholder proposal (the "**Proposal**") submitted by Christian Brothers Investment Services (the "**Proponent**") for inclusion in the proxy materials the Company intends to distribute in connection with its 2021 Annual Meeting of Shareholders (the "**2021 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 2021 Proxy Materials. In accordance with Rule 14a-8(j), this letter is being filed with the Securities and Exchange Commission (the "**Commission**") not less than 80 days before the Company plans to file its definitive proxy statement.

Pursuant to Staff Legal Bulletin No.14D (CF), Shareholder Proposals (November 7, 2008), Question C, we have submitted this letter and any related correspondence via email to shareholderproposals@sec.gov. Also, in accordance with Rule 14a-8(j), a copy of this submission is being sent simultaneously to the Proponent as notification of the Company's intention to omit the Proposal from the 2021 Proxy Materials. This letter constitutes the Company's statement of the reasons it deems the omission of the Proposal to be proper.

THE PROPOSAL

The Proposal states:

RESOLVED**:** Shareholders request that ExxonMobil's Board of Directors issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions. The Board should summarize its findings to shareholders by January 31, 2022, and the report should be completed at reasonable cost and omitting proprietary information.

REASONS FOR EXCLUSION OF THE PROPOSAL

The Company believes that the Proposal may be properly omitted from the 2021 Proxy Materials pursuant to Rule 14a-8(i)(3), because the Proposal is materially false and misleading, and pursuant to Rule 14a-8(i)(10), because the Company has already substantially implemented the Proposal.

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

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

Analysis of the materially false and misleading nature of the Proposal requires a background consideration and understanding of the International Energy Agency ("**IEA**") World Energy Outlook 2020 publication[1] ("**IEA World Energy Outlook 2020**"), an annual report on energy market trends which includes the Proposal's IEA Net Zero 2050 scenario and other constructed scenarios; the guidance of the Financial Stability Board's Task Force on Climate-related Financial Disclosures ("**TCFD**") with respect to the use of scenario analyses; and the role of an audit of an analysis that uses only one hypothetical future scenario, all as compared to the actions called for by the Proposal.

<u>IEA World Energy Outlook 2020</u>. The IEA is one of the premier international organizations analyzing the potential for an energy transition.[2] The IEA World Energy Outlook 2020, in the words of the IEA, is meant to provide "a comprehensive view of how the global energy system could develop in the coming decades," with a focus on the next 10 years to 2030. Included in this publication is the IEA Net Zero 2050 scenario cited in the Proposal. However, despite its name, this scenario forecasts demand only to 2030, not to 2050 (although it assumes on the basis of demand changes by 2030 that net zero will be achieved by 2050). Many other scenarios project demand much further than 2030, including all 74 of the Intergovernmental Panel on Climate Change ("**IPCC**")[3] Lower 2C scenarios that are analyzed through 2040 in the Company's 2021 Energy & Carbon Summary ("**ECS**")[4]. In addition, the IEA Net Zero 2050 scenario incorporates a variety of aggressive assumptions regarding future policy choices, behavioral changes and technology deployments. The IEA World Energy Outlook 2020 also describes how the assumptions of the IEA Net Zero 2050 scenario require a wide range of drastic behavioral changes to support the scenario, such as: (1) a 5.4F degree change in preferred indoor heating and cooling temperatures (for example, moving the thermostat from 80 to 85.4 in August); (2) reintroduction of clothing lines in

[1] https://www.iea.org/reports/world-energy-outlook-2020.

[2] https://www.iea.org/.

[3] The IPCC is the United Nations body for assessing the science related to climate change.

[4] https://corporate.exxonmobil.com/-/media/Global/Files/energy-and-carbon-summary/Energy-and-Carbon-Summary.pdf. See ECS, pp 14-15.

place of electric dryers throughout the world; (3) all car trips in urban areas being shared; (4) and replacement worldwide of all flights less than one hour and 75% of all long-haul flights. With respect to technology deployments under the IEA Net Zero 2050 scenario, the IEA World Energy Outlook 2020 notes that "reducing emissions to near zero from some industrial processes, such as low-carbon steel or cement production, would require the commercialisation of technologies that have not yet been built or operated at full scale in most cases" and that "many of the clean energy technologies that are needed to reduce emissions from aviation, shipping and heavy trucks are still in their infancy today [with] limited potential for them to contribute meaningful levels of emissions reduction in the period to 2030."

In sum, the IEA Net Zero 2050 scenario proposes drastic changes to current policies, behavior and technology that are highly uncertain and unlikely even compared to other future energy transition scenarios; in the IEA's own words, "there is no expectation that everybody will be willing to make all these changes all at once: personal preferences, cultural preferences and individual circumstances are all bound to play a very important part. The purpose is rather to illustrate the scale of behaviour change that is implied by the [IEA Net Zero 2050 scenario]."

TCFD Guidance.[5] The TCFD, which the Financial Stability Board created with the sole purpose of developing recommendations for more effective climate-related disclosures, has published its own guidance on the use of scenario analyses such as the IEA Net Zero 2050 scenario. In this guidance, the TCFD is clear that scenario analyses should "evaluate a range of hypothetical outcomes by considering a variety of alternative plausible future states (scenarios) under a given set of assumptions and constraints." TCFD emphasizes that "a critical aspect of scenario analysis is the selection of a set of scenarios that cover a reasonable variety of future outcomes, both favorable and unfavorable."

Audits. There is no standard for an audit of financial projections and assumptions that arises from a single, hypothetical scenario such as the IEA Net Zero 2050 scenario. Such an audit would not be within the scope of a Public Company Accounting Oversight Board audit of a company's financials, and there is a lack of guidance generally regarding how to apply the financial principles of an audit to a projection of future outcomes based on one hypothetical scenario. In addition, the concept of an audit without the use of such standards or guidance can lend a false sense of certainty to projections made by a single scenario that, as noted above, is highly speculative and that necessitates drastic changes in policy, behavior and technology.

Analysis of the Proposal. In light of the relevant background described above, it is clear that the Proposal is materially false and misleading. The very concept of an audit of financial information implies a review that complies with certain recognized standards and the conduct of which provides a level of assurance as to a measure of rigor and accuracy. The use of the concept of an audit in relation to future financial results or projections is not realistic nor recognized as an accounting matter, and therefore use of the concept of an audit in this context is in itself misleading. Furthermore, despite the Proposal's focus on only one particular scenario, the IEA has cautioned there is no single scenario that accurately describes the future, and that the referenced scenario is not a forecast. In addition, TCFD, another respected, relevant organization, has cautioned that multiple scenarios should always be used to consider a range of possible outcomes. The Company, as demonstrated in the 2021 ECS and recommended by TCFD, has analyzed a range of different scenarios to make its public disclosures regarding future demand changes and financial impacts, so as not to give the false and misleading impression that any one scenario predicts the future of the Company's operations and financial performance. In opposition to this, the Proposal would have the Company perform an analysis of one specific scenario that could mislead shareholders. In addition, given all of the uncertainties raised by the use of only one scenario, there is no objective basis for an

[5] https://assets.bbhub.io/company/sites/60/2020/10/FINAL-TCFD-Technical-Supplement-062917.pdf.

audit of such an analysis, and such an audit could give a false sense of certainty regarding the analysis. As such, the Proposal, by focusing on an "audit" relating to a report based on the predictions of the "the IEA Net Zero 2050 scenario," is materially false and misleading.

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

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if the company has already substantially implemented the proposal. The Commission has stated that "substantial" implementation under the rule does not require implementation in full or exactly as presented by the proponent. *See Exchange Act Release No. 34-40018* (May 21, 1998, n.30). The Staff has provided no-action relief under Rule 14a-8(i)(10) when a company has substantially implemented and therefore satisfied the "essential objective" of a proposal, even if the company did not take the exact action requested by the proponent, did not implement the proposal in every detail, or exercised discretion in determining how to implement the proposal. *See Exxon Mobil Corporation* (March 20, 2020) (permitting exclusion of a proposal requesting that the Company issue a report describing how it will reduce its contribution to climate change and align with the Paris Agreement where the requested information was available in a public report from the Company); *Hess Corporation* (April 11, 2019) (permitting exclusion of a proposal requesting that the company issue a report on how it can reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement's goal where the company had already provided the requested information in its sustainability report and CDP (formerly known as Carbon Disclosure Project) report); *Exxon Mobil Corporation* (April 3, 2019) (permitting exclusion of a proposal requesting the Company issue a report on how it can reduce its carbon footprint in alignment with GHG emissions reductions in line with the Paris Agreement where the requested information was readily available in the Company's public disclosures); *Exxon Mobil Corporation* (March 23, 2018) (permitting exclusion of proposal requesting that the Company issue a report describing how the Company could adapt its business model to align with a decarbonizing economy where the requested information was already available in two published reports describing the Company's long-term outlook for energy and how it would position itself for a lower-carbon energy future); *Entergy Corp.* (February 14, 2014) (permitting exclusion of proposal requesting a report "on policies the company could adopt . . . to reduce its greenhouse gas emissions consistent with the national goal of an 80% reduction in greenhouse gas emissions by 2050" where the requested information was already available in its sustainability and carbon disclosure reports); and *Duke Energy Corp.* (February 21, 2012) (permitting exclusion of a 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). "[A] determination that the company has substantially implemented the proposal depends upon whether [the Company's] particular policies, practices, and procedures compare favorably with the guidelines of the proposal." *See Texaco, Inc.* (March 28, 1991) (permitting exclusion on substantial implementation grounds of proposal requesting that the company adopt the Valdez Principles where the company had already adopted policies, practices and procedures regarding the environment).

The Proposal's "essential objective" is a report "on whether and how a significant reduction in fossil fuel demand" that is similar to the reduction analyzed in the IEA Net Zero 2050 scenario "would affect [the Company's] financial position and underlying assumptions." The Company updates its ECS annually, and the 2021 ECS was published on January 5, 2021.[6] As described below, the 2021 ECS demonstrates that the Company has substantially implemented the Proposal by satisfying its essential objective, and thus the Proposal is excludable under Rule 14a-8(i)(10).

[6] https://corporate.exxonmobil.com/-/media/Global/Files/energy-and-carbon-summary/Energy-and-Carbon-Summary.pdf

In the table below we have succinctly demonstrated how the 2021 ECS is responsive to the Proposal's request for a report "on whether and how a significant reduction in fossil fuel demand" that is similar to the reduction analyzed in the IEA Net Zero 2050 scenario "would affect [the Company's] financial position and underlying assumptions." A more detailed discussion of the disclosures contained in the 2021 ECS that address the essential objective of the Proposal is set forth following the summary table.

Proposal request	**2021 ECS and Other Disclosures**
"a significant reduction in fossil fuel demand" similar to the reduction analyzed in the IEA Net Zero 2050 scenario	Addressing the dual challenge, p 13 Considering 2C scenarios, pp 14-15 What is ExxonMobil doing to prepare for a lower-carbon future while meeting energy needs of a growing population?, p 46 How is ExxonMobil supporting society's desire to achieve net-zero emissions and 2C?, p 47
"affect [the Company's] financial position and underlying assumptions"	Considering 2C scenarios, pp 14-15 Potential impact on proved reserves and resources considering 2C scenarios, pp 17-19 Positioning for a lower-carbon energy future – upstream, p 20 Positioning for a lower-carbon energy future – downstream, p 21 What is ExxonMobil doing to prepare for a lower-carbon future while meeting energy needs of a growing population?, p 46 Why isn't ExxonMobil investing in existing renewable energy sources like wind and solar?, p 48
"audited report"	The Company has retained Lloyd's Register Quality Assurance, an independent accrediting firm, to provide reasonable assurance of the Company's sustainability disclosure, including reviewing the disclosure in the 2021 ECS. Lloyd's assurance has been requisitioned by the Company to be provided well before the January 31, 2022 date requested in the Proposal.

As described above in section 1 of this letter, the Proposal's focus on a report analyzing only one emissions reduction scenario (the IEA Net Zero 2050 scenario) is materially false and misleading. For this reason, the Company's practice, as described in the 2021 ECS, is to perform a multi-scenario analysis of the impacts of various scenarios established by the independent, well-regarded IPCC.[7]

Specifically, the Company's analysis includes 74 scenarios compiled and assessed by the IPCC, and identified as "Lower 2C" scenarios, all of which limit peak warming to below 2C during the 21st century with greater than 66% likelihood. Page 14 of the 2021 ECS includes two graphs that

[7] 2021 ECS pp 14-20.

show the range of total 2040 energy demand and its energy supply mix and the associated emissions over time predicted by these 74 scenarios. A number of these scenarios forecast more significant reductions in demand for fossil fuels (oil and gas) and more significant reductions in carbon emissions than the IEA Net Zero 2050 scenario referenced in the Proposal, as well as projecting fossil fuel demand beyond the year 2030, which is when, as noted in section 1 of this letter, the IEA Net Zero 2050 scenario ends.[8] As shown in the tables attached to this letter as Exhibit B, the IEA Net Zero 2050 scenario's fossil fuel demand and carbon emissions reductions fall squarely within the range of the 74 IPCC Lower 2C scenarios analyzed by the Company in the 2021 ECS. As such, the analysis performed in the 2021 ECS is of "a significant reduction in fossil fuel demand" that is similar to the reduction analyzed in the IEA Net Zero 2050 scenario, as requested by the Proposal.

The 2021 ECS also substantially implements the part of the Proposal that asks for a description of the effect of this reduction in demand on the Company's "underlying assumptions." Page 15 of the 2021 ECS describes how the average of the 74 IPCC Lower 2C scenarios affects assumptions regarding worldwide energy demand. Specifically with respect to fossil fuels, the 2021 ECS notes that "[n]atural gas demand is expected on average to be similar to 2010, while oil demand is projected on average to decline by about 0.5 percent per year. Together their share of energy demand is projected on average to still be almost 50 percent by 2040."[9] In addition, the 2021 ECS notes on the basis of this analysis of the 74 IPCC Lower 2C scenarios that "oil and natural gas remain essential components of the energy mix, *even in models with the lowest level of energy demand* [emphasis added]."[10] In other words, even in the various scenarios analyzed in the 2021 ECS that model greater drops in fossil fuel demand than in the IEA Net Zero 2050 scenario, oil and gas remain important sources of energy.

In addition, the 2021 ECS substantially implements the Proposal's request for a description of the effect of this reduction in demand on the Company's "financial position." Pages 17-19 of the 2021 ECS include a detailed discussion of the impact of the IPCC Lower 2C scenarios on the Company's proved reserves and resources. With respect to proved reserves, on the basis of the assumptions regarding demand that the Company has derived from the average of the IPCC Lower 2C scenarios, the 2021 ECS states that "a substantial majority of ExxonMobil's year-end 2019 proved reserves are expected to have been produced by 2040." In addition, the 2021 ECS notes that "the average of the IPCC Lower 2C scenarios implies significant use of oil and natural gas through the middle of the century [such that] these reserves face little risk from declining demand." With respect to resources or unproved reserves, again based on the average of the 74 IPCC Lower 2C scenarios, the 2021 ECS states that "assuming ExxonMobil retains its current share of global production, the Company would need to replenish its existing proved reserves entirely by 2040…" The 2021 ECS addresses these financial questions in terms of the development of the Company's assets (reserves) because the Company considers its future pricing models to be proprietary information. Future production of reserves serves as an appropriate proxy for future financial potential as revenue is generated primarily from production. This analysis is consistent with the Proposal's statement that "the report should be completed at reasonable cost and omitting proprietary information."

Finally, with respect to the Proposal's request for an "audited report," we describe in section 1 of this letter why this request is false and misleading. However, despite this, we note that the Company has retained Lloyd's Register Quality Assurance, an independent accrediting firm, to

[8] Although the IEA Net Zero 2050 scenario predicts net zero emissions by 2050, its demand projections only extend to 2030.

[9] 2021 ECS, p 15.

[10] 2021 ECS, p 15.

provide reasonable assurance of the Company's sustainability disclosure, including reviewing the disclosure in the 2021 ECS. Lloyd's assurance has been requisitioned by the Company to be provided well before the January 31, 2022 date requested in the Proposal.

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

The essential objective of the Proposal is for a report "on whether and how a significant reduction in fossil fuel demand" that is similar to the reduction analyzed in the IEA Net Zero 2050 scenario "would affect [the Company's] financial position and underlying assumptions." This has been substantially implemented as shown by the disclosures contained in the 2021 ECS. The public disclosure by the Company compares favorably with the essence of the Proposal, and thus the Proposal is excludable under Rule 14a-8(i)(10).

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 2021 Proxy Materials. If you should have any questions or need additional information, please contact the undersigned. 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

Enclosures Christian Brothers Investment Services

cc w/ enc: James E. Parsons & David A. Kern, ExxonMobil

SANFORD J. LEWIS, ATTORNEY

February 8, 2021
Via electronic mail

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

Re: Shareholder Proposal to Exxon Mobil Regarding Audited Net Zero Scenario Report on Behalf of Christian Brothers Investment Services, Inc.

Ladies and Gentlemen:
Christian Brothers Investment Services, Inc. (the lead "Proponent" of a filing group) is the investment manager and engagement representative for the Catholic United Investment Trust (CUIT), the ultimate beneficial owner of common stock of Exxon Mobil Corp. (the "Company"), and as such has submitted a shareholder proposal (the "Proposal") to the Company. I have been asked by the Proponent to respond to the letter dated January 5, 2021 ("Company Letter") sent to the Securities and Exchange Commission by Louis Goldberg of Davis Polk. In that letter, the Company contends that the Proposal may be excluded from the Company's 2021 proxy statement.

I have reviewed the Proposal, as well as the letter sent by the Company, and based upon the foregoing, as well as the relevant rules, it is my opinion that the Proposal must be included in the Company's 2021 proxy materials and that it is not excludable under Rule 14a-8. A copy of this letter is being emailed concurrently to Louis Goldberg.

SUMMARY

The Proposal requests that the Company's Board of Directors issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions. The supporting statement recommends that in issuing the report, the Company take account of information on assumptions, costs, estimates, and valuations that may be materially impacted and the potential for widespread adoption of net-zero goals by governments and peers, and that the report be supported by reasonable assurance from an independent auditor.

The Company Letter asserts that the Proposal is excludable pursuant to Rule 14a-8(i)(3), asserting that it is misleading to request the audited report, because there are no specific standards for an audit in line with the Proposal's requests. Yet, the Company contradicts its own assertion in noting that it has contracted for reasonable assurance by Lloyd's Register; furthermore, there are existing standards applicable to an audit and verification outside of the financial statement which are applicable to the request.

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The Company Letter also asserts that the Proposal is misleading in requesting scenario analysis of a single scenario, since the TCFD (the Taskforce on Climate-related Financial Disclosures) recommends consideration of multiple scenarios in business planning. The Proposal does not suggest that the Company needs to ignore other scenarios in its business planning or publications, but only that a focused and audited report on the IEA net zero scenario, which involves a more rapid drop in demand for oil and gas than the scenarios highlighted in its current reporting, will be helpful to investors in understanding the degree to which the Company is responsive to the convergence of world leaders, including government and business, in pursuit of net zero targets by 2050 of greenhouse gas emissions worldwide. Therefore, the Proposal is not misleading nor excludable under Rule 14a-8(i)(3).

The Company Letter also asserts that the existing reporting by the Company substantially implements the Proposal for purposes of Rule 14a-8(i)(10). The existing reporting however does not implement the Proposal nor its essential purpose. It assesses the average of a range of scenarios that dilutes and veils the underlying analysis and assumptions.

The IEA net zero scenario is not analyzed in the Company's existing reporting and involves a steeper decline over the next decade in global fossil fuel demand than the scenarios highlighted by the Company in its reporting. In the net zero scenario, demand for oil declines from 98 million barrels per day (mb/d) in 2019 to 65 mb/d in 2030, an annual average decline of more than 3.5%.[1] That is a steeper drop than the scenarios featured in the Company's focus on an average of IPCC lower 2°C degree scenarios.

There is a financially material difference between the focus of the Proponent's Proposal and the existing disclosures by the Company, such that an investor could come to different conclusions as to the Company's risks, opportunities, and strategic direction in reading one versus the other. In addition, the Company's existing reporting is not accompanied by reasonable assurance of the content and process of the analysis. Accordingly, the Proposal is not substantially implemented.

BACKGROUND

Global Leaders and Investors Converge on Net Zero by 2050

On January 27, 2021, the US joined eight of the 10 highest-emitting nations that have committed to seeking net zero greenhouse gas (GHG) emissions by 2050 (or 2060 for China). President Joseph Biden signed an executive order (EO) on that day to "put the United States on a path to achieve net-zero emissions, economy-wide, by no later than 2050." With the EO, the United States rejoined the global community's push to meet the Paris Climate Agreement's temperature goals, reducing global greenhouse gas emissions to attempt to control global temperature increase associated with climate change to less than 2°C, and to strive toward a 1.5°C temperature increase goal above pre-industrial levels. **The EO brings the US in line with other governmental, corporate and financial sector leaders who are adopting the same net zero by 2050 goal as a target.**

[1] IEA, World Energy Outlook 2020, Chapter 4: Achieving net zero emissions by 2050, page 151.

A major portion of the financial community, in particular, has embraced the net zero goal. The day before the EO, BlackRock's CEO Larry Fink issued his annual letter to corporate CEOs, calling on all investee companies to prepare a clear business plan in line with the transition to a net zero economy, "where global warming is limited to well below 2° C, consistent with a global aspiration of net zero greenhouse gas emissions by 2050…. We are asking you to disclose how this plan is incorporated into your long-term strategy and reviewed by your board of directors."[2]

The Fink letter followed other investor initiatives converging on net zero by 2050, including the Climate Action 100+, an initiative supported by investors with $52 trillion in assets under management which has been seeking net zero by 2050 commitments from more than 100 of the largest corporate greenhouse gas contributors to the global economy.[3] Various alliances of asset

[2] https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter

[3] On September 14, 2020, a letter was sent to the CEOs & Board Chairs of 161 global companies calling on these firms to commit to net-zero business strategies. The initiative, initially involving over 500 global investors with over $47 trillion USD in assets, sought to both engage critical companies and assess high-emitting company progress in line with a net-zero transition against 30 key indicators. The Climate Action 100+ (a diverse, global coalition of institutional investors seeking to engage and assist top-emitting companies in preparing for the low-carbon transition) called on these businesses to put in place net-zero business strategies and to clearly define targets to support their delivery. The letters also informed CEOs that companies would be assessed on progress made in becoming net-zero businesses. https://www.ceres.org/news-center/press-releases/climate-action-100-calls-net-zero-business-strategies-sets-out-benchmark

The Climate Action 100+ 2020 Progress Report further highlighted the significant growth and evolution of the Climate Action 100+ behind this request, and therefore growing demand for corporate progress in addressing GHG emissions. As of 2021, there are now 545 investor signatories, responsible for over $52 trillion USD in assets under management engaging with 167 companies throughout the initiative. The report details sector-level progress for the focus companies that are engaged by investors through Climate Action 100+, which comprises the world's 100 largest corporate greenhouse gas emitters (including ExxonMobil and its industry peer group) and over 60 more who are critical to accelerating the transition to net-zero emissions. Company-level progress against the goals of the initiative were recently reported in the 2021 Climate Action 100+ Net Zero Company Benchmark. The Climate Action 100+ 2020 Progress Report further made clear what investor expectations are regarding achieving net zero across numerous high-emitting sectors, including:

- Net-zero emissions target with a clear timeframe (e.g. 2050 or sooner).
- Clear scope and coverage of at least 95% of emissions for scope 1 and 2.
- Coverage of *material* scope 3 emissions.
- Short- and medium-term science-based emissions reduction targets that align with the overall pathway to net-zero.
- Clear disclosure on the business changes required to achieve the targets. For example: personnel or business structure changes, new skill sets required for the board or executives, expected changes to or closures of operational sites or product lines (e.g., an end-date for production of ICE vehicles), or closure of mine sites or coal-fired power stations.
- Transition plans for workers and communities affected by business changes.
- Assessment of current and planned capital expenditures, including underlying commodity price assumptions, modelling, methodologies and climate pathways that the companies have used to arrive at these decisions.

The report further finds that:

- 43% of focus companies now have goals or commitments for net-zero emissions by 2050 or sooner in some form.

owners and asset managers have further highlighted these net-zero commitments in public coalitions whose goals are to achieve institutional investor alignment of portfolios with a net-zero GHG outcome by 2050. As one other example of investor concerns about the company's trajectory, Engine No. 1, an investment firm that seeks to enhance long-term value through active ownership and which has nominated independent director candidates to the Board in connection with the 2021 Annual Meeting of Shareholders, issued a statement regarding Exxon Mobil's earnings call announcements on February 2, 2021:

> "[T]oday's patchwork of announcements do not materially alter Exxon Mobil's long-term trajectory nor do they position it to succeed in a changing world. For years, Exxon Mobil has pursued spending and strategic plans that position it to succeed only in the absence of a material long-term energy demand shift, and it remains positioned for continued value destruction for decades to come under alternate scenarios. It is equally poor long-term planning to rely almost exclusively on the idea that carbon capture will become scalable and affordable soon enough to allow for continued oil and gas production growth for decades to come under a Paris-compliant trajectory."[4]

International Energy Agency Net Zero 2050 Scenario

The International Energy Agency [IEA] has also acknowledged the net zero 2050 goal with the publication in 2020 of the IEA net zero 2050 scenario.

The IEA is a global advisory entity established by governments and corporations to provide analysis in support of the energy sector worldwide,[5] and has historically prepared sector

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- 10% of focus companies have net-zero targets that include coverage of their most material Scope 3 emissions.
- 194 new oil and gas projects sanctioned by Climate Action 100+ focus companies this year are misaligned with the Paris Agreement goals. Further, 68% of planned oil and gas capital expenditures were also inconsistent with these goals. https://www.climateaction100.org/wp-content/uploads/2020/12/CA100-Progress-Report.pdf, (page 77)

[4] https://reenergizexom.com/wp-content/uploads/2021/02/Engine-No.-1-Press-Release-2-2-21.pdf

[5] The IEA describes its mission as providing "authoritative analysis, data, policy recommendations, and real-world solutions to help countries provide secure and sustainable energy for all." Created in 1974 to help coordinate a collective response to major disruptions in the supply of oil, the IEA has evolved into an "all-fuels, all-technology approach, the IEA recommends policies that enhance the reliability, affordability and sustainability of energy. It examines the full spectrum of issues including renewables, oil, gas and coal supply and demand, energy efficiency, clean energy technologies, electricity systems and markets, access to energy, demand-side management, and much more."

The work of the IEA includes both ensuring energy security and promoting energy efficiency, and is notable for its Energy Business Council, which "brings together some of the world's largest companies involved in energy exploration, production and consumption, ranging from oil, natural gas and coal companies to automobile and appliance manufacturers, wind and solar producers and financial institutions. The aim of the EBC is to promote dialogue among the IEA, business community and policymakers across a broad range of cross-cutting issues with important implications for the global energy system." "Opinion leaders, both from governments and industry, acknowledge the importance of IEA analysis as a fundamental guide on the dynamics of the global energy sector. The EBC process is recognized as an instrumental forum, developing confidence and dialogue among energy market stakeholders. CEOs and Chairpersons of EBC member companies regularly participate in biennial IEA Ministerial meetings. IEA findings are frequently used in industry publications such as financial, annual and sustainability scenarios based on the limited legal policies officially enacted by national governments pursuant to the Paris Agreement, and therefore has provided relatively conservative estimates of the decline in fossil fuel demand in its STEPS (Stated Policies Scenario) which reflects only those national commitments backed up by detailed measures for their realization. The IEA prepared a Sustainable Development Scenario (SDS) which included a more ambitious framework, reflecting the surge in clean energy policies and investment, and the adoption by *some* nations and corporations of a commitment to net zero.[6] *The IEA indicated that the SDS would yield net zero by 2070.*

However, in 2020 the IEA, in recognition of government, business and financial leaders' convergence on the net zero 2050 goal, established a scenario based on the potential for a global consensus, and broader adoption of the goal of net zero by 2050, rather than the SDS scenario of net zero by 2070.[7]

The IEA net zero by 2050 scenario (NZE2050) focuses on the level of effort necessary over the next 10 years to allow a trajectory consistent with achievement of net zero by 2050. The specific technical and behavioral changes necessary to accomplish that goal are a significant stretch. NZE2050 evinces a world that is fully responsive to the climate emergency, and makes rapid adaptive changes, breakthroughs in both human behavior and technology. The IEA net zero by 2050 scenario focuses on activities of the next 10 years, with a rationale that decisions:

> "over the next decade will play a critical role in determining the pathway to 2050. For this reason, we examine what the NZE2050 would mean for the years through to 2030. Total CO2 emissions would need to fall by around 45% from 2010 levels by 2030, meaning that energy sector and industrial process CO2 emissions would need to be around 20.1 Gt, or 6.6 Gt lower than in the SDS in 2030."

The scenario involves a deeper commitment by governments and by energy companies, as stated

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reports and presentations." https://www.iea.org/areas-of-work/industry-engagement/energy-business-council

[6] The IEA Sustainable Development Scenario reflected adoption of anticipated policies by countries, including integration of the several countries that had so far introduced targets to achieve net-zero emissions by 2050. The Sustainable Development Scenario, taking those country targets into account, led to a projection of global net zero emissions by 2070.

[7] The IEA notes however that "increasingly attention is turning to what it would mean for the energy sector globally to reach net-zero emissions by 2050. This is examined in a new case in this Outlook, called Net Zero Emissions by 2050 (NZE2050)." The net zero scenario involves factors beyond fossil fuel reduction, including less reliance on carbon capture and sequestration, and more reliance on innovative technical breakthroughs. For instance, the scenario's fossil fuel related outcomes are grounded in changes in technology and markets where a rapid push is possible but challenging. For instance, it looks to a large reduction in industrial process CO2 emissions, principally from the cement and chemical subsectors, yielding a significant drop in fossil fuel use for process heat. A rapid growth in clean energy technologies for transportation is envisioned through a major increase in battery manufacturing capacity for electric vehicles. The IEA scenario emphasizes the challenging needs for technology innovation, low carbon fuels and integrated planning covering all parts of the system.

by the IEA:

> **"Getting to net zero will require unwavering efforts from all**
> To reach net-zero emissions, governments, energy companies, investors and citizens all need to be on board – and will all have unprecedented contributions to make. The changes that deliver the emissions reduction in the SDS are far greater than many realize, and need to happen at a time when the world is trying to recover from Covid-19. They rely on continuous support from key constituencies across the world, while also meeting the development aspirations of a growing global population. Achieving net-zero emissions globally by 2050 goes well beyond this, both in terms of the actions within the energy sector and those that would be required elsewhere. For any pathway to net zero, companies will need clear long-term strategies backed by investment commitments and measurable impact. The finance sector will need to facilitate a dramatic scale up of clean technologies, aid the transitions of fossil fuel companies and energy-intensive businesses, and bring low-cost capital to the countries and communities that need it most. Engagement and choices made by citizens will also be crucial, for example in the way they heat or cool their homes, or how they travel."

The IEA NZE2050 scenario entails a significant drop in fossil fuel demand against other IEA scenarios. The IEA notes that:

> **Oil use in 2030 in the NZE2050 is less than around three-quarters of the IPCC 1.5 °C scenarios; natural gas use in 2030 is less than around half of the scenarios;** and coal use in 2030 is less than around 30% of the scenarios.[8]

> **Demand for oil declines from 98 million barrels per day (mb/d) in 2019 to 65 mb/d in 2030 in the NZE2050, an annual average decline of more than 3.5%.**[9]

<u>Exxon Mobil's climate disclosures face legal, market and policy skepticism</u>

Overlaid against the net zero initiatives of governments, investors and experts like the IEA is extensive market, investor and insider concern regarding the accuracy and material completeness of Exxon's climate-related financial disclosures. One demonstration of the market's concern is the January 2021 setback when S&P Global Ratings noted that it may cut the credit score of Exxon Mobil and other major energy companies due to "greater industry risk" associated with climate change.[10]

There are numerous demonstrations of concern by insiders, analysts, local governments, and whistleblowers regarding the potential concealment or distortion of climate-related information by the Company. In addition, an array of shareholder litigation alleges that the Company is

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[8] World Energy Outlook 2020, page 131.
[9] IEA, World Energy Outlook 2020, Chapter 4: Achieving net zero emissions by 2050, page 151.
[10] https://finance.yahoo.com/news/exxon-shell-credit-ratings-vulnerable-151316692.html

misrepresenting information to investors on climate change.[11] In the litigation, numerous allegations have been made that the Company's existing reporting and accounting practices utilize various mechanisms to omit, downplay or distort the ramifications of global climate policy and science.

It is clear that some investors and analysts view the Company's existing disclosures with skepticism, and there is ample reason, according to whistleblowers, to sustain healthy skepticism. In a recent report, the National Whistleblower Center focused on the concern of insiders regarding understatement of risks posed by climate change to fossil fuel companies' own financial condition and to the economy at large. Notes the Center:

> "Fossil fuel companies, fearful of losing access to investment capital and loans, are therefore highly motivated to conceal their exposure to these risks…. It harms the economy by leaving financial institutions such as banks and insurers less prepared for the stresses of rapid asset deflation. This last type of harm deserves special attention. The potential for rapid asset deflation at large fossil fuel companies is a ticking time bomb that, if not detected and addressed, could make the global financial system implode. This is because banks, insurers and other globally significant financial institutions are heavily invested in these companies and may not be able to withstand the stresses of simultaneous company failures."[12]

The report illuminates the powerful economic forces[13] at work behind the scenes in the sector to incentivize climate related obfuscation, including overvaluation of assets by underestimating potential impacts of external events (e.g., market and price changes, and regulatory restrictions). It also highlights specific examples of concern at Exxon Mobil, including the complaints of a former Exxon Mobil accountant lodged with the SEC and alleging misrepresentations by the Company, overvaluing its shale assets.[14]

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[11] A number of derivative suits have been filed against the company or its officers alleging misstatements of climate related risks or the overvaluing of assets that would be impacted materially by climate change. For example, in one such lawsuit the plaintiff Saratoga alleges that, from 2014 to 2017, in an attempt to preserve Exxon's AAA credit rating, Exxon's directors made public statements that understated certain risks to the business and overstated the quality and profitability of its assets. For example, Saratoga asserts that Exxon misrepresented the estimated costs of greenhouse gas regulations it was using in its business decisions and did not appropriately project future costs of carbon and greenhouse gases.

[12] National Whistleblower Center, *Exposing a Ticking Time Bomb: How fossil fuel industry fraud is setting us up for a climate & financial implosion – and what whistleblowers can do about it*, 2020, page 4.

[13] The Whistleblower Center notes that the report is the first to use the methods of professional fraud investigators to identify fossil fuel industry financial disclosure practices that are likely to be fraudulent and that:

- Deception about the financial risks of climate change is pervasive across the fossil fuel industry.
- And two categories of material information are routinely omitted from companies' statements to shareholders:
  - The immediate risks that climate change poses to companies' financial condition.
  - The risk that the company's asset deflation will contribute to an economy-wide financial downturn.

[14] While the complaint is not public, it appears that one underlying concern is inadequate reflection of climate change impacts on pricing.

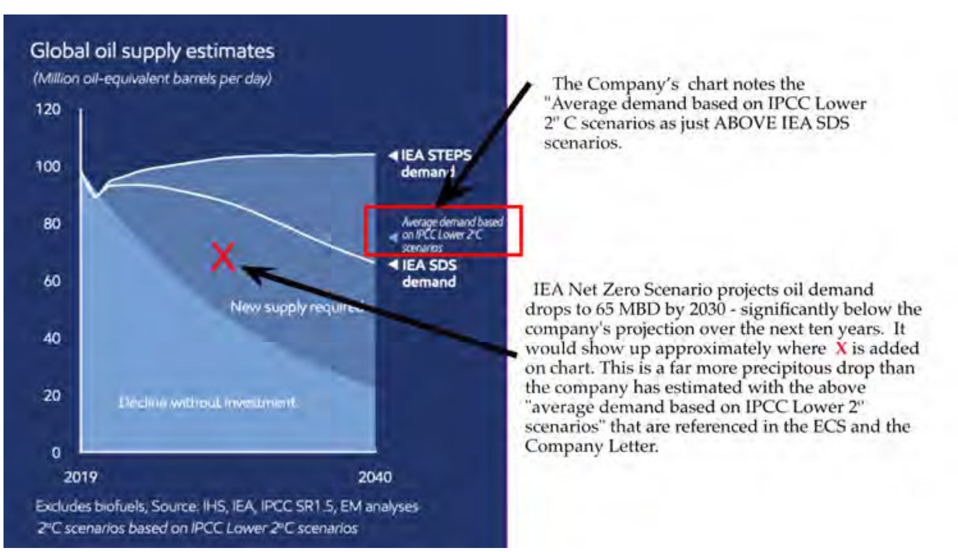
<u>The current Proposal and context of Company opposition</u>

In light of the skepticism of some investors on the rigor and completeness of the Company's disclosures regarding financial impacts of rapidly advancing global responses to climate change, this reporting Proposal attempts to delineate a more rigorous audited analysis of the scenario that is most closely aligned with the convergence of investors, governments and policymakers on net zero by 2050--one that includes the impact on the Company's financial position and underlying assumptions and that takes account of costs, estimates, and valuations that may be materially impacted, as well as the growing potential for widespread adoption of net-zero goals by governments and peers.

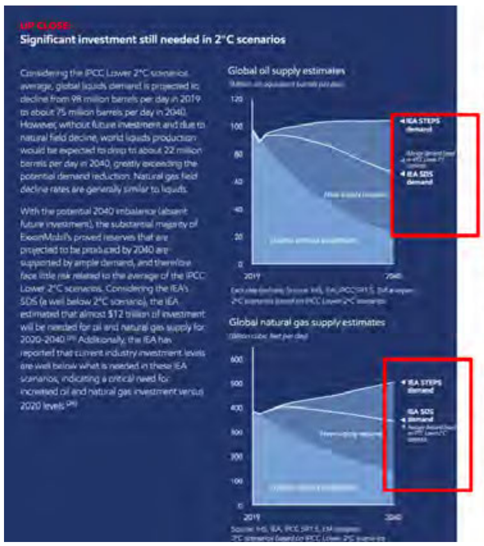
Given the groundswell of investor engagement on and commitment to widespread adoption of net zero by 2050 objectives by portfolio companies, the new scenario developed by the experts at the IEA represents a logical target of investor interest at Exxon Mobil--an attempt to elicit rigorous analysis and financial disclosure by the Company on the scenario on which global leadership is converging, and against a backdrop of investor skepticism regarding the Company's climate disclosures regarding an industry transition to low-emitting energy sources.

The Company Letter notes that the IEA net zero 2050 scenario is built around "drastic changes to current policies, behavior and technology." For years, Exxon Mobil has consistently argued to its investors, in essence, that the human race is incapable of making such drastic changes to reduce global greenhouse gas emissions.

Although the Company analyzes various scenarios in its publications, consistent with its ongoing posture in opposition to rapid global adoption of necessary changes, the Company's 2021 Energy and Carbon Summary features the IEA STEP and SDS scenarios but neglects to include or illustrate the NZE2050 scenario—the one that could reflect more material impacts to its core business lines.



The chart above is the Company's graph of fossil fuel demand from page 17 of its 2021 Energy and Carbon Summary, which is highlighted in the No Action Request. In fine print it annotates the scenarios that it has analyzed, "average demand based on IPCC lower 2°C scenarios." We have added an annotation at the "X" that shows approximately where the IEA net zero scenario would fall on this chart had it been analyzed and reported.

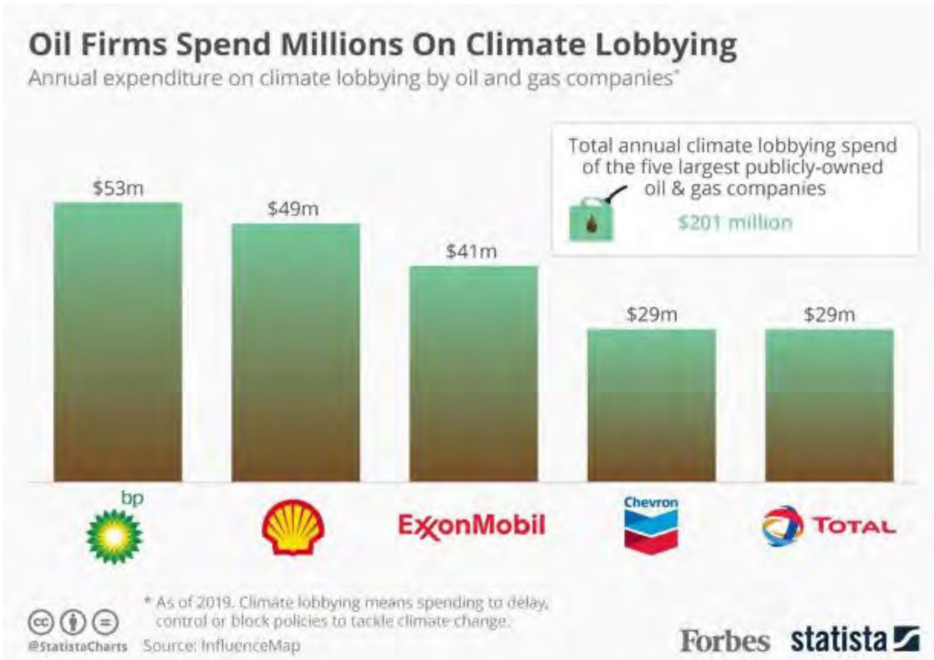


The Company's own reporting highlights IEA scenarios with higher oil and gas demand, but not the net zero scenario.

This excerpt from page 17 of the Exxon Mobil 2021 Energy and Carbon Summary -- which is highlighted in the no action request -- prominently features two IEA scenarios that involve higher carbon oil and gas demand.

In contrast, the chart does not illustrate or assess how the IEA net zero scenario that is the focus of the proposal would alter this chart and accompanying discussion. The proponents believe the requested scenario would yield both lower demand lines on this graph, and changes to the underlying assumptions and accompanying discussion.

In effect, the decision to not include IEA net zero in this chart in the Company's Energy and Carbon Summary is the equivalent to sustaining Exxon's ongoing posture that the world will not reduce fossil fuels as quickly as necessitated by the net zero scenario. This is a repetition of the Company's narrative of recent years. Discounting the likelihood of such a scenario is also something that the Company and the oil and gas industry have heavily invested in maintaining. The research organization InfluenceMap estimates that the oil and gas sector has spent $1 billion in lobbying and climate branding expenditures since the Paris climate agreement to persuade governments not to make drastic changes in energy policy that would restrict its market demand. This includes annual expenditures by Exxon Mobil of $41 million on climate lobbying, defined as "spending to delay, control or block policies to tackle climate change."



ANALYSIS

Rule 14a-8(i)(3)

The Company Letter asserts that the Proposal is misleading either because there is no applicable audit standard for the requested report, or because the TCFD recommends that companies deploy a range of scenarios in assessing climate risk. Both of these issues amount to advocacy arguments by the Company, possibly appropriate points for the Company to make in an opposition statement accompanying the Proposal in the proxy, but not a basis for excluding the Proposal.

<u>The request to prepare an audited report is not misleading</u>

First, the Company asserts there is no audit standard applicable to the proposed report requested by Proponents. Contrary to the Company's assertion regarding audit standards, there are sufficient norms available, as demonstrated in part by the willingness of accounting firms to provide verification of sustainability accounting issues at companies. In contradiction of the Company's argument about audit standards in its Rule 14a-8(i)(3) argument, it acknowledges in the Rule 14a-8(i)(10) argument that in fact, Lloyds provides "reasonable assurance" on its sustainability reporting process.[15]

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[15] Contrary to its assertion that an audited report is not possible, the Company Letter notes "that the Company has retained Lloyd's Register Quality Assurance, an independent accrediting firm, to provide reasonable assurance of the Company's sustainability disclosure, including reviewing the disclosure in the 2021 ECS. Lloyd's assurance has been requisitioned by the Company to be provided well before the January 31, 2022 date requested in the Proposal."

We note that standards exist for auditing and verification outside of the financial statements. The Proponents' resolution did not request an audited financial statement with the suggested disclosures, but rather an "audited report." An audited report refers to the process by which an independent accounting firm would reach an opinion with reasonable assurance that management's assertions in the report are correct.

Standards are available for such an assessment. The International Auditing and Assurance Standards Board (IAASB) sets high-quality international standards for auditing, assurance, and quality control that strengthen public confidence in the global profession. The IAASB International Standard on Assurance Engagements 3000 Standard (Assurance Engagements Other than Audits or Reviews of Historical Financial Information) is an assurance standard that provides guidance for assurance engagements other than audits or reviews of historical financial information. This standard is commonly applied to sustainability and greenhouse gas reporting matters.

Looking at the examples provided in the Proposal, it is clear that **other** companies have worked with their auditors to adjust their financial reporting to rigorously address anticipated decarbonization developments. As noted in the Proposal:

> — [M]any Exxon Mobil peers (including BP, Eni, Equinor, Repsol, Royal Dutch Shell, and Total) [including committing] to major GHG reductions, including setting "net zero emission" goals by 2050;
>
> — Investors are also calling for high-emitting companies to test their financial assumptions and resiliency against substantial reduced-demand climate scenarios, and to provide investors insights about the potential impact on their financial statements;
>
> — As of November 2020, Exxon Mobil had neither committed to net-zero emissions by 2050 across its value chain, nor disclosed how its financial assumptions would change from doing so;
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> — In contrast, the audit reports for other high GHG-emitting companies clearly discussed this connection [in assessing and identifying critical audit matters]:
>
> - BP: how climate change and a global energy transition impacted the capitalization of exploration and appraisal costs and risks that oil and gas price assumptions could lead to financial misstatements;

Company Letter, page 6-7.

> - Shell: how long-term price assumptions impacted by climate change could affect asset values and impairment estimates;
>
> - National Grid: noted estimates inconsistent with 2050 "net zero" commitments;
>
> — Additionally, in 2020, BP, Shell and Total reviewed their 2019 financial accounting practices in light of the accelerating low-carbon energy transition. All three subsequently adjusted critical accounting assumptions, resulting in material impairments, and disclosed how climate change affected the adjustments.

Thus, the Company's assertion fails in asserting that it cannot issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions. The absence of financial adjustments by Exxon Mobil, in contrast to its peers, has contributed to market reactions to the Company indicative of skepticism, including concerns that key risks are not being factored into financial reports.

It is not misleading to investors to request such a report. However, we would agree that it could be appropriate for the Company to describe any limitations on available standards for reporting in its opposition statement on the proxy statement. But they are not grounds for exclusion of the Proposal.

In further contrast to the Company's assertion that an audited report is not possible, we note that PriceWaterhouseCoopers (PwC), the Company's financial statements auditor for many years, advertises its availability to conduct compliance and assurance activities on climate change matters. In particular, the Company notes that it "provides compliance and assurance services for all facets of the sustainability agenda."[16] In fact, PwC has committed to net zero GHG emissions by year 2030 for all of its global network. PwC notes:

> "With global reach across 157 countries, industry coverage, and its 284,000 people that support clients at every stage – from reshaping strategy and transformation, to deals, reporting, audit, and tax – the PwC network has a huge opportunity to accelerate the transition to a net zero future in collaboration with its clients.
>
> The network supports organisations as they develop and implement concrete plans for how to get to net zero. This includes re-alignment of corporate strategy, people and talent, governance and accountability, operating model, innovation and research and development (R&D), tax strategy and reporting, and enterprise and supply chain

[16] Examples cited by PWC include certified emissions reductions, life-cycle carbon and water footprints and stand-alone sustainability reports and sustainability portions of annual reports.
https://www.pwc.com/gx/en/services/sustainability/compliance-and-assurance.html

> transformation. Other areas include partnerships and alliances, and corporate affairs and regulatory engagement.
>
> Building on existing client work in sustainability and net zero transformation, PwC will infuse science-led climate analysis into its areas of service. For example, its Advisory practice is integrating climate risks into relevant engagements, providing clients with insights about climate risks and opportunities as well as helping them to transform their business processes. Another major focus area will be integrating climate-related and other ESG-related factors into mainstream corporate disclosures and governance, where PwC's Assurance practice will support the development of high-quality, aligned disclosure and measurement standards and help clients embed these into their reporting and governance. Across its Tax practice, PwC will be helping clients understand how net zero transformation will impact tax strategy, transparency and compliance obligations, subsidy and incentive opportunities, and revenue impacts for both public and private sector organisations."[17]

It is apparent that the preparation of an audited report with appropriate descriptions by the auditor of the extent of verification, data and processes reviewed, aspects of verification and any exceptions or critical considerations can be implemented, and it is not misleading to request such a report.

The request to rigorously assess a specific scenario is not misleading

The Company Letter next asserts that the Proposal is misleading because the TCFD has indicated that companies (and investors) should select scenarios that "cover a reasonable variety of future outcomes, both favorable and unfavorable."[18] However, given the skepticism of some institutional investors over the past decade, discussed in the background section, that Exxon Mobil tends to hide behind the complexity of its disclosure and reporting in a manner that conceals climate risk and that prominently omits higher-impact scenarios like the IEA's Net Zero 2050, the request to rigorously evaluate the specific scenario omitted from its reporting and which implies a steeper decline in oil and gas demand over the next decade seems a logical and appropriate step.

As shown in the graphics above from the Company's 2021 ECS report, the reporting highlights the more lenient IEA pathways (STEPS and SDS) but fails to include the steeper decline in fossil fuel demand implied by the IEA net zero pathway even though the scenario was available before the ECS was published.

As discussed further in the substantial implementation discussion below, the Proposal does not preclude the Company from continuing to analyze multiple scenarios but seeks a rigorous and verified analysis of the IEA net zero scenario, which the Proponents believe would provide

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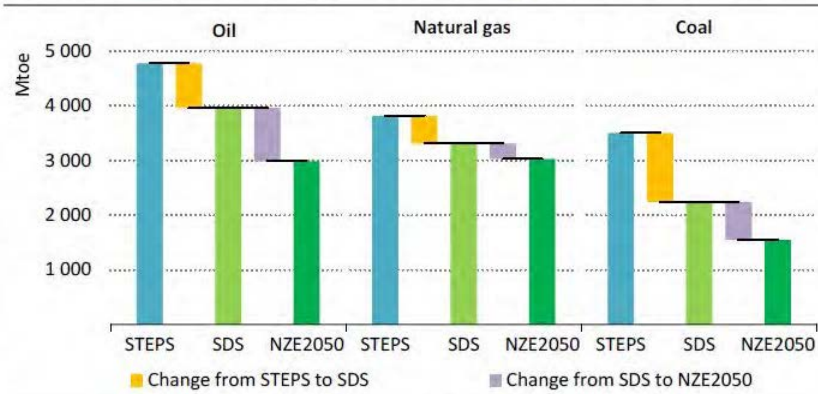
[17] https://www.pwc.com/gx/en/news-room/press-releases/2020/pwc-commits-net-zero-2030.html

[18] "The Company, as demonstrated in the 2021 ECS and recommended by TCFD, has analyzed a range of different scenarios to make its public disclosures regarding future demand changes and financial impacts, so as not to give the false and misleading impression that any one scenario predicts the future of the Company's operations and financial performance." Company Letter, page 3.

greater transparency and accountability compared with current reporting. The IEA net zero scenario goes beyond the STEP and SDS scenarios, as well as the "average of the 74 IPCC scenarios" in its assumptions about the impact to the demand for oil, and related matters which would place the Company's prospects in a less favorable light than its current ECS.

Investors do not just want disclosure on climate change, they want decision-useful disclosures, and what is more decision-useful at present is seeing and understanding how integrated oil and gas companies like Exxon Mobil are positioned strategically for a swift-moving energy transition over the next decade.

Figure 4.5 ▷ Differences in fossil fuel demand in the scenarios in 2030



Declines in fossil fuel use in the SDS are further extended in the NZE2050. By 2030, coal use is 55% lower in the NZE2050 than the STEPS, oil is 40% lower and natural gas is 20% lower.

The independent research organization Carbon Tracker has analyzed data for oil and concluded that NZE2050 amounts to a 3% decline difference per year compared to the Company's 2021 ECS.[19] Over a decade, that is an additional 30% decline in oil demand--financially material to the Company and its investors.

The Proponents believe an audited analysis against the omitted NZE2050 scenario would also help to clarify more regarding ExxonMobil's future energy price assumptions, CAPEX strategies, impairment estimates, and other financial factors, especially over the next decade. Since many investors want to assess whether ExxonMobil is prepared for a swift low-carbon energy transition, the Proposal seeks disclosure that approximates the impact to the Company under a much lower oil and gas demand scenario, under an aggressive climate policy scenario, and on the likely context in which financial institutions are less inclined to lend to, underwrite, or in other ways financially invest in high-emitting business activities.

The current Proposal is not misleading in its request for an audited report that focuses on the NZE2050 scenario and is not excludable under Rule 14a-8(i)(3).

[19] Personal correspondence of Tracey Rembert of Christian Brothers Investment Services with Robert Schuwerk, Carbon Tracker, January 19, 2021.

Rule 14a-8(i)(10)

The Company Letter asserts that the Company's reporting substantially implements the Proposal, even though it has not published the requested analysis. Instead, the Company's argument is that the global decarbonization scenarios in its 2021 Energy and Carbon Summary, and adjacent analysis of assumptions and financial impacts, fulfills the essential purpose of the Proposal even if it doesn't meet the guidelines.

However, the Proponent respectfully asserts that the Company has neither implemented the guidelines nor essential purpose of the Proposal, which would entail a rigorous assessment of its financial prospects against the IEA NZE2050 scenario which involves a steeper decline in oil and gas demand than the scenarios highlighted in its reporting. In a policy and investment environment in which there is skepticism about the Company's climate related disclosures, the guidelines of the Proposal are intended to bring more rigorous disclosure on a scenario material to investors, and implicitly, to ensure any disclosures issued by the Company in response to this Proposal are not misleading in their statements or omissions.

Notably, the Company Letter does not challenge the form of the Proposal. The Company has not asserted that the guidelines of the Proposal are inappropriate, only that it wishes to avoid fulfilling them based on its other reporting.

In the Staff's view, a determination that the Company has substantially implemented the Proposal depends upon whether its particular policies, practices and procedures compare favorably with the guidelines of the Proposal. *Texaco, Inc.* (Mar. 28, 1991). Substantial implementation under Rule 14a-8(i)(10) requires a company's actions to have satisfactorily addressed *both* the Proposal's guidelines and its essential objective. See, e.g., *Exelon Corp.* (Feb. 26, 2010). The Commission stated in 1976 that the predecessor to Rule 14a-8(i)(10) was "designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management." Exchange Act Release No. 12598 (July 7, 1976). Substantial implementation under Rule 14a-8(i)(10) requires a company's actions to have satisfactorily addressed both the proposal's underlying concerns and its essential objective. In the present instance, the Company's reporting has done neither.

Essential purpose and guidelines

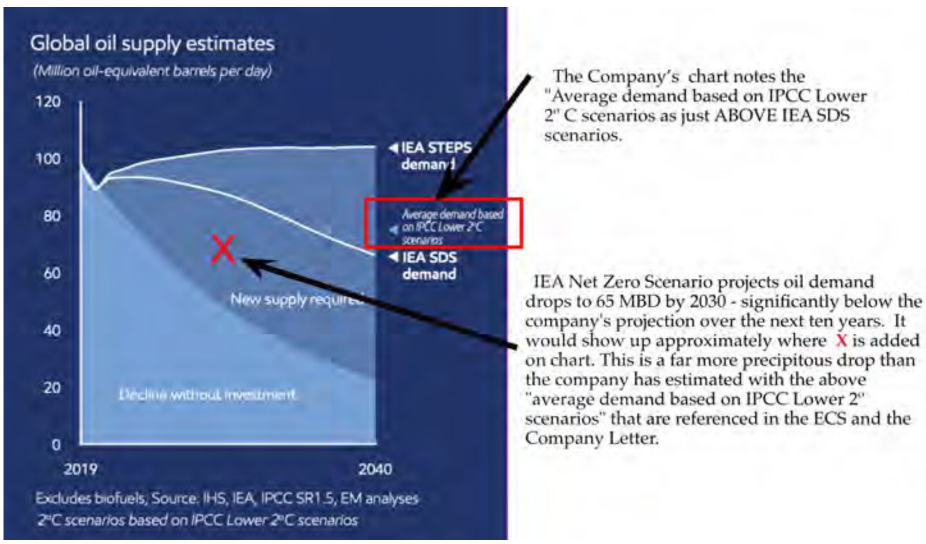
Reaching past the clear guidelines contained in the Proposal, the Company Letter distorts the Proposal's "essential purpose" just enough to claim that it is implemented. The Company letter states:

> The essential objective of the Proposal is for a report "on whether and how a significant reduction in fossil fuel demand" that is similar to the reduction analyzed in the IEA Net Zero 2050 scenario "would affect [the Company's] financial

position and underlying assumptions."[20]

In fact, the Proposal does not focus on "a significant reduction in fossil fuel demand that is ***similar to the reduction in NZE2050***." Instead, it focuses on seeking a rigorous, audited analysis from the Company that examines "whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions." The role of NZE2050 in the analysis is not incidental or insignificant, and the Proposal is not focused on NZE2050 or *similar* scenarios.

As noted above, in the net zero scenario, demand for oil declines from 98 million barrels per day (mb/d) in 2019 to 65 mb/d in 2030, an annual average decline of more than 3.5%.[21] That is a steeper drop than the scenarios featured in the Company's focus on an average of IPCC lower 2°C degree scenarios.



Moreover, the Proposal notes in the supporting statement, that the analysis of IEA NZE2050 should take account of: "Assumptions, costs, estimates, and valuations that may be materially impacted; and [t]he potential for widespread adoption of net-zero goals by governments and peers." It is also recommended that the report be supported by reasonable assurance from an independent auditor.

The whereas clauses of the proposal, repeated here for convenience, also help to define the essential purpose of the Proposal. Staff Legal Bulletin 14K (in a discussion of micromanagement) noted that "when analyzing a proposal to determine the underlying concern or central purpose of any proposal, we look not only to the resolved clause but to the proposal in its entirety."[22]

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[20] Company Letter, page 4.
[21] IEA, World Energy Outlook 2020, Chapter 4: Achieving net zero emissions by 2050, page 151.
[22] https://www.sec.gov/corpfin/staff-legal-bulletin-14k-shareholder-proposals

As stated in the Proposal:

> — [M]any Exxon Mobil peers (including BP, Eni, Equinor, Repsol, Royal Dutch Shell, and Total) [including committing] to major GHG reductions, including setting "net zero emission" goals by 2050;
>
> — Investors are also calling for high-emitting companies to test their financial assumptions and resiliency against substantial reduced-demand climate scenarios, and to provide investors insights about the potential impact on their financial statements;
>
> — As of November 2020, Exxon Mobil had neither committed to net-zero emissions by 2050 across its value chain, nor disclosed how its financial assumptions would change from doing so;
>
> — In contrast, the audit reports for other high GHG-emitting companies clearly discussed this connection [in assessing and identifying critical audit matters]:
>
> - •BP: how climate change and a global energy transition impacted the capitalization of exploration and appraisal costs and risks that oil and gas price assumptions could lead to financial misstatements;
> - •Shell: how long-term price assumptions impacted by climate change could affect asset values and impairment estimates;
> - •National Grid: noted estimates inconsistent with 2050 "net zero" commitments;
>
> — Additionally, in 2020, BP, Shell and Total reviewed their 2019 financial accounting practices in light of the accelerating low-carbon energy transition. All three subsequently adjusted critical accounting assumptions, resulting in material impairments, and disclosed how climate change affected the adjustments.

Viewing the whereas clauses of the proposal to inform the Proposal's essential purpose, it is evident that the Company is viewed by the Proponents as lagging its peers in the degree of transparency and responsiveness to the impacts that climate change may have on long-term financial results. Accordingly, the Proponents, through their Proposal, are seeking an audited report on the financial impact of a downside scenario consistent with demand declines contemplated by the Paris Agreement and encapsulated in a specific IEA scenario with steeper declines in fossil fuel demand than those featured in the Company's report.

In addition to reflecting a more optimistic demand scenario, the use of an average of a range of scenarios as the Company has done with 74 IPCC scenarios dilutes the focus and therefore makes the reporting less transparent and useful.[23] Review of the specific scenario will go further to allow investors to understand the elasticity of risk exposure compared with the current approach of averaging a range of scenarios.

The analyses published by Exxon Mobil are apparently not audited for accuracy of content, but only for processes used, and this is inconsistent with the type of analysis contemplated by the Proposal and conducted by other companies.

The Proposal requests a discussion of assumptions. Among other things, the Proponents would expect that the Company would disclose future commodity price assumptions used (as BP, Royal Dutch Shell and Total do); how those commodity prices are applied to assets (i.e., just the upstream?, for example), the related tax incidence (i.e., does it assume they are passed onto consumers, or that they are tax deductible, minimizing impact?), and how they impact volumes and pricing in those scenarios. Further, the Company should provide the potential financial impact of those assumptions (i.e., the NPV of assets, the increase in reserves write-downs or impairments, or shortened useful lives of upstream assets).[24]

The Company's reporting does not fulfill the underlying concern or essential purpose

In this instance, the underlying concern is demonstrated by the actions of other companies cited in the whereas clauses, both embracing the global uptake of net zero goals while setting company-specific targets *and* revising financial statements to reflect changing understanding of climate change transition risk.

The January 2021 announcement of S&P to cut the credit rating of Exxon Mobil was also motivated by the conclusion that the Company is underestimating climate transition risk. Notes S&P in its release:

> "One of the main drivers for our revised industry risk assessment and the related changes in business risk profiles is the energy transition. Strategic announcements in 2020 and earlier by BP, Shell, Total, and others are a response to the energy transition and the increasing risks and uncertainties for oil and gas producers as a result of governments' and consumers' concerns and actions on greenhouse gas emissions in particular. The outlook revisions and CreditWatch placements reflect our reassessment of the industry's and companies' risk profiles, in part due to these environmental risks."[25]

[23] While the company may choose for other reasons to use an average of a range (or privately test some downside cases), neither of these is substantially similar to a downside test case.
[24] Other company peers have already done multiple write-downs based on excessive price assumptions. For instance, in December 2019, Repsol announced it would write down assets by US$5.3 billion. In May 2020, BP announced it was lowering its price assumptions and slashing up to US$17.5 billion from the value of its assets. In June 2020, Shell announced it would be cutting the value of its oil and gas assets by US$22 billion.
[25] http://press.spglobal.com/2021-01-26-S-P-Global-Ratings-Takes-Multiple-Rating-Actions-On-Major-Oil-And-Gas-Companies-To-Factor-In-Greater-Industry-Risks

Here, the substantial implementation claim amounts to an assertion that the Proposal is fulfilled even though its existing disclosures **omit** the requested scenario, thereby downplaying the associated risks to its finances that other analysts are noting. The Company Letter focuses on attempting to show that the amount of decarbonization and reduced fossil fuel demand entailed in NZE2050 was contemplated within the range of scenarios considered in the 2021 Energy and Carbon Summary.[26]

Although framed as a substantial implementation challenge, in effect, the approach taken by the Company raises the question of whether, in a disclosure proposal, the Company can ignore guidelines based on the materiality of climate concerns (as noted in the background section) and to instead contrive an "essential purpose" that works around those guidelines, and ignores the essential purpose as demonstrated by the Proposal in its entirety, including the whereas clauses. We respectfully assert that allowing such an exception to the guidelines of the Proposal is inconsistent with the Commission's intention to only exclude proposals as substantially implemented where the company's actions compare favorably with the guidelines of the proposal.

Verification of content of report

The Company Letter asserts that its existing voluntary reporting, the ECS and sustainability reporting, will be subjected to verification by Lloyds.[27] Such assurance is not substantially implemented by a contract to conduct such assurance in the future, but would only be deemed implemented once it is accomplished. Thus, the Company's assertion of substantial implementation of the Proposal on the basis of a future commitment to assurance does not implement the Proposal. Furthermore, it is unclear from the Company Letter whether the assurance is exclusively a review of process, or also entails verification of the content of the reports, as is implied by the current Proposal. To that end, we note that the independent assurance statement of Lloyd's on the company's 2019 sustainability report entailed verification of the report **process** without verification of the content.[28] Therefore, based on the record of company activities and the limited disclosure of the Company regarding the "requisitioning" of assurance, we have reason to believe that the assurance requisitioned may fall short of that requested by the Proposal.

ECS report prominently OMITS the requested net zero scenario

The glaring *omission* of NZE2050 in the Company's graphic support for its ECS report could constitute a materially misleading report if it were issued in response to the Proposal, and

[26] With multiple factors in play, there are no IPCC scenarios that are a direct match to the IEA net zero 2050 scenario. For instance, IEA notes that "most of the scenarios assessed by the IPCC that limit the temperature to 1.5° C assume a lower level of population and economic growth than in the [IEA's] SDS and NZE2050.

[27] The Company Letter notes that it "has retained Lloyd's Register Quality Assurance, an independent accrediting firm, to provide reasonable assurance of the Company's sustainability disclosure, including reviewing the disclosure in the 2021 ECS. Lloyd's assurance has been requisitioned by the Company to be provided well before the January 31, 2022 date requested in the Proposal." Company Letter, page 6-7.

[28] https://corporate.exxonmobil.com/Community-engagement/Sustainability-Report/LR-independent-assurance-statement

therefore the referenced reporting cannot substantially implement the Proposal.

The Company's own reporting highlights other IEA scenarios with higher oil and gas demand, but not the net zero scenario. The excerpt from page 17 of the Exxon Mobil 2021 Energy and Carbon Summary -- a report that is featured in the Company Letter -- prominently features two IEA scenarios that involve much *higher* oil and gas demand, but not the IEA net zero scenario.[29]

The chart prominently features the STEPS scenario and the SDS scenario but does not illustrate how the IEA net zero scenario that is the focus of the Proposal would alter this chart and accompanying discussion. The Proponents believe incorporation of NZE2050 would yield both a lower demand line on the graph, and changes to the underlying assumptions and accompanying discussion.

Since issues associated with the Company's readiness for a net zero global economy are material issues for investors, omission of the NZE2050 scenario may have repercussions for the Company beyond the Proposal. There is no explanation in the Report as to why that scenario's analysis does not appear in the ECS report along with the Company's more optimistic projections.

Accordingly, the Company's existing reporting regarding the subject matter of the Proposal does not substantially implement it. The Proposal targets a prominent omission in the ECS report and other Company disclosures. ***Reporting by the Company that contains an omission of the critical information requested by the Proposal cannot be seen as substantially implementing the Proposal.***

<u>Reconsidering Recent Staff Decisions on Substantial Implementation</u>

To the extent that the Staff views the rationale of recent precedents cited by the Company, such as *Exxon Mobil Corporation* (March 20, 2020), *Hess Corporation* (April 11, 2019), *Exxon Mobil Corporation* (April 3, 2019) as justifying exclusion of the current Proposal as substantially implemented, we urge the Staff to rethink its approach to substantial implementation to realign with the publicly stated policies of the Commission on substantial implementation. The recent changes in the Staff approach to substantial implementation have been perceived by proponents as producing inappropriate obstruction of a number of proposals meriting a shareholder vote. They did not appear to be consistent with the long-standing position of the Staff and commission that "[the company's] particular policies, practices and procedures compare favorably with the guidelines of the proposal."

To the extent that those recent Staff rulings at oil and gas companies found substantial implementation despite the failure of the companies to meet the guidelines of the proposals, the present Proposal represents an opportunity to reverse those substantial implementation precedents which undercut proposals seeking to address the significant climate change concerns of investors.

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[29] The ECS report does later acknowledge the existence of the NZE2050 scenario, but only to note that the scenario contemplates some use of carbon capture technologies.

We call attention, in particular, in the above-cited determinations in Exxon Mobil and Hess to the proposals asking the companies to discuss "if and how" the companies would align with the Paris agreement's temperature goals. The decisions by the Staff to allow exclusion of these proposals ignored the essential purpose of the proposal from the standpoint of the proponents. The Staff exclusion decisions treated the Company's volume of reporting as responsive to the proposal, even though that reporting ignored the clear "essential purpose" evident in the language of the proposals.

Instead of responding to the "if" question— "would they or wouldn't they align with the Paris agreement?" — the companies asserted substantial implementation while avoiding a yes or no response to the proposals core question and guideline. Instead, the companies pointed to a volume of complex and unresponsive reporting which occasionally mentioned the Paris agreement, without characterizing the company's intent to align or not. Based on the determinations allowing exclusion, it appears that the Staff took a broad view of the essential purpose in order to allow voluminous but noncompliant reporting to suffice.

Yet, looking at the essential purpose from the perspective of the proponents, it is clear that the proponents intended to request a clear response from the company on a central, material benchmark of concern– does the board or management believe that business plans are aligned or will be aligned with the Paris Agreement, and if so, how will it accomplish that alignment? As such, we believe that the proposals should not have been excludable.

Whether we understand this shortcoming of the Company's reporting as a failure to meet the guidelines, or failure to address the essential purpose of the Proposal, it is evident to us that the determination to allow exclusion of the Proposal and to deny shareholders the opportunity to vote on this issue is both unnecessary and ill-advised.

We note, in addition, that President Biden's Executive Orders of January 20 and January 27 call on all federal agencies to look for opportunities to reverse the actions of the last four years that have undercut responsiveness to climate change and public health responses. We suggest that the current proposal reflects one such opportunity to engage in such a reversal, by providing a more balanced implementation of the "substantial implementation" doctrine. Both the guidelines and the essential purpose of a Proposal must be fulfilled in order to find substantial implementation.

In recognizing the essential purpose of the current Proposal from its whereas clauses, it is clear that the Company's existing reporting doesn't come anywhere near to fulfilling that essential purpose.

<u>The Proposal is not implemented on the Company's website</u>
To find the current Proposal nonexcludable in the present instance it is not necessary to overrule those precedents, because the guideline of this particular Proposal is clearer than it was in those instances. In this instance, the Proponents seek an audited report against a low-demand scenario similar or equal to the NZE2050. Unlike the proposals found substantially implemented in Hess and Exxon with their "if and how" formulation, the current Proposal contains clearer, more specific guidelines which are not implemented by the Company.

While the Proponent would prefer to see a report that exclusively focuses on the IEA net zero analysis as framed in the Proposal, we are aware that Staff decisions finding that if content requested by a Proposal is readily available on the Company's website, even in disparate locations, the Staff might decline to require that the information be compiled into a single report. However, that is not the case here. In this instance, Proponents are asking for an audited report of the financial implications of a climate scenario that would show a significant decline in oil and gas demand. The Company has not implemented the requested analysis anywhere on its website.

Impetus of Executive Orders of January 20 and January 27, 2021

We note, in addition, the aforementioned Presidential executive orders of January 20 and January 27 which call on all federal agencies to look for opportunities to address the challenges posed by climate change. We respectfully suggest that the executive orders provide an additional impetus for non-exclusion of the Proposal. Allowing shareholders to vote on the Proposal will enable private ordering to encourage better disclosure and climate performance by Exxon Mobil and other registrants.

CONCLUSION

Based on the foregoing, we believe it is clear that the Company has provided no basis for the conclusion that the Proposal is excludable from the 2021 proxy statement pursuant to Rule 14a-8. As such, we respectfully request that the Staff inform the Company that it is denying the no action letter request. If you have any questions, please contact me at 413-549-7333 or sanfordlewis@strategiccounsel.net.

Sincerely,

Sanford Lewis

cc:
Louis Goldberg
Tracey Rembert

SANFORD J. LEWIS, ATTORNEY

February 8, 2021
Via electronic mail

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

Re: Shareholder Proposal to Exxon Mobil Regarding Audited Net Zero Scenario Report on Behalf of Christian Brothers Investment Services, Inc.

Ladies and Gentlemen:

Christian Brothers Investment Services, Inc. (the lead "Proponent" of a filing group) is the investment manager and engagement representative for the Catholic United Investment Trust (CUIT), the ultimate beneficial owner of common stock of Exxon Mobil Corp. (the "Company"), and as such has submitted a shareholder proposal (the "Proposal") to the Company. I have been asked by the Proponent to respond to the letter dated January 5, 2021 ("Company Letter") sent to the Securities and Exchange Commission by Louis Goldberg of Davis Polk. In that letter, the Company contends that the Proposal may be excluded from the Company's 2021 proxy statement.

I have reviewed the Proposal, as well as the letter sent by the Company, and based upon the foregoing, as well as the relevant rules, it is my opinion that the Proposal must be included in the Company's 2021 proxy materials and that it is not excludable under Rule 14a-8. A copy of this letter is being emailed concurrently to Louis Goldberg.

SUMMARY

The Proposal requests that the Company's Board of Directors issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions. The supporting statement recommends that in issuing the report, the Company take account of information on assumptions, costs, estimates, and valuations that may be materially impacted and the potential for widespread adoption of net-zero goals by governments and peers, and that the report be supported by reasonable assurance from an independent auditor.

The Company Letter asserts that the Proposal is excludable pursuant to Rule 14a-8(i)(3), asserting that it is misleading to request the audited report, because there are no specific standards for an audit in line with the Proposal's requests. Yet, the Company contradicts its own assertion in noting that it has contracted for reasonable assurance by Lloyd's Register; furthermore, there are existing standards applicable to an audit and verification outside of the financial statement which are applicable to the request.

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The Company Letter also asserts that the Proposal is misleading in requesting scenario analysis of a single scenario, since the TCFD (the Taskforce on Climate-related Financial Disclosures) recommends consideration of multiple scenarios in business planning. The Proposal does not suggest that the Company needs to ignore other scenarios in its business planning or publications, but only that a focused and audited report on the IEA net zero scenario, which involves a more rapid drop in demand for oil and gas than the scenarios highlighted in its current reporting, will be helpful to investors in understanding the degree to which the Company is responsive to the convergence of world leaders, including government and business, in pursuit of net zero targets by 2050 of greenhouse gas emissions worldwide. Therefore, the Proposal is not misleading nor excludable under Rule 14a-8(i)(3).

The Company Letter also asserts that the existing reporting by the Company substantially implements the Proposal for purposes of Rule 14a-8(i)(10). The existing reporting however does not implement the Proposal nor its essential purpose. It assesses the average of a range of scenarios that dilutes and veils the underlying analysis and assumptions.

The IEA net zero scenario is not analyzed in the Company's existing reporting and involves a steeper decline over the next decade in global fossil fuel demand than the scenarios highlighted by the Company in its reporting. In the net zero scenario, demand for oil declines from 98 million barrels per day (mb/d) in 2019 to 65 mb/d in 2030, an annual average decline of more than 3.5%.[1] That is a steeper drop than the scenarios featured in the Company's focus on an average of IPCC lower 2°C degree scenarios.

There is a financially material difference between the focus of the Proponent's Proposal and the existing disclosures by the Company, such that an investor could come to different conclusions as to the Company's risks, opportunities, and strategic direction in reading one versus the other. In addition, the Company's existing reporting is not accompanied by reasonable assurance of the content and process of the analysis. Accordingly, the Proposal is not substantially implemented.

BACKGROUND

<u>Global Leaders and Investors Converge on Net Zero by 2050</u>

On January 27, 2021, the US joined eight of the 10 highest-emitting nations that have committed to seeking net zero greenhouse gas (GHG) emissions by 2050 (or 2060 for China). President Joseph Biden signed an executive order (EO) on that day to "put the United States on a path to achieve net-zero emissions, economy-wide, by no later than 2050." With the EO, the United States rejoined the global community's push to meet the Paris Climate Agreement's temperature goals, reducing global greenhouse gas emissions to attempt to control global temperature increase associated with climate change to less than 2°C, and to strive toward a 1.5°C temperature increase goal above pre-industrial levels. **The EO brings the US in line with other governmental, corporate and financial sector leaders who are adopting the same net zero by 2050 goal as a target.**

[1] IEA, World Energy Outlook 2020, Chapter 4: Achieving net zero emissions by 2050, page 151.

A major portion of the financial community, in particular, has embraced the net zero goal. The day before the EO, BlackRock's CEO Larry Fink issued his annual letter to corporate CEOs, calling on all investee companies to prepare a clear business plan in line with the transition to a net zero economy, "where global warming is limited to well below 2° C, consistent with a global aspiration of net zero greenhouse gas emissions by 2050…. We are asking you to disclose how this plan is incorporated into your long-term strategy and reviewed by your board of directors."[2]

The Fink letter followed other investor initiatives converging on net zero by 2050, including the Climate Action 100+, an initiative supported by investors with $52 trillion in assets under management which has been seeking net zero by 2050 commitments from more than 100 of the largest corporate greenhouse gas contributors to the global economy.[3] Various alliances of asset

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[2] https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter

[3] On September 14, 2020, a letter was sent to the CEOs & Board Chairs of 161 global companies calling on these firms to commit to net-zero business strategies. The initiative, initially involving over 500 global investors with over $47 trillion USD in assets, sought to both engage critical companies and assess high-emitting company progress in line with a net-zero transition against 30 key indicators. The Climate Action 100+ (a diverse, global coalition of institutional investors seeking to engage and assist top-emitting companies in preparing for the low-carbon transition) called on these businesses to put in place net-zero business strategies and to clearly define targets to support their delivery. The letters also informed CEOs that companies would be assessed on progress made in becoming net-zero businesses. https://www.ceres.org/news-center/press-releases/climate-action-100-calls-net-zero-business-strategies-sets-out-benchmark

The Climate Action 100+ 2020 Progress Report further highlighted the significant growth and evolution of the Climate Action 100+ behind this request, and therefore growing demand for corporate progress in addressing GHG emissions. As of 2021, there are now 545 investor signatories, responsible for over $52 trillion USD in assets under management engaging with 167 companies throughout the initiative. The report details sector-level progress for the focus companies that are engaged by investors through Climate Action 100+, which comprises the world's 100 largest corporate greenhouse gas emitters (including ExxonMobil and its industry peer group) and over 60 more who are critical to accelerating the transition to net-zero emissions. Company-level progress against the goals of the initiative were recently reported in the 2021 Climate Action 100+ Net Zero Company Benchmark. The Climate Action 100+ 2020 Progress Report further made clear what investor expectations are regarding achieving net zero across numerous high-emitting sectors, including:

- Net-zero emissions target with a clear timeframe (e.g. 2050 or sooner).
- Clear scope and coverage of at least 95% of emissions for scope 1 and 2.
- Coverage of *material* scope 3 emissions.
- Short- and medium-term science-based emissions reduction targets that align with the overall pathway to net-zero.
- Clear disclosure on the business changes required to achieve the targets. For example: personnel or business structure changes, new skill sets required for the board or executives, expected changes to or closures of operational sites or product lines (e.g., an end-date for production of ICE vehicles), or closure of mine sites or coal-fired power stations.
- Transition plans for workers and communities affected by business changes.
- Assessment of current and planned capital expenditures, including underlying commodity price assumptions, modelling, methodologies and climate pathways that the companies have used to arrive at these decisions.

The report further finds that:

- 43% of focus companies now have goals or commitments for net-zero emissions by 2050 or sooner in some form.

owners and asset managers have further highlighted these net-zero commitments in public coalitions whose goals are to achieve institutional investor alignment of portfolios with a net-zero GHG outcome by 2050. As one other example of investor concerns about the company's trajectory, Engine No. 1, an investment firm that seeks to enhance long-term value through active ownership and which has nominated independent director candidates to the Board in connection with the 2021 Annual Meeting of Shareholders, issued a statement regarding Exxon Mobil's earnings call announcements on February 2, 2021:

> "[T]oday's patchwork of announcements do not materially alter Exxon Mobil's long-term trajectory nor do they position it to succeed in a changing world. For years, Exxon Mobil has pursued spending and strategic plans that position it to succeed only in the absence of a material long-term energy demand shift, and it remains positioned for continued value destruction for decades to come under alternate scenarios. It is equally poor long-term planning to rely almost exclusively on the idea that carbon capture will become scalable and affordable soon enough to allow for continued oil and gas production growth for decades to come under a Paris-compliant trajectory."[4]

International Energy Agency Net Zero 2050 Scenario

The International Energy Agency [IEA] has also acknowledged the net zero 2050 goal with the publication in 2020 of the IEA net zero 2050 scenario.

The IEA is a global advisory entity established by governments and corporations to provide analysis in support of the energy sector worldwide,[5] and has historically prepared sector

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- 10% of focus companies have net-zero targets that include coverage of their most material Scope 3 emissions.
- 194 new oil and gas projects sanctioned by Climate Action 100+ focus companies this year are misaligned with the Paris Agreement goals. Further, 68% of planned oil and gas capital expenditures were also inconsistent with these goals. https://www.climateaction100.org/wp-content/uploads/2020/12/CA100-Progress-Report.pdf, (page 77)

[4] https://reenergizexom.com/wp-content/uploads/2021/02/Engine-No.-1-Press-Release-2-2-21.pdf

[5] The IEA describes its mission as providing "authoritative analysis, data, policy recommendations, and real-world solutions to help countries provide secure and sustainable energy for all." Created in 1974 to help coordinate a collective response to major disruptions in the supply of oil, the IEA has evolved into an "all-fuels, all-technology approach, the IEA recommends policies that enhance the reliability, affordability and sustainability of energy. It examines the full spectrum of issues including renewables, oil, gas and coal supply and demand, energy efficiency, clean energy technologies, electricity systems and markets, access to energy, demand-side management, and much more."

The work of the IEA includes both ensuring energy security and promoting energy efficiency, and is notable for its Energy Business Council, which "brings together some of the world's largest companies involved in energy exploration, production and consumption, ranging from oil, natural gas and coal companies to automobile and appliance manufacturers, wind and solar producers and financial institutions. The aim of the EBC is to promote dialogue among the IEA, business community and policymakers across a broad range of cross-cutting issues with important implications for the global energy system." "Opinion leaders, both from governments and industry, acknowledge the importance of IEA analysis as a fundamental guide on the dynamics of the global energy sector. The EBC process is recognized as an instrumental forum, developing confidence and dialogue among energy market stakeholders. CEOs and Chairpersons of EBC member companies regularly participate in biennial IEA Ministerial meetings. IEA findings are frequently used in industry publications such as financial, annual and sustainability scenarios based on the limited legal policies officially enacted by national governments pursuant to the Paris Agreement, and therefore has provided relatively conservative estimates of the decline in fossil fuel demand in its STEPS (Stated Policies Scenario) which reflects only those national commitments backed up by detailed measures for their realization. The IEA prepared a Sustainable Development Scenario (SDS) which included a more ambitious framework, reflecting the surge in clean energy policies and investment, and the adoption by *some* nations and corporations of a commitment to net zero.[6] *The IEA indicated that the SDS would yield net zero by 2070.*

However, in 2020 the IEA, in recognition of government, business and financial leaders' convergence on the net zero 2050 goal, established a scenario based on the potential for a global consensus, and broader adoption of the goal of net zero by 2050, rather than the SDS scenario of net zero by 2070.[7]

The IEA net zero by 2050 scenario (NZE2050) focuses on the level of effort necessary over the next 10 years to allow a trajectory consistent with achievement of net zero by 2050. The specific technical and behavioral changes necessary to accomplish that goal are a significant stretch. NZE2050 evinces a world that is fully responsive to the climate emergency, and makes rapid adaptive changes, breakthroughs in both human behavior and technology. The IEA net zero by 2050 scenario focuses on activities of the next 10 years, with a rationale that decisions:

> "over the next decade will play a critical role in determining the pathway to 2050. For this reason, we examine what the NZE2050 would mean for the years through to 2030. Total CO2 emissions would need to fall by around 45% from 2010 levels by 2030, meaning that energy sector and industrial process CO2 emissions would need to be around 20.1 Gt, or 6.6 Gt lower than in the SDS in 2030."

The scenario involves a deeper commitment by governments and by energy companies, as stated

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reports and presentations." https://www.iea.org/areas-of-work/industry-engagement/energy-business-council

[6] The IEA Sustainable Development Scenario reflected adoption of anticipated policies by countries, including integration of the several countries that had so far introduced targets to achieve net-zero emissions by 2050. The Sustainable Development Scenario, taking those country targets into account, led to a projection of global net zero emissions by 2070.

[7] The IEA notes however that "increasingly attention is turning to what it would mean for the energy sector globally to reach net-zero emissions by 2050. This is examined in a new case in this Outlook, called Net Zero Emissions by 2050 (NZE2050)." The net zero scenario involves factors beyond fossil fuel reduction, including less reliance on carbon capture and sequestration, and more reliance on innovative technical breakthroughs. For instance, the scenario's fossil fuel related outcomes are grounded in changes in technology and markets where a rapid push is possible but challenging. For instance, it looks to a large reduction in industrial process CO2 emissions, principally from the cement and chemical subsectors, yielding a significant drop in fossil fuel use for process heat. A rapid growth in clean energy technologies for transportation is envisioned through a major increase in battery manufacturing capacity for electric vehicles. The IEA scenario emphasizes the challenging needs for technology innovation, low carbon fuels and integrated planning covering all parts of the system.

by the IEA:

> **"Getting to net zero will require unwavering efforts from all**
> To reach net-zero emissions, governments, energy companies, investors and citizens all need to be on board – and will all have unprecedented contributions to make. The changes that deliver the emissions reduction in the SDS are far greater than many realize, and need to happen at a time when the world is trying to recover from Covid-19. They rely on continuous support from key constituencies across the world, while also meeting the development aspirations of a growing global population. Achieving net-zero emissions globally by 2050 goes well beyond this, both in terms of the actions within the energy sector and those that would be required elsewhere. For any pathway to net zero, companies will need clear long-term strategies backed by investment commitments and measurable impact. The finance sector will need to facilitate a dramatic scale up of clean technologies, aid the transitions of fossil fuel companies and energy-intensive businesses, and bring low-cost capital to the countries and communities that need it most. Engagement and choices made by citizens will also be crucial, for example in the way they heat or cool their homes, or how they travel."

The IEA NZE2050 scenario entails a significant drop in fossil fuel demand against other IEA scenarios. The IEA notes that:

> **Oil use in 2030 in the NZE2050 is less than around three-quarters of the IPCC 1.5 °C scenarios; natural gas use in 2030 is less than around half of the scenarios;** and coal use in 2030 is less than around 30% of the scenarios.[8]

> **Demand for oil declines from 98 million barrels per day (mb/d) in 2019 to 65 mb/d in 2030 in the NZE2050, an annual average decline of more than 3.5%.**[9]

<u>Exxon Mobil's climate disclosures face legal, market and policy skepticism</u>

Overlaid against the net zero initiatives of governments, investors and experts like the IEA is extensive market, investor and insider concern regarding the accuracy and material completeness of Exxon's climate-related financial disclosures. One demonstration of the market's concern is the January 2021 setback when S&P Global Ratings noted that it may cut the credit score of Exxon Mobil and other major energy companies due to "greater industry risk" associated with climate change.[10]

There are numerous demonstrations of concern by insiders, analysts, local governments, and whistleblowers regarding the potential concealment or distortion of climate-related information by the Company. In addition, an array of shareholder litigation alleges that the Company is

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[8] World Energy Outlook 2020, page 131.
[9] IEA, World Energy Outlook 2020, Chapter 4: Achieving net zero emissions by 2050, page 151.
[10] https://finance.yahoo.com/news/exxon-shell-credit-ratings-vulnerable-151316692.html

misrepresenting information to investors on climate change.[11] In the litigation, numerous allegations have been made that the Company's existing reporting and accounting practices utilize various mechanisms to omit, downplay or distort the ramifications of global climate policy and science.

It is clear that some investors and analysts view the Company's existing disclosures with skepticism, and there is ample reason, according to whistleblowers, to sustain healthy skepticism. In a recent report, the National Whistleblower Center focused on the concern of insiders regarding understatement of risks posed by climate change to fossil fuel companies' own financial condition and to the economy at large. Notes the Center:

> "Fossil fuel companies, fearful of losing access to investment capital and loans, are therefore highly motivated to conceal their exposure to these risks…. It harms the economy by leaving financial institutions such as banks and insurers less prepared for the stresses of rapid asset deflation. This last type of harm deserves special attention. The potential for rapid asset deflation at large fossil fuel companies is a ticking time bomb that, if not detected and addressed, could make the global financial system implode. This is because banks, insurers and other globally significant financial institutions are heavily invested in these companies and may not be able to withstand the stresses of simultaneous company failures."[12]

The report illuminates the powerful economic forces[13] at work behind the scenes in the sector to incentivize climate related obfuscation, including overvaluation of assets by underestimating potential impacts of external events (e.g., market and price changes, and regulatory restrictions). It also highlights specific examples of concern at Exxon Mobil, including the complaints of a former Exxon Mobil accountant lodged with the SEC and alleging misrepresentations by the Company, overvaluing its shale assets.[14]

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[11] A number of derivative suits have been filed against the company or its officers alleging misstatements of climate related risks or the overvaluing of assets that would be impacted materially by climate change. For example, in one such lawsuit the plaintiff Saratoga alleges that, from 2014 to 2017, in an attempt to preserve Exxon's AAA credit rating, Exxon's directors made public statements that understated certain risks to the business and overstated the quality and profitability of its assets. For example, Saratoga asserts that Exxon misrepresented the estimated costs of greenhouse gas regulations it was using in its business decisions and did not appropriately project future costs of carbon and greenhouse gases.

[12] National Whistleblower Center, *Exposing a Ticking Time Bomb: How fossil fuel industry fraud is setting us up for a climate & financial implosion – and what whistleblowers can do about it*, 2020, page 4.

[13] The Whistleblower Center notes that the report is the first to use the methods of professional fraud investigators to identify fossil fuel industry financial disclosure practices that are likely to be fraudulent and that:

- Deception about the financial risks of climate change is pervasive across the fossil fuel industry.
- And two categories of material information are routinely omitted from companies' statements to shareholders:
  - The immediate risks that climate change poses to companies' financial condition.
  - The risk that the company's asset deflation will contribute to an economy-wide financial downturn.

[14] While the complaint is not public, it appears that one underlying concern is inadequate reflection of climate change impacts on pricing.

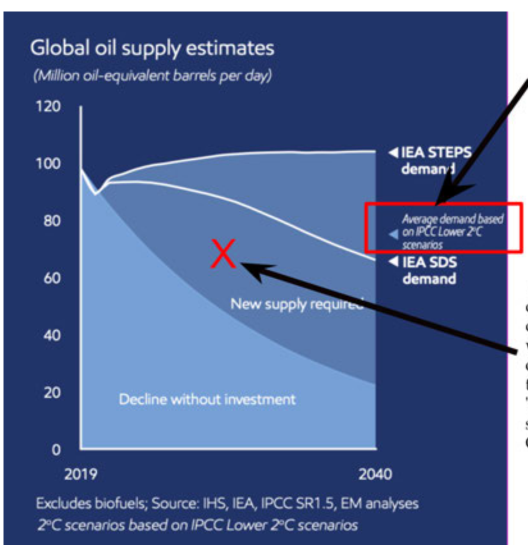
<u>The current Proposal and context of Company opposition</u>

In light of the skepticism of some investors on the rigor and completeness of the Company's disclosures regarding financial impacts of rapidly advancing global responses to climate change, this reporting Proposal attempts to delineate a more rigorous audited analysis of the scenario that is most closely aligned with the convergence of investors, governments and policymakers on net zero by 2050--one that includes the impact on the Company's financial position and underlying assumptions and that takes account of costs, estimates, and valuations that may be materially impacted, as well as the growing potential for widespread adoption of net-zero goals by governments and peers.

Given the groundswell of investor engagement on and commitment to widespread adoption of net zero by 2050 objectives by portfolio companies, the new scenario developed by the experts at the IEA represents a logical target of investor interest at Exxon Mobil--an attempt to elicit rigorous analysis and financial disclosure by the Company on the scenario on which global leadership is converging, and against a backdrop of investor skepticism regarding the Company's climate disclosures regarding an industry transition to low-emitting energy sources.

The Company Letter notes that the IEA net zero 2050 scenario is built around "drastic changes to current policies, behavior and technology." For years, Exxon Mobil has consistently argued to its investors, in essence, that the human race is incapable of making such drastic changes to reduce global greenhouse gas emissions.

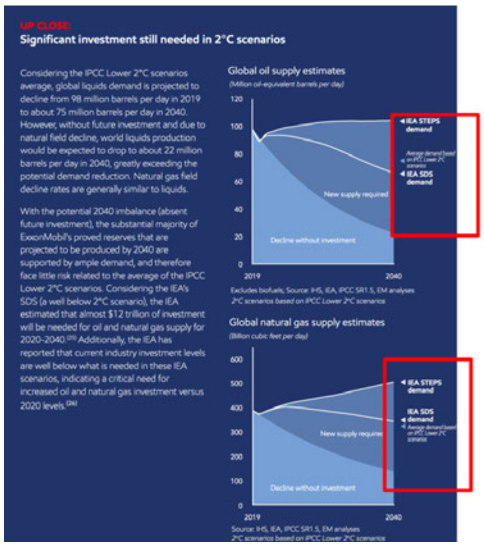
Although the Company analyzes various scenarios in its publications, consistent with its ongoing posture in opposition to rapid global adoption of necessary changes, the Company's 2021 Energy and Carbon Summary features the IEA STEP and SDS scenarios but neglects to include or illustrate the NZE2050 scenario—the one that could reflect more material impacts to its core business lines.



The Company's chart notes the "Average demand based on IPCC Lower 2° C scenarios as just ABOVE IEA SDS scenarios.

IEA Net Zero Scenario projects oil demand drops to 65 MBD by 2030 - significantly below the company's projection over the next ten years. It would show up approximately where X is added on chart. This is a far more precipitous drop than the company has estimated with the above "average demand based on IPCC Lower 2° scenarios" that are referenced in the ECS and the Company Letter.

The chart above is the Company's graph of fossil fuel demand from page 17 of its 2021 Energy and Carbon Summary, which is highlighted in the No Action Request. In fine print it annotates the scenarios that it has analyzed, "average demand based on IPCC lower 2°C scenarios." We have added an annotation at the "X" that shows approximately where the IEA net zero scenario would fall on this chart had it been analyzed and reported.

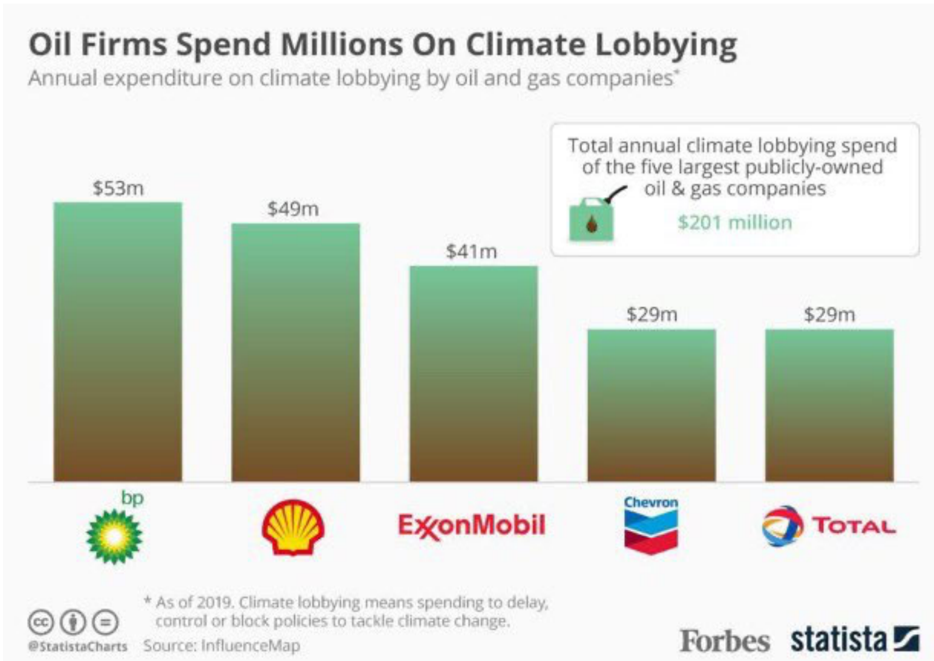


The Company's own reporting highlights IEA scenarios with higher oil and gas demand, but not the net zero scenario.

This excerpt from page 17 of the Exxon Mobil 2021 Energy and Carbon Summary -- which is highlighted in the no action request -- prominently features two IEA scenarios that involve higher carbon oil and gas demand.

In contrast, the chart does not illustrate or assess how the IEA net zero scenario that is the focus of the proposal would alter this chart and accompanying discussion. The proponents believe the requested scenario would yield both lower demand lines on this graph, and changes to the underlying assumptions and accompanying discussion.

In effect, the decision to not include IEA net zero in this chart in the Company's Energy and Carbon Summary is the equivalent to sustaining Exxon's ongoing posture that the world will not reduce fossil fuels as quickly as necessitated by the net zero scenario. This is a repetition of the Company's narrative of recent years. Discounting the likelihood of such a scenario is also something that the Company and the oil and gas industry have heavily invested in maintaining. The research organization InfluenceMap estimates that the oil and gas sector has spent $1 billion in lobbying and climate branding expenditures since the Paris climate agreement to persuade governments not to make drastic changes in energy policy that would restrict its market demand. This includes annual expenditures by Exxon Mobil of $41 million on climate lobbying, defined as "spending to delay, control or block policies to tackle climate change."



ANALYSIS

Rule 14a-8(i)(3)

The Company Letter asserts that the Proposal is misleading either because there is no applicable audit standard for the requested report, or because the TCFD recommends that companies deploy a range of scenarios in assessing climate risk. Both of these issues amount to advocacy arguments by the Company, possibly appropriate points for the Company to make in an opposition statement accompanying the Proposal in the proxy, but not a basis for excluding the Proposal.

The request to prepare an audited report is not misleading

First, the Company asserts there is no audit standard applicable to the proposed report requested by Proponents. Contrary to the Company's assertion regarding audit standards, there are sufficient norms available, as demonstrated in part by the willingness of accounting firms to provide verification of sustainability accounting issues at companies. In contradiction of the Company's argument about audit standards in its Rule 14a-8(i)(3) argument, it acknowledges in the Rule 14a-8(i)(10) argument that in fact, Lloyds provides "reasonable assurance" on its sustainability reporting process.[15]

[15] Contrary to its assertion that an audited report is not possible, the Company Letter notes "that the Company has retained Lloyd's Register Quality Assurance, an independent accrediting firm, to provide reasonable assurance of the Company's sustainability disclosure, including reviewing the disclosure in the 2021 ECS. Lloyd's assurance has been requisitioned by the Company to be provided well before the January 31, 2022 date requested in the Proposal."

We note that standards exist for auditing and verification outside of the financial statements. The Proponents' resolution did not request an audited financial statement with the suggested disclosures, but rather an "audited report." An audited report refers to the process by which an independent accounting firm would reach an opinion with reasonable assurance that management's assertions in the report are correct.

Standards are available for such an assessment. The International Auditing and Assurance Standards Board (IAASB) sets high-quality international standards for auditing, assurance, and quality control that strengthen public confidence in the global profession. The IAASB International Standard on Assurance Engagements 3000 Standard (Assurance Engagements Other than Audits or Reviews of Historical Financial Information) is an assurance standard that provides guidance for assurance engagements other than audits or reviews of historical financial information. This standard is commonly applied to sustainability and greenhouse gas reporting matters.

Looking at the examples provided in the Proposal, it is clear that **other** companies have worked with their auditors to adjust their financial reporting to rigorously address anticipated decarbonization developments. As noted in the Proposal:

> — [M]any Exxon Mobil peers (including BP, Eni, Equinor, Repsol, Royal Dutch Shell, and Total) [including committing] to major GHG reductions, including setting "net zero emission" goals by 2050;
>
> — Investors are also calling for high-emitting companies to test their financial assumptions and resiliency against substantial reduced-demand climate scenarios, and to provide investors insights about the potential impact on their financial statements;
>
> — As of November 2020, Exxon Mobil had neither committed to net-zero emissions by 2050 across its value chain, nor disclosed how its financial assumptions would change from doing so;
>
> — In contrast, the audit reports for other high GHG-emitting companies clearly discussed this connection [in assessing and identifying critical audit matters]:
>
> - BP: how climate change and a global energy transition impacted the capitalization of exploration and appraisal costs and risks that oil and gas price assumptions could lead to financial misstatements;

Company Letter, page 6-7.

- Shell: how long-term price assumptions impacted by climate change could affect asset values and impairment estimates;

- National Grid: noted estimates inconsistent with 2050 "net zero" commitments;

> — Additionally, in 2020, BP, Shell and Total reviewed their 2019 financial accounting practices in light of the accelerating low-carbon energy transition. All three subsequently adjusted critical accounting assumptions, resulting in material impairments, and disclosed how climate change affected the adjustments.

Thus, the Company's assertion fails in asserting that it cannot issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions. The absence of financial adjustments by Exxon Mobil, in contrast to its peers, has contributed to market reactions to the Company indicative of skepticism, including concerns that key risks are not being factored into financial reports.

It is not misleading to investors to request such a report. However, we would agree that it could be appropriate for the Company to describe any limitations on available standards for reporting in its opposition statement on the proxy statement. But they are not grounds for exclusion of the Proposal.

In further contrast to the Company's assertion that an audited report is not possible, we note that PriceWaterhouseCoopers (PwC), the Company's financial statements auditor for many years, advertises its availability to conduct compliance and assurance activities on climate change matters. In particular, the Company notes that it "provides compliance and assurance services for all facets of the sustainability agenda."[16] In fact, PwC has committed to net zero GHG emissions by year 2030 for all of its global network. PwC notes:

> "With global reach across 157 countries, industry coverage, and its 284,000 people that support clients at every stage – from reshaping strategy and transformation, to deals, reporting, audit, and tax – the PwC network has a huge opportunity to accelerate the transition to a net zero future in collaboration with its clients.
>
> The network supports organisations as they develop and implement concrete plans for how to get to net zero. This includes re-alignment of corporate strategy, people and talent, governance and accountability, operating model, innovation and research and development (R&D), tax strategy and reporting, and enterprise and supply chain

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[16] Examples cited by PWC include certified emissions reductions, life-cycle carbon and water footprints and stand-alone sustainability reports and sustainability portions of annual reports.
https://www.pwc.com/gx/en/services/sustainability/compliance-and-assurance.html

> transformation. Other areas include partnerships and alliances, and corporate affairs and regulatory engagement.
>
> Building on existing client work in sustainability and net zero transformation, PwC will infuse science-led climate analysis into its areas of service. For example, its Advisory practice is integrating climate risks into relevant engagements, providing clients with insights about climate risks and opportunities as well as helping them to transform their business processes. Another major focus area will be integrating climate-related and other ESG-related factors into mainstream corporate disclosures and governance, where PwC's Assurance practice will support the development of high-quality, aligned disclosure and measurement standards and help clients embed these into their reporting and governance. Across its Tax practice, PwC will be helping clients understand how net zero transformation will impact tax strategy, transparency and compliance obligations, subsidy and incentive opportunities, and revenue impacts for both public and private sector organisations."[17]

It is apparent that the preparation of an audited report with appropriate descriptions by the auditor of the extent of verification, data and processes reviewed, aspects of verification and any exceptions or critical considerations can be implemented, and it is not misleading to request such a report.

The request to rigorously assess a specific scenario is not misleading

The Company Letter next asserts that the Proposal is misleading because the TCFD has indicated that companies (and investors) should select scenarios that "cover a reasonable variety of future outcomes, both favorable and unfavorable."[18] However, given the skepticism of some institutional investors over the past decade, discussed in the background section, that Exxon Mobil tends to hide behind the complexity of its disclosure and reporting in a manner that conceals climate risk and that prominently omits higher-impact scenarios like the IEA's Net Zero 2050, the request to rigorously evaluate the specific scenario omitted from its reporting and which implies a steeper decline in oil and gas demand over the next decade seems a logical and appropriate step.

As shown in the graphics above from the Company's 2021 ECS report, the reporting highlights the more lenient IEA pathways (STEPS and SDS) but fails to include the steeper decline in fossil fuel demand implied by the IEA net zero pathway even though the scenario was available before the ECS was published.

As discussed further in the substantial implementation discussion below, the Proposal does not preclude the Company from continuing to analyze multiple scenarios but seeks a rigorous and verified analysis of the IEA net zero scenario, which the Proponents believe would provide

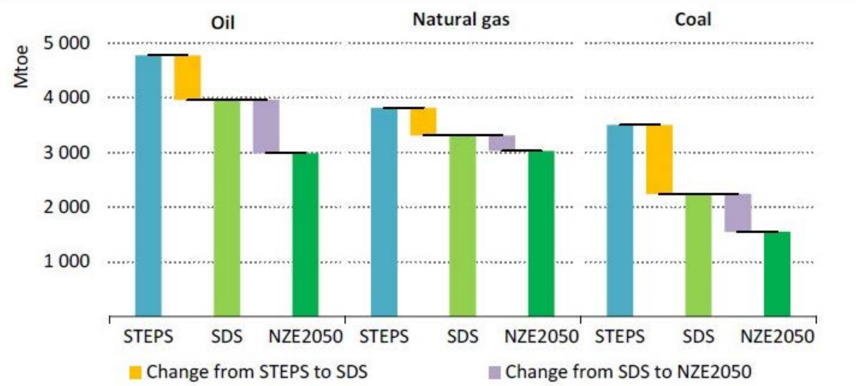
[17] https://www.pwc.com/gx/en/news-room/press-releases/2020/pwc-commits-net-zero-2030.html

[18] "The Company, as demonstrated in the 2021 ECS and recommended by TCFD, has analyzed a range of different scenarios to make its public disclosures regarding future demand changes and financial impacts, so as not to give the false and misleading impression that any one scenario predicts the future of the Company's operations and financial performance." Company Letter, page 3.

greater transparency and accountability compared with current reporting. The IEA net zero scenario goes beyond the STEP and SDS scenarios, as well as the "average of the 74 IPCC scenarios" in its assumptions about the impact to the demand for oil, and related matters which would place the Company's prospects in a less favorable light than its current ECS.

Investors do not just want disclosure on climate change, they want decision-useful disclosures, and what is more decision-useful at present is seeing and understanding how integrated oil and gas companies like Exxon Mobil are positioned strategically for a swift-moving energy transition over the next decade.

Figure 4.5 ▷ Differences in fossil fuel demand in the scenarios in 2030



Declines in fossil fuel use in the SDS are further extended in the NZE2050. By 2030, coal use is 55% lower in the NZE2050 than the STEPS, oil is 40% lower and natural gas is 20% lower.

The independent research organization Carbon Tracker has analyzed data for oil and concluded that NZE2050 amounts to a 3% decline difference per year compared to the Company's 2021 ECS.[19] Over a decade, that is an additional 30% decline in oil demand--financially material to the Company and its investors.

The Proponents believe an audited analysis against the omitted NZE2050 scenario would also help to clarify more regarding ExxonMobil's future energy price assumptions, CAPEX strategies, impairment estimates, and other financial factors, especially over the next decade. Since many investors want to assess whether ExxonMobil is prepared for a swift low-carbon energy transition, the Proposal seeks disclosure that approximates the impact to the Company under a much lower oil and gas demand scenario, under an aggressive climate policy scenario, and on the likely context in which financial institutions are less inclined to lend to, underwrite, or in other ways financially invest in high-emitting business activities.

The current Proposal is not misleading in its request for an audited report that focuses on the NZE2050 scenario and is not excludable under Rule 14a-8(i)(3).

[19] Personal correspondence of Tracey Rembert of Christian Brothers Investment Services with Robert Schuwerk, Carbon Tracker, January 19, 2021.

Rule 14a-8(i)(10)

The Company Letter asserts that the Company's reporting substantially implements the Proposal, even though it has not published the requested analysis. Instead, the Company's argument is that the global decarbonization scenarios in its 2021 Energy and Carbon Summary, and adjacent analysis of assumptions and financial impacts, fulfills the essential purpose of the Proposal even if it doesn't meet the guidelines.

However, the Proponent respectfully asserts that the Company has neither implemented the guidelines nor essential purpose of the Proposal, which would entail a rigorous assessment of its financial prospects against the IEA NZE2050 scenario which involves a steeper decline in oil and gas demand than the scenarios highlighted in its reporting. In a policy and investment environment in which there is skepticism about the Company's climate related disclosures, the guidelines of the Proposal are intended to bring more rigorous disclosure on a scenario material to investors, and implicitly, to ensure any disclosures issued by the Company in response to this Proposal are not misleading in their statements or omissions.

Notably, the Company Letter does not challenge the form of the Proposal. The Company has not asserted that the guidelines of the Proposal are inappropriate, only that it wishes to avoid fulfilling them based on its other reporting.

In the Staff's view, a determination that the Company has substantially implemented the Proposal depends upon whether its particular policies, practices and procedures compare favorably with the guidelines of the Proposal. *Texaco, Inc.* (Mar. 28, 1991). Substantial implementation under Rule 14a-8(i)(10) requires a company's actions to have satisfactorily addressed *both* the Proposal's guidelines and its essential objective. See, e.g., *Exelon Corp.* (Feb. 26, 2010). The Commission stated in 1976 that the predecessor to Rule 14a-8(i)(10) was "designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management." Exchange Act Release No. 12598 (July 7, 1976). Substantial implementation under Rule 14a-8(i)(10) requires a company's actions to have satisfactorily addressed both the proposal's underlying concerns and its essential objective. In the present instance, the Company's reporting has done neither.

Essential purpose and guidelines

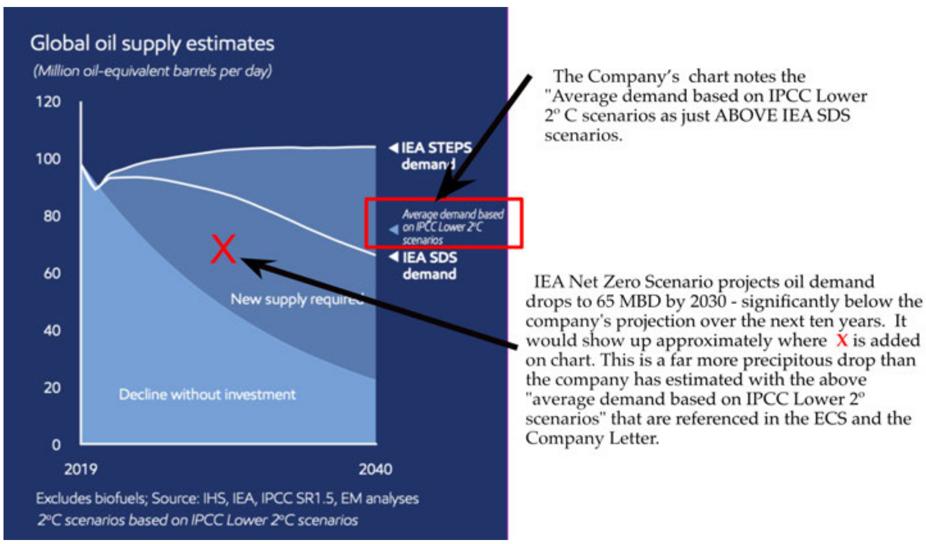
Reaching past the clear guidelines contained in the Proposal, the Company Letter distorts the Proposal's "essential purpose" just enough to claim that it is implemented. The Company letter states:

> The essential objective of the Proposal is for a report "on whether and how a significant reduction in fossil fuel demand" that is similar to the reduction analyzed in the IEA Net Zero 2050 scenario "would affect [the Company's] financial

position and underlying assumptions."[20]

In fact, the Proposal does not focus on "a significant reduction in fossil fuel demand that is ***similar to the reduction in NZE2050***." Instead, it focuses on seeking a rigorous, audited analysis from the Company that examines "whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions." The role of NZE2050 in the analysis is not incidental or insignificant, and the Proposal is not focused on NZE2050 or *similar* scenarios.

As noted above, in the net zero scenario, demand for oil declines from 98 million barrels per day (mb/d) in 2019 to 65 mb/d in 2030, an annual average decline of more than 3.5%.[21] That is a steeper drop than the scenarios featured in the Company's focus on an average of IPCC lower 2°C degree scenarios.



Moreover, the Proposal notes in the supporting statement, that the analysis of IEA NZE2050 should take account of: "Assumptions, costs, estimates, and valuations that may be materially impacted; and [t]he potential for widespread adoption of net-zero goals by governments and peers." It is also recommended that the report be supported by reasonable assurance from an independent auditor.

The whereas clauses of the proposal, repeated here for convenience, also help to define the essential purpose of the Proposal. Staff Legal Bulletin 14K (in a discussion of micromanagement) noted that "when analyzing a proposal to determine the underlying concern or central purpose of any proposal, we look not only to the resolved clause but to the proposal in its entirety."[22]

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[20] Company Letter, page 4.
[21] IEA, World Energy Outlook 2020, Chapter 4: Achieving net zero emissions by 2050, page 151.
[22] https://www.sec.gov/corpfin/staff-legal-bulletin-14k-shareholder-proposals

As stated in the Proposal:

> — [M]any Exxon Mobil peers (including BP, Eni, Equinor, Repsol, Royal Dutch Shell, and Total) [including committing] to major GHG reductions, including setting "net zero emission" goals by 2050;
>
> — Investors are also calling for high-emitting companies to test their financial assumptions and resiliency against substantial reduced-demand climate scenarios, and to provide investors insights about the potential impact on their financial statements;
>
> — As of November 2020, Exxon Mobil had neither committed to net-zero emissions by 2050 across its value chain, nor disclosed how its financial assumptions would change from doing so;
>
> — In contrast, the audit reports for other high GHG-emitting companies clearly discussed this connection [in assessing and identifying critical audit matters]:
>
> - •BP: how climate change and a global energy transition impacted the capitalization of exploration and appraisal costs and risks that oil and gas price assumptions could lead to financial misstatements;
> - •Shell: how long-term price assumptions impacted by climate change could affect asset values and impairment estimates;
> - •National Grid: noted estimates inconsistent with 2050 "net zero" commitments;
>
> — Additionally, in 2020, BP, Shell and Total reviewed their 2019 financial accounting practices in light of the accelerating low-carbon energy transition. All three subsequently adjusted critical accounting assumptions, resulting in material impairments, and disclosed how climate change affected the adjustments.

Viewing the whereas clauses of the proposal to inform the Proposal's essential purpose, it is evident that the Company is viewed by the Proponents as lagging its peers in the degree of transparency and responsiveness to the impacts that climate change may have on long-term financial results. Accordingly, the Proponents, through their Proposal, are seeking an audited report on the financial impact of a downside scenario consistent with demand declines contemplated by the Paris Agreement and encapsulated in a specific IEA scenario with steeper declines in fossil fuel demand than those featured in the Company's report.

In addition to reflecting a more optimistic demand scenario, the use of an average of a range of scenarios as the Company has done with 74 IPCC scenarios dilutes the focus and therefore makes the reporting less transparent and useful.[23] Review of the specific scenario will go further to allow investors to understand the elasticity of risk exposure compared with the current approach of averaging a range of scenarios.

The analyses published by Exxon Mobil are apparently not audited for accuracy of content, but only for processes used, and this is inconsistent with the type of analysis contemplated by the Proposal and conducted by other companies.

The Proposal requests a discussion of assumptions. Among other things, the Proponents would expect that the Company would disclose future commodity price assumptions used (as BP, Royal Dutch Shell and Total do); how those commodity prices are applied to assets (i.e., just the upstream?, for example), the related tax incidence (i.e., does it assume they are passed onto consumers, or that they are tax deductible, minimizing impact?), and how they impact volumes and pricing in those scenarios. Further, the Company should provide the potential financial impact of those assumptions (i.e., the NPV of assets, the increase in reserves write-downs or impairments, or shortened useful lives of upstream assets).[24]

The Company's reporting does not fulfill the underlying concern or essential purpose

In this instance, the underlying concern is demonstrated by the actions of other companies cited in the whereas clauses, both embracing the global uptake of net zero goals while setting company-specific targets *and* revising financial statements to reflect changing understanding of climate change transition risk.

The January 2021 announcement of S&P to cut the credit rating of Exxon Mobil was also motivated by the conclusion that the Company is underestimating climate transition risk. Notes S&P in its release:

> "One of the main drivers for our revised industry risk assessment and the related changes in business risk profiles is the energy transition. Strategic announcements in 2020 and earlier by BP, Shell, Total, and others are a response to the energy transition and the increasing risks and uncertainties for oil and gas producers as a result of governments' and consumers' concerns and actions on greenhouse gas emissions in particular. The outlook revisions and CreditWatch placements reflect our reassessment of the industry's and companies' risk profiles, in part due to these environmental risks."[25]

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[23] While the company may choose for other reasons to use an average of a range (or privately test some downside cases), neither of these is substantially similar to a downside test case.
[24] Other company peers have already done multiple write-downs based on excessive price assumptions. For instance, in December 2019, Repsol announced it would write down assets by US$5.3 billion. In May 2020, BP announced it was lowering its price assumptions and slashing up to US$17.5 billion from the value of its assets. In June 2020, Shell announced it would be cutting the value of its oil and gas assets by US$22 billion.
[25] http://press.spglobal.com/2021-01-26-S-P-Global-Ratings-Takes-Multiple-Rating-Actions-On-Major-Oil-And-Gas-Companies-To-Factor-In-Greater-Industry-Risks

Here, the substantial implementation claim amounts to an assertion that the Proposal is fulfilled even though its existing disclosures **omit** the requested scenario, thereby downplaying the associated risks to its finances that other analysts are noting. The Company Letter focuses on attempting to show that the amount of decarbonization and reduced fossil fuel demand entailed in NZE2050 was contemplated within the range of scenarios considered in the 2021 Energy and Carbon Summary.[26]

Although framed as a substantial implementation challenge, in effect, the approach taken by the Company raises the question of whether, in a disclosure proposal, the Company can ignore guidelines based on the materiality of climate concerns (as noted in the background section) and to instead contrive an "essential purpose" that works around those guidelines, and ignores the essential purpose as demonstrated by the Proposal in its entirety, including the whereas clauses. We respectfully assert that allowing such an exception to the guidelines of the Proposal is inconsistent with the Commission's intention to only exclude proposals as substantially implemented where the company's actions compare favorably with the guidelines of the proposal.

Verification of content of report

The Company Letter asserts that its existing voluntary reporting, the ECS and sustainability reporting, will be subjected to verification by Lloyds.[27] Such assurance is not substantially implemented by a contract to conduct such assurance in the future, but would only be deemed implemented once it is accomplished. Thus, the Company's assertion of substantial implementation of the Proposal on the basis of a future commitment to assurance does not implement the Proposal. Furthermore, it is unclear from the Company Letter whether the assurance is exclusively a review of process, or also entails verification of the content of the reports, as is implied by the current Proposal. To that end, we note that the independent assurance statement of Lloyd's on the company's 2019 sustainability report entailed verification of the report **process** without verification of the content.[28] Therefore, based on the record of company activities and the limited disclosure of the Company regarding the "requisitioning" of assurance, we have reason to believe that the assurance requisitioned may fall short of that requested by the Proposal.

ECS report prominently OMITS the requested net zero scenario

The glaring *omission* of NZE2050 in the Company's graphic support for its ECS report could constitute a materially misleading report if it were issued in response to the Proposal, and

[26] With multiple factors in play, there are no IPCC scenarios that are a direct match to the IEA net zero 2050 scenario. For instance, IEA notes that "most of the scenarios assessed by the IPCC that limit the temperature to 1.5° C assume a lower level of population and economic growth than in the [IEA's] SDS and NZE2050.

[27] The Company Letter notes that it "has retained Lloyd's Register Quality Assurance, an independent accrediting firm, to provide reasonable assurance of the Company's sustainability disclosure, including reviewing the disclosure in the 2021 ECS. Lloyd's assurance has been requisitioned by the Company to be provided well before the January 31, 2022 date requested in the Proposal." Company Letter, page 6-7.

[28] https://corporate.exxonmobil.com/Community-engagement/Sustainability-Report/LR-independent-assurance-statement

therefore the referenced reporting cannot substantially implement the Proposal.

The Company's own reporting highlights other IEA scenarios with higher oil and gas demand, but not the net zero scenario. The excerpt from page 17 of the Exxon Mobil 2021 Energy and Carbon Summary -- a report that is featured in the Company Letter -- prominently features two IEA scenarios that involve much *higher* oil and gas demand, but not the IEA net zero scenario.[29]

The chart prominently features the STEPS scenario and the SDS scenario but does not illustrate how the IEA net zero scenario that is the focus of the Proposal would alter this chart and accompanying discussion. The Proponents believe incorporation of NZE2050 would yield both a lower demand line on the graph, and changes to the underlying assumptions and accompanying discussion.

Since issues associated with the Company's readiness for a net zero global economy are material issues for investors, omission of the NZE2050 scenario may have repercussions for the Company beyond the Proposal. There is no explanation in the Report as to why that scenario's analysis does not appear in the ECS report along with the Company's more optimistic projections.

Accordingly, the Company's existing reporting regarding the subject matter of the Proposal does not substantially implement it. The Proposal targets a prominent omission in the ECS report and other Company disclosures. ***Reporting by the Company that contains an omission of the critical information requested by the Proposal cannot be seen as substantially implementing the Proposal.***

Reconsidering Recent Staff Decisions on Substantial Implementation

To the extent that the Staff views the rationale of recent precedents cited by the Company, such as *Exxon Mobil Corporation* (March 20, 2020), *Hess Corporation* (April 11, 2019), *Exxon Mobil Corporation* (April 3, 2019) as justifying exclusion of the current Proposal as substantially implemented, we urge the Staff to rethink its approach to substantial implementation to realign with the publicly stated policies of the Commission on substantial implementation. The recent changes in the Staff approach to substantial implementation have been perceived by proponents as producing inappropriate obstruction of a number of proposals meriting a shareholder vote. They did not appear to be consistent with the long-standing position of the Staff and commission that "[the company's] particular policies, practices and procedures compare favorably with the guidelines of the proposal."

To the extent that those recent Staff rulings at oil and gas companies found substantial implementation despite the failure of the companies to meet the guidelines of the proposals, the present Proposal represents an opportunity to reverse those substantial implementation precedents which undercut proposals seeking to address the significant climate change concerns of investors.

[29] The ECS report does later acknowledge the existence of the NZE2050 scenario, but only to note that the scenario contemplates some use of carbon capture technologies.

We call attention, in particular, in the above-cited determinations in Exxon Mobil and Hess to the proposals asking the companies to discuss "if and how" the companies would align with the Paris agreement's temperature goals. The decisions by the Staff to allow exclusion of these proposals ignored the essential purpose of the proposal from the standpoint of the proponents. The Staff exclusion decisions treated the Company's volume of reporting as responsive to the proposal, even though that reporting ignored the clear "essential purpose" evident in the language of the proposals.

Instead of responding to the "if" question— "would they or wouldn't they align with the Paris agreement?" — the companies asserted substantial implementation while avoiding a yes or no response to the proposals core question and guideline. Instead, the companies pointed to a volume of complex and unresponsive reporting which occasionally mentioned the Paris agreement, without characterizing the company's intent to align or not. Based on the determinations allowing exclusion, it appears that the Staff took a broad view of the essential purpose in order to allow voluminous but noncompliant reporting to suffice.

Yet, looking at the essential purpose from the perspective of the proponents, it is clear that the proponents intended to request a clear response from the company on a central, material benchmark of concern– does the board or management believe that business plans are aligned or will be aligned with the Paris Agreement, and if so, how will it accomplish that alignment? As such, we believe that the proposals should not have been excludable.

Whether we understand this shortcoming of the Company's reporting as a failure to meet the guidelines, or failure to address the essential purpose of the Proposal, it is evident to us that the determination to allow exclusion of the Proposal and to deny shareholders the opportunity to vote on this issue is both unnecessary and ill-advised.

We note, in addition, that President Biden's Executive Orders of January 20 and January 27 call on all federal agencies to look for opportunities to reverse the actions of the last four years that have undercut responsiveness to climate change and public health responses. We suggest that the current proposal reflects one such opportunity to engage in such a reversal, by providing a more balanced implementation of the "substantial implementation" doctrine. Both the guidelines and the essential purpose of a Proposal must be fulfilled in order to find substantial implementation.

In recognizing the essential purpose of the current Proposal from its whereas clauses, it is clear that the Company's existing reporting doesn't come anywhere near to fulfilling that essential purpose.

The Proposal is not implemented on the Company's website

To find the current Proposal nonexcludable in the present instance it is not necessary to overrule those precedents, because the guideline of this particular Proposal is clearer than it was in those instances. In this instance, the Proponents seek an audited report against a low-demand scenario similar or equal to the NZE2050. Unlike the proposals found substantially implemented in Hess and Exxon with their "if and how" formulation, the current Proposal contains clearer, more specific guidelines which are not implemented by the Company.

While the Proponent would prefer to see a report that exclusively focuses on the IEA net zero analysis as framed in the Proposal, we are aware that Staff decisions finding that if content requested by a Proposal is readily available on the Company's website, even in disparate locations, the Staff might decline to require that the information be compiled into a single report. However, that is not the case here. In this instance, Proponents are asking for an audited report of the financial implications of a climate scenario that would show a significant decline in oil and gas demand. The Company has not implemented the requested analysis anywhere on its website.

Impetus of Executive Orders of January 20 and January 27, 2021

We note, in addition, the aforementioned Presidential executive orders of January 20 and January 27 which call on all federal agencies to look for opportunities to address the challenges posed by climate change. We respectfully suggest that the executive orders provide an additional impetus for non-exclusion of the Proposal. Allowing shareholders to vote on the Proposal will enable private ordering to encourage better disclosure and climate performance by Exxon Mobil and other registrants.

CONCLUSION

Based on the foregoing, we believe it is clear that the Company has provided no basis for the conclusion that the Proposal is excludable from the 2021 proxy statement pursuant to Rule 14a-8. As such, we respectfully request that the Staff inform the Company that it is denying the no action letter request. If you have any questions, please contact me at 413-549-7333 or sanfordlewis@strategiccounsel.net.

Sincerely,

Sanford Lewis

cc:
Louis Goldberg
Tracey Rembert

Louis L. Goldberg

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January 5, 2021

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

Ladies and Gentlemen:

On behalf of Exxon Mobil Corporation, a New Jersey corporation (the "**Company**" or "**Exxon Mobil**"), and in accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), we are filing this letter with respect to the shareholder proposal (the "**Proposal**") submitted by Christian Brothers Investment Services (the "**Proponent**") for inclusion in the proxy materials the Company intends to distribute in connection with its 2021 Annual Meeting of Shareholders (the "**2021 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 2021 Proxy Materials. In accordance with Rule 14a-8(j), this letter is being filed with the Securities and Exchange Commission (the "**Commission**") not less than 80 days before the Company plans to file its definitive proxy statement.

Pursuant to Staff Legal Bulletin No.14D (CF), Shareholder Proposals (November 7, 2008), Question C, we have submitted this letter and any related correspondence via email to shareholderproposals@sec.gov. Also, in accordance with Rule 14a-8(j), a copy of this submission is being sent simultaneously to the Proponent as notification of the Company's intention to omit the Proposal from the 2021 Proxy Materials. This letter constitutes the Company's statement of the reasons it deems the omission of the Proposal to be proper.

THE PROPOSAL

The Proposal states:

RESOLVED**:** Shareholders request that ExxonMobil's Board of Directors issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions. The Board should summarize its findings to shareholders by January 31, 2022, and the report should be completed at reasonable cost and omitting proprietary information.

***FISMA & OMB Memorandum M-07-16

REASONS FOR EXCLUSION OF THE PROPOSAL

The Company believes that the Proposal may be properly omitted from the 2021 Proxy Materials pursuant to Rule 14a-8(i)(3), because the Proposal is materially false and misleading, and pursuant to Rule 14a-8(i)(10), because the Company has already substantially implemented the Proposal.

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

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

Analysis of the materially false and misleading nature of the Proposal requires a background consideration and understanding of the International Energy Agency ("**IEA**") World Energy Outlook 2020 publication[1] ("**IEA World Energy Outlook 2020**"), an annual report on energy market trends which includes the Proposal's IEA Net Zero 2050 scenario and other constructed scenarios; the guidance of the Financial Stability Board's Task Force on Climate-related Financial Disclosures ("**TCFD**") with respect to the use of scenario analyses; and the role of an audit of an analysis that uses only one hypothetical future scenario, all as compared to the actions called for by the Proposal.

IEA World Energy Outlook 2020. The IEA is one of the premier international organizations analyzing the potential for an energy transition.[2] The IEA World Energy Outlook 2020, in the words of the IEA, is meant to provide "a comprehensive view of how the global energy system could develop in the coming decades," with a focus on the next 10 years to 2030. Included in this publication is the IEA Net Zero 2050 scenario cited in the Proposal. However, despite its name, this scenario forecasts demand only to 2030, not to 2050 (although it assumes on the basis of demand changes by 2030 that net zero will be achieved by 2050). Many other scenarios project demand much further than 2030, including all 74 of the Intergovernmental Panel on Climate Change ("**IPCC**")[3] Lower 2C scenarios that are analyzed through 2040 in the Company's 2021 Energy & Carbon Summary ("**ECS**")[4]. In addition, the IEA Net Zero 2050 scenario incorporates a variety of aggressive assumptions regarding future policy choices, behavioral changes and technology deployments. The IEA World Energy Outlook 2020 also describes how the assumptions of the IEA Net Zero 2050 scenario require a wide range of drastic behavioral changes to support the scenario, such as: (1) a 5.4F degree change in preferred indoor heating and cooling temperatures (for example, moving the thermostat from 80 to 85.4 in August); (2) reintroduction of clothing lines in

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[1] World Energy Outlook 2020 – Analysis - IEA.

[2] IEA – International Energy Agency.

[3] The IPCC is the United Nations body for assessing the science related to climate change.

[4] https://corporate.exxonmobil.com/-/media/Global/Files/energy-and-carbon-summary/Energy-and-Carbon-Summary.pdf. See ECS, pp 14-15.

place of electric dryers throughout the world; (3) all car trips in urban areas being shared; (4) and replacement worldwide of all flights less than one hour and 75% of all long-haul flights. With respect to technology deployments under the IEA Net Zero 2050 scenario, the IEA World Energy Outlook 2020 notes that "reducing emissions to near zero from some industrial processes, such as low-carbon steel or cement production, would require the commercialisation of technologies that have not yet been built or operated at full scale in most cases" and that "many of the clean energy technologies that are needed to reduce emissions from aviation, shipping and heavy trucks are still in their infancy today [with] limited potential for them to contribute meaningful levels of emissions reduction in the period to 2030."

In sum, the IEA Net Zero 2050 scenario proposes drastic changes to current policies, behavior and technology that are highly uncertain and unlikely even compared to other future energy transition scenarios; in the IEA's own words, "there is no expectation that everybody will be willing to make all these changes all at once: personal preferences, cultural preferences and individual circumstances are all bound to play a very important part. The purpose is rather to illustrate the scale of behaviour change that is implied by the [IEA Net Zero 2050 scenario]."

TCFD Guidance.[5] The TCFD, which the Financial Stability Board created with the sole purpose of developing recommendations for more effective climate-related disclosures, has published its own guidance on the use of scenario analyses such as the IEA Net Zero 2050 scenario. In this guidance, the TCFD is clear that scenario analyses should "evaluate a range of hypothetical outcomes by considering a variety of alternative plausible future states (scenarios) under a given set of assumptions and constraints." TCFD emphasizes that "a critical aspect of scenario analysis is the selection of a set of scenarios that cover a reasonable variety of future outcomes, both favorable and unfavorable."

Audits. There is no standard for an audit of financial projections and assumptions that arises from a single, hypothetical scenario such as the IEA Net Zero 2050 scenario. Such an audit would not be within the scope of a Public Company Accounting Oversight Board audit of a company's financials, and there is a lack of guidance generally regarding how to apply the financial principles of an audit to a projection of future outcomes based on one hypothetical scenario. In addition, the concept of an audit without the use of such standards or guidance can lend a false sense of certainty to projections made by a single scenario that, as noted above, is highly speculative and that necessitates drastic changes in policy, behavior and technology.

Analysis of the Proposal. In light of the relevant background described above, it is clear that the Proposal is materially false and misleading. The very concept of an audit of financial information implies a review that complies with certain recognized standards and the conduct of which provides a level of assurance as to a measure of rigor and accuracy. The use of the concept of an audit in relation to future financial results or projections is not realistic nor recognized as an accounting matter, and therefore use of the concept of an audit in this context is in itself misleading. Furthermore, despite the Proposal's focus on only one particular scenario, the IEA has cautioned there is no single scenario that accurately describes the future, and that the referenced scenario is not a forecast. In addition, TCFD, another respected, relevant organization, has cautioned that multiple scenarios should always be used to consider a range of possible outcomes. The Company, as demonstrated in the 2021 ECS and recommended by TCFD, has analyzed a range of different scenarios to make its public disclosures regarding future demand changes and financial impacts, so as not to give the false and misleading impression that any one scenario predicts the future of the Company's operations and financial performance. In opposition to this, the Proposal would have the Company perform an analysis of one specific scenario that could mislead shareholders. In addition, given all of the uncertainties raised by the use of only one scenario, there is no objective basis for an

[5] FINAL-TCFD-Technical-Supplement-062917.pdf (bbhub.io).

audit of such an analysis, and such an audit could give a false sense of certainty regarding the analysis. As such, the Proposal, by focusing on an "audit" relating to a report based on the predictions of the "the IEA Net Zero 2050 scenario," is materially false and misleading.

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

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if the company has already substantially implemented the proposal. The Commission has stated that "substantial" implementation under the rule does not require implementation in full or exactly as presented by the proponent. *See Exchange Act Release No. 34-40018* (May 21, 1998, n.30). The Staff has provided no-action relief under Rule 14a-8(i)(10) when a company has substantially implemented and therefore satisfied the "essential objective" of a proposal, even if the company did not take the exact action requested by the proponent, did not implement the proposal in every detail, or exercised discretion in determining how to implement the proposal. *See Exxon Mobil Corporation* (March 20, 2020) (permitting exclusion of a proposal requesting that the Company issue a report describing how it will reduce its contribution to climate change and align with the Paris Agreement where the requested information was available in a public report from the Company); *Hess Corporation* (April 11, 2019) (permitting exclusion of a proposal requesting that the company issue a report on how it can reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement's goal where the company had already provided the requested information in its sustainability report and CDP (formerly known as Carbon Disclosure Project) report); *Exxon Mobil Corporation* (April 3, 2019) (permitting exclusion of a proposal requesting the Company issue a report on how it can reduce its carbon footprint in alignment with GHG emissions reductions in line with the Paris Agreement where the requested information was readily available in the Company's public disclosures); *Exxon Mobil Corporation* (March 23, 2018) (permitting exclusion of proposal requesting that the Company issue a report describing how the Company could adapt its business model to align with a decarbonizing economy where the requested information was already available in two published reports describing the Company's long-term outlook for energy and how it would position itself for a lower-carbon energy future); *Entergy Corp.* (February 14, 2014) (permitting exclusion of proposal requesting a report "on policies the company could adopt . . . to reduce its greenhouse gas emissions consistent with the national goal of an 80% reduction in greenhouse gas emissions by 2050" where the requested information was already available in its sustainability and carbon disclosure reports); and *Duke Energy Corp.* (February 21, 2012) (permitting exclusion of a 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). "[A] determination that the company has substantially implemented the proposal depends upon whether [the Company's] particular policies, practices, and procedures compare favorably with the guidelines of the proposal." *See Texaco, Inc.* (March 28, 1991) (permitting exclusion on substantial implementation grounds of proposal requesting that the company adopt the Valdez Principles where the company had already adopted policies, practices and procedures regarding the environment).

The Proposal's "essential objective" is a report "on whether and how a significant reduction in fossil fuel demand" that is similar to the reduction analyzed in the IEA Net Zero 2050 scenario "would affect [the Company's] financial position and underlying assumptions." The Company updates its ECS annually, and the 2021 ECS was published on January 5, 2021.[6] As described below, the 2021 ECS demonstrates that the Company has substantially implemented the Proposal by satisfying its essential objective, and thus the Proposal is excludable under Rule 14a-8(i)(10).

[6] https://corporate.exxonmobil.com/-/media/Global/Files/energy-and-carbon-summary/Energy-and-Carbon-Summary.pdf

In the table below we have succinctly demonstrated how the 2021 ECS is responsive to the Proposal's request for a report "on whether and how a significant reduction in fossil fuel demand" that is similar to the reduction analyzed in the IEA Net Zero 2050 scenario "would affect [the Company's] financial position and underlying assumptions." A more detailed discussion of the disclosures contained in the 2021 ECS that address the essential objective of the Proposal is set forth following the summary table.

Proposal request	**2021 ECS and Other Disclosures**
"a significant reduction in fossil fuel demand" similar to the reduction analyzed in the IEA Net Zero 2050 scenario	Addressing the dual challenge, p 13 Considering 2C scenarios, pp 14-15 What is ExxonMobil doing to prepare for a lower-carbon future while meeting energy needs of a growing population?, p 46 How is ExxonMobil supporting society's desire to achieve net-zero emissions and 2C?, p 47
"affect [the Company's] financial position and underlying assumptions"	Considering 2C scenarios, pp 14-15 Potential impact on proved reserves and resources considering 2C scenarios, pp 17-19 Positioning for a lower-carbon energy future – upstream, p 20 Positioning for a lower-carbon energy future – downstream, p 21 What is ExxonMobil doing to prepare for a lower-carbon future while meeting energy needs of a growing population?, p 46 Why isn't ExxonMobil investing in existing renewable energy sources like wind and solar?, p 48
"audited report"	The Company has retained Lloyd's Register Quality Assurance, an independent accrediting firm, to provide reasonable assurance of the Company's sustainability disclosure, including reviewing the disclosure in the 2021 ECS. Lloyd's assurance has been requisitioned by the Company to be provided well before the January 31, 2022 date requested in the Proposal.

As described above in section 1 of this letter, the Proposal's focus on a report analyzing only one emissions reduction scenario (the IEA Net Zero 2050 scenario) is materially false and misleading. For this reason, the Company's practice, as described in the 2021 ECS, is to perform a multi-scenario analysis of the impacts of various scenarios established by the independent, well-regarded IPCC.[7]

Specifically, the Company's analysis includes 74 scenarios compiled and assessed by the IPCC, and identified as "Lower 2C" scenarios, all of which limit peak warming to below 2C during the 21st century with greater than 66% likelihood. Page 14 of the 2021 ECS includes two graphs that

[7] 2021 ECS pp 14-20.

show the range of total 2040 energy demand and its energy supply mix and the associated emissions over time predicted by these 74 scenarios. A number of these scenarios forecast more significant reductions in demand for fossil fuels (oil and gas) and more significant reductions in carbon emissions than the IEA Net Zero 2050 scenario referenced in the Proposal, as well as projecting fossil fuel demand beyond the year 2030, which is when, as noted in section 1 of this letter, the IEA Net Zero 2050 scenario ends.[8] As shown in the tables attached to this letter as Exhibit B, the IEA Net Zero 2050 scenario's fossil fuel demand and carbon emissions reductions fall squarely within the range of the 74 IPCC Lower 2C scenarios analyzed by the Company in the 2021 ECS. As such, the analysis performed in the 2021 ECS is of "a significant reduction in fossil fuel demand" that is similar to the reduction analyzed in the IEA Net Zero 2050 scenario, as requested by the Proposal.

The 2021 ECS also substantially implements the part of the Proposal that asks for a description of the effect of this reduction in demand on the Company's "underlying assumptions." Page 15 of the 2021 ECS describes how the average of the 74 IPCC Lower 2C scenarios affects assumptions regarding worldwide energy demand. Specifically with respect to fossil fuels, the 2021 ECS notes that "[n]atural gas demand is expected on average to be similar to 2010, while oil demand is projected on average to decline by about 0.5 percent per year. Together their share of energy demand is projected on average to still be almost 50 percent by 2040."[9] In addition, the 2021 ECS notes on the basis of this analysis of the 74 IPCC Lower 2C scenarios that "oil and natural gas remain essential components of the energy mix, *even in models with the lowest level of energy demand* [emphasis added]."[10] In other words, even in the various scenarios analyzed in the 2021 ECS that model greater drops in fossil fuel demand than in the IEA Net Zero 2050 scenario, oil and gas remain important sources of energy.

In addition, the 2021 ECS substantially implements the Proposal's request for a description of the effect of this reduction in demand on the Company's "financial position." Pages 17-19 of the 2021 ECS include a detailed discussion of the impact of the IPCC Lower 2C scenarios on the Company's proved reserves and resources. With respect to proved reserves, on the basis of the assumptions regarding demand that the Company has derived from the average of the IPCC Lower 2C scenarios, the 2021 ECS states that "a substantial majority of ExxonMobil's year-end 2019 proved reserves are expected to have been produced by 2040." In addition, the 2021 ECS notes that "the average of the IPCC Lower 2C scenarios implies significant use of oil and natural gas through the middle of the century [such that] these reserves face little risk from declining demand." With respect to resources or unproved reserves, again based on the average of the 74 IPCC Lower 2C scenarios, the 2021 ECS states that "assuming ExxonMobil retains its current share of global production, the Company would need to replenish its existing proved reserves entirely by 2040…" The 2021 ECS addresses these financial questions in terms of the development of the Company's assets (reserves) because the Company considers its future pricing models to be proprietary information. Future production of reserves serves as an appropriate proxy for future financial potential as revenue is generated primarily from production. This analysis is consistent with the Proposal's statement that "the report should be completed at reasonable cost and omitting proprietary information."

Finally, with respect to the Proposal's request for an "audited report," we describe in section 1 of this letter why this request is false and misleading. However, despite this, we note that the Company has retained Lloyd's Register Quality Assurance, an independent accrediting firm, to

[8] Although the IEA Net Zero 2050 scenario predicts net zero emissions by 2050, its demand projections only extend to 2030.

[9] 2021 ECS, p 15.

[10] 2021 ECS, p 15.

provide reasonable assurance of the Company's sustainability disclosure, including reviewing the disclosure in the 2021 ECS. Lloyd's assurance has been requisitioned by the Company to be provided well before the January 31, 2022 date requested in the Proposal.

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

The essential objective of the Proposal is for a report "on whether and how a significant reduction in fossil fuel demand" that is similar to the reduction analyzed in the IEA Net Zero 2050 scenario "would affect [the Company's] financial position and underlying assumptions." This has been substantially implemented as shown by the disclosures contained in the 2021 ECS. The public disclosure by the Company compares favorably with the essence of the Proposal, and thus the Proposal is excludable under Rule 14a-8(i)(10).

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 2021 Proxy Materials. If you should have any questions or need additional information, please contact the undersigned. 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

Enclosures Christian Brothers Investment Services

cc w/ enc: James E. Parsons & David A. Kern, ExxonMobil

Exhibit A

Proposal

CLIMATE CHANGE IMPACTS ON FINANCIAL POSITION AND ASSUMPTIONS

WHEREAS:

— As evidence of the severe impacts from climate change mounts, policy makers, companies, and financial bodies are increasingly focused on the economic impacts[1] from driving greenhouse gas (GHG) emissions to well-below 2 degrees Celsius below pre-industrial levels (including 1.5° C ambitions), as outlined in the Paris Agreement;

— This focus has led many ExxonMobil peers (including BP, Eni, Equinor, Repsol, Royal Dutch Shell, and Total) to commit to major GHG reductions, including setting "net zero emission" goals by 2050;[2] [3]

— Investors are also calling for high-emitting companies to test their financial assumptions and resiliency against substantial reduced-demand climate scenarios,[4] and to provide investors insights about the potential impact on their financial statements;[5] [6] [7]

— As of November 2020, ExxonMobil had neither committed to net-zero emissions by 2050 across its value chain, nor disclosed how its financial assumptions would change from doing so;

— In contrast, the audit reports for other high GHG-emitting companies clearly discussed this connection:

- BP: how climate change and a global energy transition impacted the capitalization of exploration and appraisal costs and risks that oil and gas price assumptions could lead to financial misstatements;
- Shell: how long-term price assumptions impacted by climate change could affect asset values and impairment estimates;
- National Grid: noted estimates inconsistent with 2050 "net zero" commitments;

---

[1] https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf

[2] https://www.reuters.com/article/climate-change-carbon-targets/factbox-big-oils-climate-targets-idUSL8N2HO1B4

[3] https://carbontracker.org/reports/fault-lines/

[4] https://www.iigcc.org/news/investor-groups-call-on-companies-to-reflect-climate-related-risks-in-financial-reporting/

[5] https://www.unpri.org/sustainability-issues/accounting-for-climate-change

[6] https://www.iigcc.org/download/investor-expectations-for-paris-aligned-accounts/?wpdmdl=4001&masterkey=5fabc4d15595d

[7] https://cdn.ifrs.org/-/media/feature/news/2019/november/in-brief-climate-change-nick-anderson.pdf?la=en

— Additionally, in 2020, BP, Shell and Total reviewed their 2019 financial accounting practices in light of the accelerating low-carbon energy transition. All three subsequently adjusted critical accounting assumptions, resulting in material impairments, and disclosed how climate change affected the adjustments;

— In October 2020, the International Energy Agency (IEA) issued a new "Net Zero 2050" scenario which describes what it would mean for the energy sector globally to reach net-zero GHG emissions by 2050. This more aggressive global action to curtail climate change is consistent with a 1.5°C temperature increase globally.[8]

RESOLVED: Shareholders request that ExxonMobil's Board of Directors issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions. The Board should summarize its findings to shareholders by January 31, 2022, and the report should be completed at reasonable cost and omitting proprietary information.

SUPPORTING STATEMENT: Proponents recommend that in issuing the report, the company take account of information on:

- Assumptions, costs, estimates, and valuations that may be materially impacted; and
- The potential for widespread adoption of net-zero goals by governments and peers.[9]

Proponents recommend that the report be supported by reasonable assurance from an independent auditor.

[8] https://www.iea.org/reports/world-energy-outlook-2020/achieving-net-zero-emissions-by-2050

[9] https://www.climatechangenews.com/2019/06/14/countries-net-zero-climate-goal/

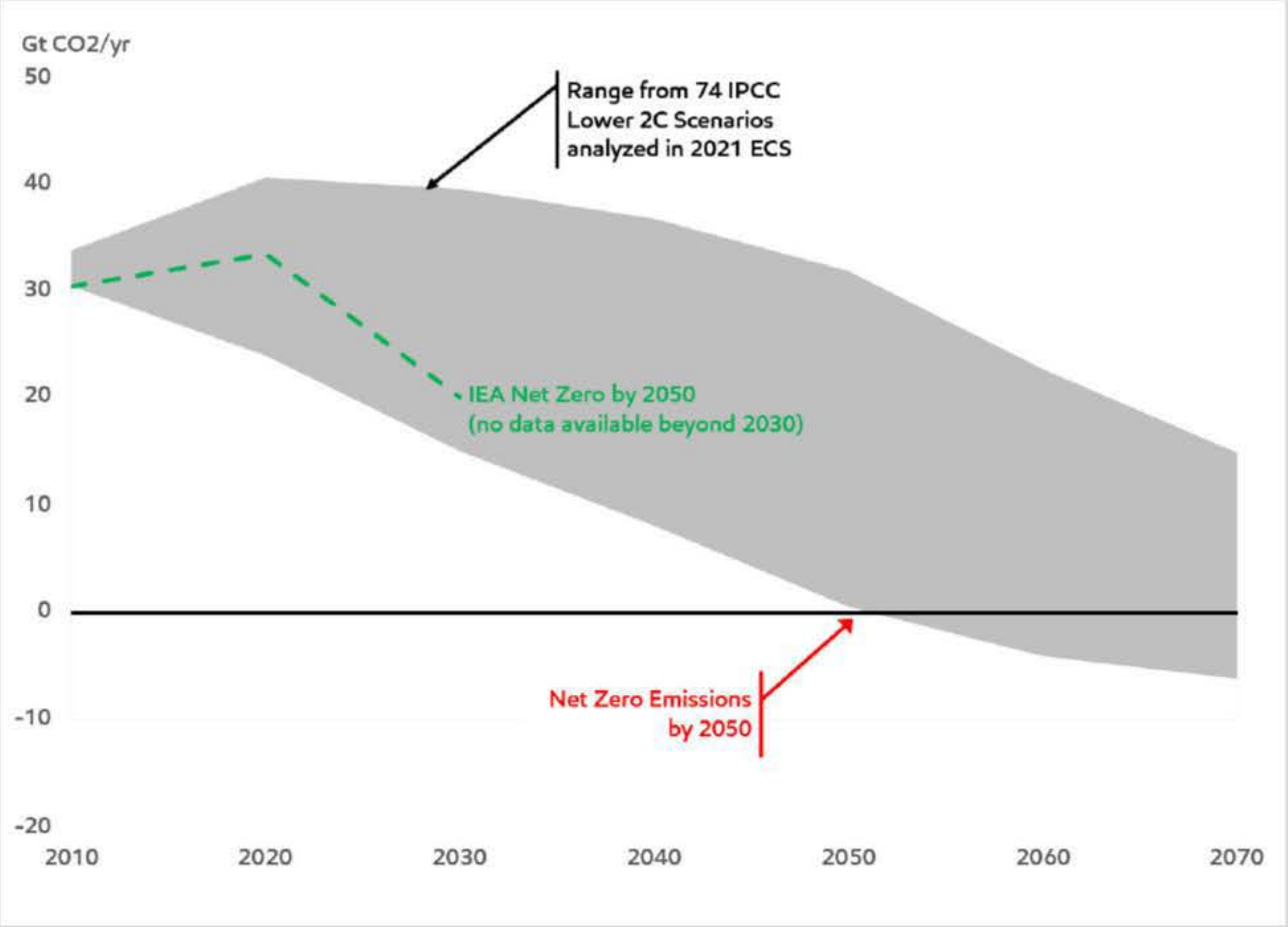
Exhibit B

Comparison of IEA Net Zero 2050 Scenario to 2021 ECS Scenarios

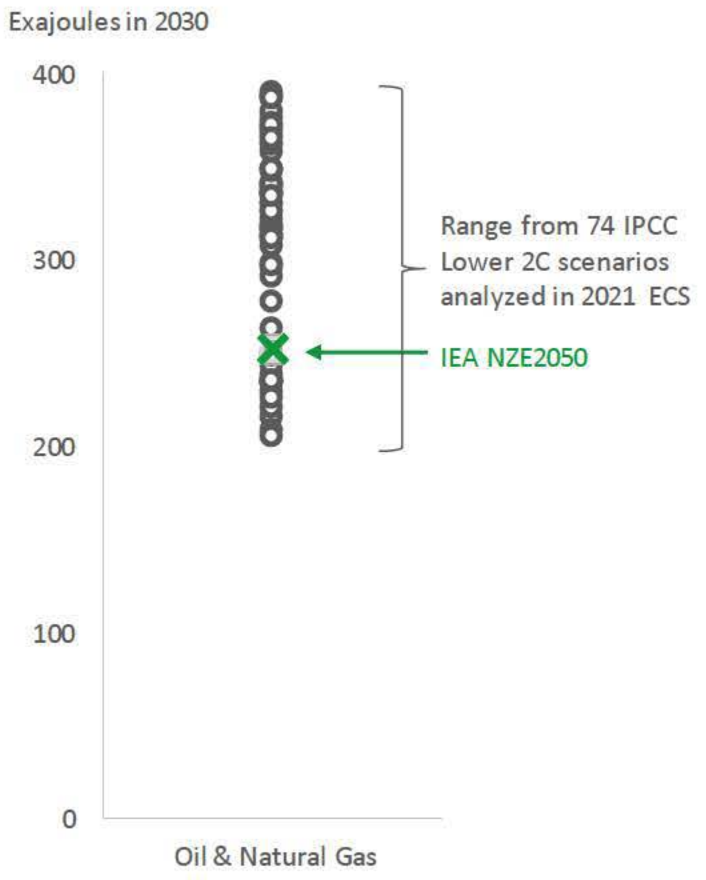
EXHIBIT - B

IEA Net Zero 2050 Scenario is within IPCC's Lower 2C Scenarios in 2021 ECS*

CO2 emissions in IPCC Lower 2C scenarios and IEA Net Zero by 2050 Scenario



2030 Oil and Gas demand in scenarios (IPCC Lower 2C and IEA Net Zero by 2050)



ExxonMobil

(*) As analyzed in ExxonMobil Energy and Carbon Summary 2021

Exhibit C

Shareholder Correspondence

Englande, Sherry M

From:	Rembert, Tracey <[redacted]>
Sent:	Tuesday, November 24, 2020 5:33 PM
To:	Littleton, Stephen A
Cc:	Englande, Sherry M
Subject:	Submission of Shareholder Resolution for 2021 Annual Meeting and Proxy Statement
Attachments:	Signed Cover Letter to XOM 2020 Resol Financial Position Net Zero 11 24 2020.pdf; XOM BNYM Proof of Shares Letter 11 24 2020.pdf; XOM 2020 Resolution FINAL Net Zero Impacts to Fin Position.pdf
Categories:	External Sender

External Email - Think Before You Click

Dear Stephen and Sherry,

I do hope we can resume dialogue like in years past on climate change issues, including the one mentioned in our proposal attached above for the Board's consideration -- an issue important to us.

Please contact me with any discussion or questions (mobile:[redacted]), and I hope you both have a very enjoyable and relaxing holiday break this week.

In cooperation,

Tracey Rembert
CBIS

Tracey C. Rembert
Director - Catholic Responsible Investments
CBIS
Catholic Responsible Investments

[redacted]
vCard

[redacted]
www.cbisonline.com

Please read important information and disclaimers here: www.cbisonline.com/emaildisclaimer.

CBIS
Catholic Responsible Investments

November 24, 2020

Mr. Stephen A. Littleton, VP of Investor Relations and Corporate Secretary
ExxonMobil Corporation
[redacted]

RE: Agenda Item for 2021 Annual Shareholder Meeting

Dear Stephen,

After very careful consideration, Christian Brothers Investment Services, Inc. (CBIS), the investment manager for our client, the Catholic United Investment Trust (CUIT), is filing the attached proposal on the financial position of ExxonMobil under a net-zero 2050 scenario. CBIS has been authorized on behalf of CUIT to file the enclosed proposal for inclusion in ExxonMobil Corporation's Proxy Statement and Form of Proxy relating to the 2021 Annual Meeting of Stockholders. CBIS, on behalf of CUIT, has held the requisite amount of ExxonMobil Corp. stock continuously for over one year from today's date for our client, in order to be able to submit this proposal.

CBIS has engaged ExxonMobil on climate change since the two companies initially merged into one, and we have valued what we have learned in those dialogues with corporate staff. We had requested dialogue with the company in Feb. 2020 on several climate change matters, including on how the accounting and audit functions were considering climate change impacts to the company's financial reporting. Although ExxonMobil agreed to resume such a dialogue this year, after multiple follow-ups from CBIS, ExxonMobil responded that is was refusing to meet virtually to discuss such matters. Hence, CBIS is filing this proposal to raise the issue with ExxonMobil's Board, its Audit Committee, and fellow shareholders.

CBIS should be designated as the lead filer of this proposal. If any shareholders contact us wishing to co-file this proposal, we will inform them of the final text and let ExxonMobil know of the existence of any co-filers. All correspondence related to this proposal should be directed to CBIS, attention Tracey Rembert.

Enclosed with this cover letter is the resolution text and a copy of the certification from CUIT's custodian, BNY Mellon, that as of Nov. 24th, 2020, CUIT owned the requisite amount of company stock to file this proposal. CUIT intends to continuously hold the requisite number of shares through the date of the next Annual Stockholders Meeting, consistent with the requirements in SEC Rule 14a-8, and to designate a representative to present this proposal at the Annual Meeting.

Should you have any questions on this matter, or you wish to resume our long-running engagement on climate issues, please contact me at [redacted] or [redacted].

Sincerely yours,

Tracey C. Rembert

Tracey C. Rembert, Director, Catholic Responsible Investing
CBIS

125 S. Wacker Drive, Suite 2400 Chicago, IL 60606 TEL 877.550.2247 FAX 855 634.5716 www.cbisonline.com

The offering and sale of securities is made exclusively through CBIS Financial Services, Inc., a subsidiary of CBIS.

BNY MELLON

November 24, 2020

Attn: Corporate Secretary Stephen A. Littleton
ExxonMobil Corporation
[redacted]

Re: Christian Brothers Investment Services, Inc. CUSIP # 30231G102

Stephen A. Littleton:

BNY Mellon is the record owner of common stock ("Shares") of EXXON MOBIL CORP, beneficially owned by Christian Brothers Investment Services, Inc., acting as investment manager for the Catholic United Investment Trust (CUIT). BNY Mellon holds the shares with The Depository Trust Company, in participant code 901. The Client has held shares of EXXON MOBIL CORP, (CUSIP # 30231G102) with a market value greater than $2,000.00 continuously for more than a one-year period as of November 24, 2020.

Please do not hesitate to contact me should you have any specific concerns or questions.

Sincerely,

Robert Jordan
Director

All information contained in this correspondence should be considered and remains the property of BNY Mellon

CLIMATE CHANGE IMPACTS ON FINANCIAL POSITION AND ASSUMPTIONS

WHEREAS:

—As evidence of the severe impacts from climate change mounts, policy makers, companies, and financial bodies are increasingly focused on the economic impacts[1] from driving greenhouse gas (GHG) emissions to well-below 2 degrees Celsius below pre-industrial levels (including 1.5° C ambitions), as outlined in the Paris Agreement;

—This focus has led many ExxonMobil peers (including BP, Eni, Equinor, Repsol, Royal Dutch Shell, and Total) to commit to major GHG reductions, including setting "net zero emission" goals by 2050;[2] [3]

—Investors are also calling for high-emitting companies to test their financial assumptions and resiliency against substantial reduced-demand climate scenarios,[4] and to provide investors insights about the potential impact on their financial statements;[5] [6] [7]

—As of November 2020, ExxonMobil had neither committed to net-zero emissions by 2050 across its value chain, nor disclosed how its financial assumptions would change from doing so;

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- BP: how climate change and a global energy transition impacted the capitalization of exploration and appraisal costs and risks that oil and gas price assumptions could lead to financial misstatements;

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- National Grid: noted estimates inconsistent with 2050 "net zero" commitments;

— Additionally, in 2020, BP, Shell and Total reviewed their 2019 financial accounting practices in light of the accelerating low-carbon energy transition. All three subsequently adjusted critical accounting assumptions, resulting in material impairments, and disclosed how climate change affected the adjustments;

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1 https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S%20Financial%20System%20for%20posting.pdf

2 https://www.reuters.com/article/climate-change-carbon-targets/factbox-big-oils-climate-targets-idUSL8N2HO1B4

3 https://carbontracker.org/reports/fault-lines/

4 https://www.iigcc.org/news/investor-groups-call-on-companies-to-reflect-climate-related-risks-in-financial-reporting/

5 https://www.unpri.org/sustainability-issues/accounting-for-climate-change

6 https://www.iigcc.org/download/investor-expectations-for-paris-aligned-accounts/?wpdmdl=4001&masterkey=5fabc4d15595d

7 https://cdn.ifrs.org/-/media/feature/news/2019/november/in-brief-climate-change-nick-anderson.pdf?la=en

— In October 2020, the International Energy Agency (IEA) issued a new "Net Zero 2050" scenario which describes what it would mean for the energy sector globally to reach net-zero GHG emissions by 2050. This more aggressive global action to curtail climate change is consistent with a 1.5°C temperature increase globally.[8]

RESOLVED: Shareholders request that ExxonMobil's Board of Directors issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions. The Board should summarize its findings to shareholders by January 31, 2022, and the report should be completed at reasonable cost and omitting proprietary information.

SUPPORTING STATEMENT: Proponents recommend that in issuing the report, the company take account of information on:

- Assumptions, costs, estimates, and valuations that may be materially impacted; and
- The potential for widespread adoption of net-zero goals by governments and peers.[9]

Proponents recommend that the report be supported by reasonable assurance from an independent auditor.

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8 https://www.iea.org/reports/world-energy-outlook-2020/achieving-net-zero-emissions-by-2050
9 https://www.climatechangenews.com/2019/06/14/countries-net-zero-climate-goal/

Williamson, Judith /C

From: Littleton, Stephen A
Sent: Saturday, November 28, 2020 8:45 PM
To: Rembert, Tracey
Cc: Englande, Sherry M
Subject: RE: Submission of Shareholder Resolution for 2021 Annual Meeting and Proxy Statement

Tracey, I hope you have a good holiday. We look forward to discussing.

From: Rembert, Tracey [mailto[redacted]
Sent: Tuesday, November 24, 2020 5:33 PM
To: Littleton, Stephen A <[redacted]
Cc: Englande, Sherry M <[redacted]
Subject: Submission of Shareholder Resolution for 2021 Annual Meeting and Proxy Statement

External Email - Think Before You Click

Dear Stephen and Sherry,

I do hope we can resume dialogue like in years past on climate change issues, including the one mentioned in our proposal attached above for the Board's consideration -- an issue important to us.

Please contact me with any discussion or questions (mobile: [redacted], and I hope you both have a very enjoyable and relaxing holiday break this week.

In cooperation,

Tracey Rembert
CBIS

Tracey C. Rembert
Director - Catholic Responsible Investments
CBIS®
Catholic Responsible Investments

[redacted]
vCard

[redacted]
www.cbisonline.com

Please read important information and disclaimers here: www.cbisonline.com/emaildisclaimer.

Exxon Mobil Corporation
5959 Las Colinas Boulevard
Irving, Texas 75039-2298

Stephen A. Littleton
Vice President, Investor Relations
and Secretary

ExxonMobil

VIA UPS – OVERNIGHT DELIVERY

December 8, 2020

Ms. Tracey C. Rembert
Director, Catholic Responsible Investing
Christian Brothers Investment Services
[redacted]

Dear Ms. Rembert:

This will acknowledge receipt of the proposal concerning a Report on Scenario Analysis (the "Proposal"), which you have submitted on behalf of Catholic United Investment Trust (the "Proponent") in connection with ExxonMobil's 2021 annual meeting of shareholders. By copy of a letter from BNY Mellon, share ownership has been verified.

However, we note that the Proposal does not include proper documentation of authority from the shareholder to the representative to submit the proposal. Pursuant to SEC Staff Legal Bulletin 14I, the submission of a proposal by proxy (i.e., by a representative rather than by the shareholder directly) must include proper documentation describing the shareholder's delegation of authority to the proxy. This documentation must:

- identify the shareholder-proponent and the person or entity selected as proxy;
- identify the company to which the proposal is directed;
- identify the annual or special meeting for which the proposal is submitted;
- identify the specific proposal to be submitted (e.g., proposal to lower the threshold for calling a special meeting from 25% to 10%); and
- be signed and dated by the shareholder.

You should note that, if the Proposal is not withdrawn or excluded, the Proponents 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,

SAL/tlb

Enclosures

Broussard, Jenifer L

From:	Rembert, Tracey [redacted]
Sent:	Tuesday, December 15, 2020 1:58 PM
To:	Broussard, Jenifer L
Cc:	Krefting, Rupert; Punnett, Jeremy; Gail Follansbee; Lila Holzman; 'Pat Daly'; Catherine Rowan; Susan Mika; Sister Andrea Westkamp; [redacted]; Katie Carter; Danielle Fugere; Rembert, Tracey
Subject:	Either date works: Teleconference to Discuss Your Report on Scenario Analysis Proposal
Categories:	External Sender

External Email - Think Before You Click

Dear Jenifer,
It seems that thus far, all filers of the climate accounting resolution can make both dates Exxon presented. So whichever one works best for your team is ok. Just a note that some attendees are West Coast time and some are in the UK, so it is very early or late for them. The attendee list includes:

- CBIS, myself, Julie Tanner, and possibly one other teammate
- Sisters of St. Dominic of Caldwell, NJ, Sr. Pat Daly
- Presbyterian Church USA, Rob Fohr and Katie Carter
- M and G Investments, Rupert Krefting and Jeremy Punnett
- Dominican Sisters of Hope, Sr. Pat Daly
- Maryknoll Sisters, Cathy Rowan
- As You Sow, Gail Follansbee, Danielle Fugere, and possibly Lila Holzman
- Benedictine Sisters of Virginia, Sr. Susan Mika

Thank you for the opportunity to discuss the proposal. The filers have been provided the GHG/Paris announcement from yesterday as well. We do hope we can get a clearer take on the company's higher-level views on what the company is doing internally to have climate risks and impacts better reflected in accounting protocols, assumptions and estimates during this discussion.

Sincerely,
Tracey Rembert, CBIS
On behalf of the filers

From: Broussard, Jenifer L [redacted]
Sent: Friday, December 11, 2020 8:45 AM
To: Rembert, Tracey [redacted]
Subject: RE: response: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Scenario Analysis Proposal

Hello Ms. Rembert,

Thank you for your response. We look forward to hearing from you regarding your preferred time slot, and will schedule the call via Skype accordingly. We would appreciate it if you will provide us with a list of the co-filers participating as well.

Kind Regards,

Jenifer L. Broussard
Shareholder Relations Team
Exxon Mobil Corporation
Investor Relations & Office of the Secretary
[redacted]

From: Rembert, Tracey [mailto:[redacted]]
Sent: Thursday, December 10, 2020 9:59 AM
To: Broussard, Jenifer L [redacted]
Subject: response: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Scenario Analysis Proposal

External Email - Think Before You Click

Dear Jenifer,
Thank you for the opportunity to discuss this matter. I assume that co-filers would be welcome to this discussion. If so, then I will check with them on the time that works best and get back to you and Stephen. Many thanks and we hope that you and your colleagues are staying safe.

Tracey Rembert, CBIS

From: Broussard, Jenifer L [redacted]
Sent: Wednesday, December 9, 2020 2:16 PM
To: Rembert, Tracey [redacted]
Subject: ExxonMobil Would Like to Schedule a Teleconference to Discuss Your Report on Scenario Analysis Proposal

Dear Ms. Rembert,

We hope that this email finds you well. Stephen Littleton would like to schedule a call to discuss your proposal regarding a report on scenario analysis for inclusion in the 2021 Proxy Statement.

Below you will find suggested date/time (Central Time) slots. We plan for the call to be no longer than 50 minutes. 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 a[redacted]with your preferred timing as soon as convenient.

Wednesday, 1/13/2021
9:00-9:50AM

Friday, 1/15/2021
2:30-3:20PM

We look forward to talking with you soon.

Kind Regards,

Jenifer L. Broussard
Shareholder Relations Team
Exxon Mobil Corporation
[redacted]

Please read important information and disclaimers here: www.cbisonline.com/emaildisclaimer.
Please read important information and disclaimers here: www.cbisonline.com/emaildisclaimer.

Broussard, Jenifer L

Subject:	Proponent Call: Report on Scenario Analysis
Location:	Skype Meeting (Irving Conf Rm 2609)
Start:	Wed 1/13/2021 9:00 AM
End:	Wed 1/13/2021 9:50 AM
Show Time As:	Tentative
Recurrence:	(none)
Meeting Status:	Not yet responded
Organizer:	Broussard, Jenifer L
Required Attendees:	Rembert, Tracey; Littleton, Stephen A; Englande, Sherry M

Sent on behalf of Stephen Littleton

→ Join Skype Meeting

Trouble Joining? Try Skype Web App

Join by phone

[redacted] English (United States)

Find a local number

Conference ID[redacted]

Forgot your dial-in PIN? | Help

From:	Rembert, Tracey [redacted]
Sent:	Tuesday, December 15, 2020 3:35 PM
To:	Broussard, Jenifer L
Subject:	Accepted: Proponent Call: Report on Scenario Analysis

External Email - Think Before You Click

Tracey C. Rembert
Director - Catholic Responsible Investments
CBIS
Catholic Responsible Investments

[redacted]
vCard

[redacted]
www.cbisonline.com

Please read important information and disclaimers here: www.cbisonline.com/emaildisclaimer.

Proof of Delivery

Dear Customer,

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

Tracking Number

1Z75105X0198639545

Service

UPS Next Day Air®

Shipped / Billed On

12/08/2020

Delivered On

12/09/2020 10:22 A.M.

Delivered To

NEW YORK, NY, US

Received By

HARRIS

Left At

Other

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: 12/15/2020 12:53 P.M. EST

Bates, Tamara L

From: Englande, Sherry M
Sent: Tuesday, December 8, 2020 7:43 AM
To: Bates, Tamara L
Subject: FW: Shareholder Proposal
Attachments: 2021 Exxon Mobil.pdf

Tami – Co-filing for Report on Scenario Analysis

From: Littleton, Stephen A
Sent: Tuesday, December 08, 2020 7:39 AM
To: Englande, Sherry M < >
Subject: FW: Shareholder Proposal

fyi

From: Sister Andrea Westkamp [mailto:awestkamp@osbva.org]
Sent: Monday, December 7, 2020 3:49 PM
To: Littleton, Stephen A < >
Subject: Shareholder Proposal

External Email - Think Before You Click

Dear Mr. Littleton,

Please receive our shareholder proposal. Kindly let me know that you received this email and attachment.

Thank you very much!

Sister Andrea Westkamp, OSB
Subprioress and Treasurer
Benedictine Sisters of Virginia
9535 Linton Hall Road
Bristow, VA 20136

This e-mail message, including any attachments, is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged and/or confidential. If you are not the intended recipient or the employee or agent responsible for delivering the communication to the intended recipient, please notify us immediately by replying to this message and then delete this message from your system. You are hereby notified that any use, dissemination, distribution and/or reproduction of this message and/or any attachments by unintended recipients is unauthorized and may be unlawful. Furthermore, although we have taken precautions to minimize the risk of transmitting software viruses, we advise you to perform your own virus checks on any attachment to this message. We do not accept liability for any loss or damage caused by software viruses.

Benedictine Sisters of Virginia

Clothed in Faith with the Gospel as our Guide

December 7, 2020

Stephen Littleton

Vice President of Investor Relations and Corporate Secretary

Exxon Mobil Corporation

5959 Las Colinas Blvd

Irving, TX 75039-2298

Email:

Dear Mr. Littleton:

I am writing you on behalf of the Benedictine Sisters of Virginia to co-file the stockholder resolution on Audited Impacts to Financial Reporting from Net-Zero 2050 Scenario. In brief, the proposal states: **RESOLVED**, shareholders request that ExxonMobil's Board of Directors issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions. The Board should summarize its findings to shareholders by January 31, 2022, and the report should be completed at reasonable cost and omitting proprietary information.

I am hereby authorized to notify you of our intention to co-file this shareholder proposal with the Christian Brothers Investment Services. I submit it for inclusion in the 2021 proxy statement for consideration and action by the shareholders at the 2021 annual meeting in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. We are the beneficial owner, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of more than $2,000 of Exxon Mobil Corporation shares.

We have been a continuous shareholder for one year of $2,000 in market value of Exxon Mobil Corporation stock and will continue to hold at least $2,000 of Exxon Mobil Corporation stock through the next annual meeting. Verification of our ownership position will be sent by our custodian. A representative of the filers will attend the stockholders' meeting to move the resolution as required by SEC rules.

We truly hope that the company will be willing to dialogue with the filers about this proposal. We consider the Christian Brothers Investment Services the lead filer of this resolution. As such, the Christian Brothers Investment Services, serving as the primary filer, is authorized to act on our behalf in all aspects of the resolution, including negotiation and deputize them to withdraw the resolution on our behalf if an agreement is reached. Please note that the contact person for this resolution/proposal will be Tracey Rembert, of the Christian Brothers Investment Services who may be reached by phone 212-503-1927 or by email: trembert@cbisonline.com.

As a co-filer, however, we respectfully request direct communication from the company and to be listed in the proxy.

Sincerely,

Sister Andrea Westkamp, OSB

Sister Andrea Westkamp, OSB
Treasurer

2021 Exxon Mobil Corporation
Audited Impacts to Financial Reporting from Net-Zero 2050 Scenario

WHEREAS:

—As evidence of the severe impacts from climate change mounts, policy makers, companies, and financial bodies are increasingly focused on the economic impacts[1] from driving greenhouse gas (GHG) emissions to well-below 2 degrees Celsius below pre-industrial levels (including 1.5° C ambitions), as outlined in the Paris Agreement;

—This focus has led many ExxonMobil peers (including BP, Eni, Equinor, Repsol, Royal Dutch Shell, and Total) to commit to major GHG reductions, including setting "net zero emission" goals by 2050;[2] [3]

—Investors are also calling for high-emitting companies to test their financial assumptions and resiliency against substantial reduced-demand climate scenarios,[4] and to provide investors insights about the potential impact on their financial statements;[5] [6] [7]

—As of November 2020, ExxonMobil had neither committed to net-zero emissions by 2050 across its value chain, nor disclosed how its financial assumptions would change from doing so;

—In contrast, the audit reports for other high GHG-emitting companies clearly discussed this connection:
- BP: how climate change and a global energy transition impacted the capitalization of exploration and appraisal costs and risks that oil and gas price assumptions could lead to financial misstatements;
- Shell: how long-term price assumptions impacted by climate change could affect asset values and impairment estimates;
- National Grid: noted estimates inconsistent with 2050 "net zero" commitments;

—Additionally, in 2020, BP, Shell and Total reviewed their 2019 financial accounting practices in light of the accelerating low-carbon energy transition. All three subsequently adjusted critical accounting assumptions, resulting in material impairments, and disclosed how climate change affected the adjustments;

—In October 2020, the International Energy Agency (IEA) issued a new "Net Zero 2050" scenario which describes what it would mean for the energy sector globally to reach net-zero GHG emissions by 2050. This more aggressive global action to curtail climate change is consistent with a 1.5°C temperature increase globally.[8]

RESOLVED: Shareholders request that ExxonMobil's Board of Directors issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions. The Board should summarize its findings to shareholders by January 31, 2022, and the report should be completed at reasonable cost and omitting proprietary information.

SUPPORTING STATEMENT: Proponents recommend that in issuing the report, the company take account of information on:
- Assumptions, costs, estimates, and valuations that may be materially impacted; and
- The potential for widespread adoption of net-zero goals by governments and peers.[9]

Proponents recommend that the report be supported by reasonable assurance from an independent auditor.

[1] https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf
[2] https://www.reuters.com/article/climate-change-carbon-targets/factbox-big-oils-climate-targets-idUSL8N2HO1B4
[3] https://carbontracker.org/reports/fault-lines/
[4] https://www.iigcc.org/news/investor-groups-call-on-companies-to-reflect-climate-related-risks-in-financial-reporting/
[5] https://www.unpri.org/sustainability-issues/accounting-for-climate-change
[6] https://www.iigcc.org/download/investor-expectations-for-paris-aligned-accounts/?wpdmdl=4001&masterkey=5fabc4d15595d
[7] https://cdn.ifrs.org/-/media/feature/news/2019/november/in-brief-climate-change-nick-anderson.pdf?la=en
[8] https://www.iea.org/reports/world-energy-outlook-2020/achieving-net-zero-emissions-by-2050
[9] https://www.climatechangenews.com/2019/06/14/countries-net-zero-climate-goal/

Bates, Tamara L

From:	Littleton, Stephen A
Sent:	Thursday, December 10, 2020 10:07 AM
To:	Englande, Sherry M
Subject:	FW: Exxon Mobil_2020-12-10-102622246.pdf
Attachments:	Exxon Mobil_2020-12-10-102622246.pdf

From: Franz, Cheryl [mailto:CFranz@BBTScottStringfellow.com]
Sent: Thursday, December 10, 2020 10:00 AM
To: Littleton, Stephen A < >
Cc: Sister Andrea Westkamp <awestkamp@osbva.org>
Subject: Exxon Mobil_2020-12-10-102622246.pdf

External Email - Think Before You Click

Mr. Littleton,

Attached please find the verification letter for the Benedictine Sisters of VA.

Should you need anything else please do not hesitate to contact me.

Thanks so much and Happy Holidays.

Cheryl

Cheryl T. Franz
Client Service Associate
The Mintz & Gow Group of BB&T Scott & Stringfellow

901 E. Byrd St. Suite 500
Richmond, VA 23219
804 780.3287 w; 804 649.2916 f
cfranz@bbtscottstringfellow.com
NEED DIRECTIONS TO MY OFFICE? https://goo.gl/maps/EbuzXBdde8p

BB&T Scott & Stringfellow

Website LinkedIn

This message is intended only for the addressee. BB&T Investments and BB&T Scott & Stringfellow, are

BB&T Scott & Stringfellow

December 7, 2020

Stephen Littleton
Vice President of Investor Relations &
Corporate Secretary
Exxon Mobil Corp.
5959 Las Colinas Blvd.
Irving TX 75039

RE: Shareholder Resolution: Exxon Mobil

As of December 7, 2020, Benedictine Sisters of VA held, and has held continuously for at least one year, 3560 shares of Exxon Mobil. These shares have been held with BB&T Scott & Stringfellow – DTC# 0702.

If you need additional information, please contact me at 804-787-8284.

Sincerely,

Steve Gow

Steve Gow, CFA®
Vice President
Financial Advisor

Cc: Sister Andres Westkamp, OSB

BB&T Scott & Stringfellow is a division of BB&T Securities, LLC, member FINRA/SIPC. BB&T Securities, LLC is a wholly owned nonbank subsidiary of BB&T Corporation. Securities and insurance products or annuities sold, offered or recommended by BB&T Scott & Stringfellow are not a deposit, not FDIC insured, not guaranteed by a bank, not insured by any federal government agency and may lose value.

Englande, Sherry M

From:	Bates, Tamara L
Sent:	Tuesday, December 15, 2020 1:17 PM
To:	'awestkamp@osbva.org'
Subject:	ExxonMobil 2021 Co-Filer Acknowledgement Letter
Attachments:	2021_CF_Report on Scenario Analysis_Benedictine Sisters of Virginia_Ack-Letter_Proof Verified.pdf

Sent on Behalf of Sherry M. Englande

Dear Sister Westkamp,

Please see the attached acknowledgement letter concerning your co-filer status.

Regards,

Tamara L. Bates
ESG Engagement Analyst
Investor Relations

Exxon Mobil Corporation
5959 Las Colinas Blvd.,
Irving, TX 75039-2298

Exxon Mobil Corporation
5959 Las Colinas Boulevard
Irving, Texas 75039-2298

Sherry M. Englande
Manager, ESG Engagement

ExxonMobil

VIA EMAIL

December 15, 2020

Sister Andrea Westkamp, OSB
Subprioress and Treasurer
Benedictine Sisters of Virginia
9535 Linton Hall Road
Bristow, VA 20136-1217

Dear Sister Westkamp:

This will acknowledge receipt of your letter indicating that you wish to co-file on behalf of Benedictine Sisters of Virginia (the "Co-filer"), the proposal previously submitted by Christian Brothers Investment Services, Inc. (the "Proponent") concerning a Report on Scenario Analysis (the "Proposal") in connection with ExxonMobil's 2021 annual meeting of shareholders. By copy of a letter from BB&T Scott & Stringfellow, share ownership has been verified.

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

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

Sincerely,

SME/tlb

Sisters of St. Dominic of Caldwell New Jersey

Office of Corporate Responsibility 973 670-9674
75 South Fullerton Ave.
Montclair NJ 07042 patdalyop@gmail.com

FAX

To: **Stephen A Littleton**
Corporate Secretary

From: **Sister Patricia Daly OP**
For Dominican Sisters of Hope

# of Pages including Cover Sheet: 5

Sisters of St. Dominic of Caldwell New Jersey

Office of Corporate Responsibility
75 So Fullerton Avenue.
Montclair NJ 07042

973 670-9674

patdalyop@gmail.com

December 2, 2020

Mr. Stephen A. Littleton
VP of Investor Relations and Corporate Responsibility
ExxonMobil Corporation
5959 Las Colinas Blvd.
Irving, TX 75039-2298

Dear Mr. Littleton:

The Community of the Sisters of St. Dominic of Caldwell, NJ is the beneficial owner of 495 shares of stock in ExxonMobil and has held these shares continuously for over twelve months and will continue hold the requisite number of shares at least until after the next annual meeting of shareholders. A letter of verification of ownership is enclosed.

I am hereby authorized to notify you of our intention to present the attached proposal for consideration and action by the stockholders at the next annual meeting. I submit this resolution for inclusion in the proxy statement, in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

As decades-long investors, we continue to be grateful for the ongoing dialogues with ExxonMobil executives. At this time, we would like to offer this resolution looking for an audited report on Climate Change Impacts and the financial position of the company. Tracey Rembert of CBIS will act as the primary contact for this shareholder proposal, however, please copy me on all communications.

We look forward to speaking with you about this proposal.

Blessings,

Sister Patricia A. Daly, OP
Corporate Responsibility Representative

CLIMATE CHANGE IMPACTS ON FINANCIAL POSITION AND ASSUMPTIONS

WHEREAS:

—As evidence of the severe impacts from climate change mounts, policy makers, companies, and financial bodies are increasingly focused on the economic impacts[1] from driving greenhouse gas (GHG) emissions to well-below 2 degrees Celsius below pre-industrial levels (including 1.5° C ambitions), as outlined in the Paris Agreement;

—This focus has led many ExxonMobil peers (including BP, Eni, Equinor, Repsol, Royal Dutch Shell, and Total) to commit to major GHG reductions, including setting "net zero emission" goals by 2050;[2] [3]

—Investors are also calling for high-emitting companies to test their financial assumptions and resiliency against substantial reduced-demand climate scenarios,[4] and to provide investors insights about the potential impact on their financial statements;[5] [6] [7]

—As of November 2020, ExxonMobil had neither committed to net-zero emissions by 2050 across its value chain, nor disclosed how its financial assumptions would change from doing so;

—In contrast, the audit reports for other high GHG-emitting companies clearly discussed this connection:

- BP: how climate change and a global energy transition impacted the capitalization of exploration and appraisal costs and risks that oil and gas price assumptions could lead to financial misstatements;

- Shell: how long-term price assumptions impacted by climate change could affect asset values and impairment estimates;

- National Grid: noted estimates inconsistent with 2050 "net zero" commitments;

— Additionally, in 2020, BP, Shell and Total reviewed their 2019 financial accounting practices in light of the accelerating low-carbon energy transition. All three subsequently adjusted critical accounting assumptions, resulting in material impairments, and disclosed how climate change affected the adjustments;

---

[1] https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf

[2] https://www.reuters.com/article/climate-change-carbon-targets/factbox-big-oils-climate-targets-idUSL8N2HO1B4

[3] https://carbontracker.org/reports/fault-lines/

[4] https://www.iigcc.org/news/investor-groups-call-on-companies-to-reflect-climate-related-risks-in-financial-reporting/

[5] https://www.unpri.org/sustainability-issues/accounting-for-climate-change

[6] https://www.iigcc.org/download/investor-expectations-for-paris-aligned-accounts/?wpdmdl=4001&masterkey=5fabc4d15595d

[7] https://cdn.ifrs.org/-/media/feature/news/2019/november/in-brief-climate-change-nick-anderson.pdf?la=en

— In October 2020, the International Energy Agency (IEA) issued a new "Net Zero 2050" scenario which describes what it would mean for the energy sector globally to reach net-zero GHG emissions by 2050. This more aggressive global action to curtail climate change is consistent with a 1.5°C temperature increase globally.[8]

RESOLVED: Shareholders request that ExxonMobil's Board of Directors issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions. The Board should summarize its findings to shareholders by January 31, 2022, and the report should be completed at reasonable cost and omitting proprietary information.

SUPPORTING STATEMENT: Proponents recommend that in issuing the report, the company take account of information on:

- Assumptions, costs, estimates, and valuations that may be materially impacted; and
- The potential for widespread adoption of net-zero goals by governments and peers.[9]

Proponents recommend that the report be supported by reasonable assurance from an independent auditor.

---

[8] https://www.iea.org/reports/world-energy-outlook-2020/achieving-net-zero-emissions-by-2050
[9] https://www.climatechangenews.com/2019/06/14/countries-net-zero-climate-goal/

BANK OF AMERICA
PRIVATE BANK

Jennifer S. Williams
Senior Vice President
Senior Trust Officer

FL9-875-03-02824
A1A Highway North, Suite 300
Ponte Vedra Beach, FL 32082
T 904.686.3520 F 904.791.5564
jen.williams@bofa.com

December 2, 2020

Mr. Stephen A. Littleton
VP of Investor Relations and Corporate Responsibility
ExxonMobil Corporation
5959 Las Colinas Blvd.
Irving, TX 75039-2298

RE: The Sisters of St. Dominic of Caldwell, NJ Inc.
Letter of Verification of Ownership

To Whom it may Concern,

This letter alone shall serve as proof of beneficial ownership of 495 shares of ExxonMobil common stock for the Sisters of St. Domonic of Caldwell, NJ Inc.

Please be advised that as of December 2, 2020, the Sisters of St. Dominic of Caldwell, NJ Inc:

- have continuously held the requisite number of shares of common stock for at least one year;
- intend to continue holding the requisite number of shares of common stock through the date of the next Annual Meeting of Shareholders.

Sincerely,
Jennifer S. Williams
Digitally signed by Jennifer S. Williams
Date: 2020.12.02 12:15:10 -05'00'
Jennifer S. Williams
Senior Vice President

Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value

Trust and fiduciary services are provided by Bank of America Private Bank, a division of Bank of America, N.A., Member FDIC, and a wholly-owned subsidiary of Bank of America Corporation.

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U.S. POSTAGE PAID
PM 2-Day
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07042
DEC 02, 20
AMOUNT
$14.15
R2304M116178-10

1004 75039

FROM:
PDALY OP
75 So FULLERTON AVE
MONTCLAIR NJ 07042

7020 1810 0000 9163 8945

TO:

STEPHEN LITTLETON
CORP. SECRETARY
EXXONMOBIL CORP
5959 LAS COLINAS BLVD
IRVING TX 75039-2298

RETURN RECEIPT REQUESTED

To schedule free Package Pickup, scan the QR code.

RETURN RECEIPT REQUESTED

USPS.COM/PICKUP

EP14F May 2020
OD: 12 1/2 x 9 1/2

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

STEPHEN A LITTLETON
CORPORATE SECRETARY
EXXON MOBIL
5959 LAS COLINAS BLVD
IRVING TX 75039-2298

2. Artic (Tra 7020 1810 0000 9163 8945

PS Form 3811, July 2013 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail® ☐ Priority Mail Express™
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes

Sisters of Saint Dominic of Caldwell

JERSEY 07006-6198

Patricia A Daly OP
75 So Fullerton Avenue
Montclair NJ 07042

MR. STEPHEN LITTLETON
VP of INVESTOR RELATIONS & CORPORATE SECRETARY
EXXONMOBIL CORP.
5959 LAS COLINAS BLVD
IRVING TX 75039-2298

TRADITION & VISION SINCE 1881

Englande, Sherry M

From: Bates, Tamara L
Sent: Wednesday, December 16, 2020 12:12 PM
To: 'patdalyop@gmail.com'
Subject: ExxonMobil 2021 Co-Filer Acknowledgement Letters

<u>Sent on Behalf of Sherry M. Englande</u>

Dear Sister Daly,

Please see the attached acknowledgement letters concerning your co-filer status.

Regards,

Tamara L. Bates
ESG Engagement Analyst
Investor Relations

Exxon Mobil Corporation
5959 Las Colinas Blvd.,
Irving, TX 75039-2298

Exxon Mobil Corporation
5959 Las Colinas Boulevard
Irving, Texas 75039-2298

Sherry M. Englande
Manager, ESG Engagement

ExxonMobil

VIA EMAIL

December 15, 2020

Sister Patricia A. Daly, OP
Corporate Responsibility Agent
Sisters of St. Dominic of Caldwell NJ
75 South Fullerton Ave.
Montclair, NJ 07042

Dear Sister Daly:

This will acknowledge receipt of your letter indicating that you wish to co-file on behalf of Sisters of St. Dominic of Caldwell NJ (the "Co-filer"), the proposal previously submitted by Christian Brothers Investment Services, Inc. (the "Proponent") concerning a Report on Scenario Analysis (the "Proposal") in connection with ExxonMobil's 2021 annual meeting of shareholders. By copy of a letter from Bank of America, share ownership has been verified.

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

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

Sincerely,

Sherry Englande

SME/tlb

Bates, Tamara L

From: Littleton, Stephen A
Sent: Thursday, December 10, 2020 5:41 PM
To: Englande, Sherry M
Subject: FW: 2021 ExxonMobil resolution filing
Attachments: 2021 ExxonMobil filing.docx

From: Susan Mika [mailto:snmika2010@gmail.com]
Sent: Thursday, December 10, 2020 1:42 PM
To: Littleton, Stephen A < >; Susan Mika <snmika2010@gmail.com>
Subject: 2021 ExxonMobil resolution filing

External Email - Think Before You Click

Attached is our 2021 ExxonMobil shareholder resolution filing with the Christian Brothers Investment Services**: Audited Impacts to Financial Reporting from Net-Zero 2050 Scenario**.

We look forward to dialogue on this important issue.

--
Sr. Susan Mika, OSB
Benedictine Sisters
P.O. Box 200423
San Antonio, TX 78220
210-281-4422 - currently working remotely
snmika2010@gmail.com

Benedictine Sisters

285 Oblate Drive
San Antonio, TX 78216

210-348-6704 phone
210-341-4519 fax
Working remotely: 210-281-4422

December 10, 2020

Stephen Littleton
Vice President of Investor Relations and Corporate Secretary
Exxon Mobil Corporation
5959 Las Colinas Blvd
Irving, TX 75039-2298

Email:

Dear Mr. Littleton:

I am writing you on behalf of the Benedictine Sisters, Boerne, Texas to co-file the stockholder resolution on Audited Impacts to Financial Reporting from Net-Zero 2050 Scenario.

In brief, the proposal states: **RESOLVED**, shareholders request that ExxonMobil's Board of Directors issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions. The Board should summarize its findings to shareholders by January 31, 2022, and the report should be completed at reasonable cost and omitting proprietary information.

I am hereby authorized to notify you of our intention to co-file this shareholder proposal with the Christian Brothers Investment Services. I submit it for inclusion in the 2021 proxy statement for consideration and action by the shareholders at the 2021 annual meeting in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. We are the beneficial owner, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of $2,000 worth of the shares.

We have been a continuous shareholder for one year of $2,000 in market value of Exxon Mobil Corporation stock and will continue to hold at least $2,000 of Exxon Mobil Corporation stock through the next annual meeting. Verification of our ownership position will be sent by our custodian. A representative of the filers will attend the stockholders' meeting to move the resolution as required by SEC rules.

We truly hope that the company will be willing to dialogue with the filers about this proposal. We consider the Christian Brothers Investment Services the lead filer of this resolution. As such, the Christian Brothers Investment Services, serving as the primary filer, is authorized to act on our behalf in all aspects of the resolution, including negotiation and deputize them to withdraw the resolution on our behalf if an agreement is reached. Please note that the contact person for this resolution/proposal will be Tracey Rembert, of the Christian Brothers Investment Services who may be reached by phone 212-503-1927 or by email: trembert@cbisonline.com.

As a co-filer, however, we respectfully request direct communication from the company and to be listed in the proxy.

Sincerely,

Sr. Susan Mika

Sr. Susan Mika, OSB
Director, Corporate Responsibility

2021 Exxon Mobil Corporation
Audited Impacts to Financial Reporting from Net-Zero 2050 Scenario

WHEREAS:

—As evidence of the severe impacts from climate change mounts, policy makers, companies, and financial bodies are increasingly focused on the economic impacts[1] from driving greenhouse gas (GHG) emissions to well-below 2 degrees Celsius below pre-industrial levels (including 1.5° C ambitions), as outlined in the Paris Agreement;

—This focus has led many ExxonMobil peers (including BP, Eni, Equinor, Repsol, Royal Dutch Shell, and Total) to commit to major GHG reductions, including setting "net zero emission" goals by 2050;[2] [3]

—Investors are also calling for high-emitting companies to test their financial assumptions and resiliency against substantial reduced-demand climate scenarios,[4] and to provide investors insights about the potential impact on their financial statements;[5] [6] [7]

—As of November 2020, ExxonMobil had neither committed to net-zero emissions by 2050 across its value chain, nor disclosed how its financial assumptions would change from doing so;

—In contrast, the audit reports for other high GHG-emitting companies clearly discussed this connection:

- BP: how climate change and a global energy transition impacted the capitalization of exploration and appraisal costs and risks that oil and gas price assumptions could lead to financial misstatements;
- Shell: how long-term price assumptions impacted by climate change could affect asset values and impairment estimates;
- National Grid: noted estimates inconsistent with 2050 "net zero" commitments;

—Additionally, in 2020, BP, Shell and Total reviewed their 2019 financial accounting practices in light of the accelerating low-carbon energy transition. All three subsequently adjusted critical accounting assumptions, resulting in material impairments, and disclosed how climate change affected the adjustments;

—In October 2020, the International Energy Agency (IEA) issued a new "Net Zero 2050" scenario which describes what it would mean for the energy sector globally to reach net-zero GHG emissions by 2050. This more aggressive global action to curtail climate change is consistent with a 1.5°C temperature increase globally.[8]

RESOLVED: Shareholders request that ExxonMobil's Board of Directors issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions. The Board should summarize its findings to shareholders by January 31, 2022, and the report should be completed at reasonable cost and omitting proprietary information.

SUPPORTING STATEMENT: Proponents recommend that in issuing the report, the company take account of information on:

- Assumptions, costs, estimates, and valuations that may be materially impacted; and
- The potential for widespread adoption of net-zero goals by governments and peers.[9]

Proponents recommend that the report be supported by reasonable assurance from an independent auditor.

[1] https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf
[2] https://www.reuters.com/article/climate-change-carbon-targets/factbox-big-oils-climate-targets-idUSL8N2HO1B4
[3] https://carbontracker.org/reports/fault-lines/
[4] https://www.iigcc.org/news/investor-groups-call-on-companies-to-reflect-climate-related-risks-in-financial-reporting/
[5] https://www.unpri.org/sustainability-issues/accounting-for-climate-change
[6] https://www.iigcc.org/download/investor-expectations-for-paris-aligned-accounts/?wpdmdl=4001&masterkey=5fabc4d15595d
[7] https://cdn.ifrs.org/-/media/feature/news/2019/november/in-brief-climate-change-nick-anderson.pdf?la=en
[8] https://www.iea.org/reports/world-energy-outlook-2020/achieving-net-zero-emissions-by-2050
[9] https://www.climatechangenews.com/2019/06/14/countries-net-zero-climate-goal/

Englande, Sherry M

From:	Bates, Tamara L
Sent:	Friday, December 18, 2020 3:32 PM
To:	'snmika2010@gmail.com'
Subject:	ExxonMobil 2021 Co-Filer Acknowledgement Letter
Attachments:	Attachments_SEC Rule 14a-8_Apr-1-2013 and SLB 14F_Oct-18-2011.pdf; 2021 _CF_Report on Scenario Analysis_Benedictine Sisters of Boerne_Ack Letter - No Proof.pdf

Sent on Behalf of Sherry M. Englande

Dear Sister Mika,

Please see the attached acknowledgement letter concerning your co-filer status.

Regards,

Tamara L. Bates
ESG Engagement Analyst
Investor Relations

Exxon Mobil Corporation
5959 Las Colinas Blvd.,
Irving, TX 75039-2298

Exxon Mobil Corporation
5959 Las Colinas Boulevard
Irving, Texas 75039-2298

Sherry M. Englande
Manager, ESG Engagement

ExxonMobil

VIA EMAIL

December 18, 2020

Sister Susan Mika, OSB
Director of Corporate Social Responsibility
Benedictine Sisters of Boerne
285 Oblate Drive
San Antonio, TX 78216

Dear Sister Mika:

This will acknowledge receipt of your letter indicating that you wish to co-file on behalf of Benedictine Sisters of Boerne (the "Co-filer"), the proposal previously submitted by Christian Brothers Investment Services, Inc. (the "Proponent") concerning a Report on Scenario Analysis (the "Proposal") in connection with ExxonMobil's 2021 annual meeting of shareholders. However, proof of share ownership was not included with your December 10, 2020 submission.

In order to be eligible to submit a shareholder proposal, Rule 14a-8 (copy enclosed) requires a co-filer to submit sufficient proof that he or she 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 as of the date the shareholder proposal was submitted. For this Proposal, the date of submission is December 10, 2020 which is the date the Proposal was received electronically by email.

The Co-filer does not appear in our records as a registered shareholder. Moreover, to date we have not received proof that the Co-filer has satisfied these ownership requirements. To remedy this defect, the Co-filer must submit sufficient proof verifying their continuous ownership of the requisite number of ExxonMobil shares for the one-year period preceding and including December 10, 2020.

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

- a written statement from the "record" holder of the Co-filer's shares (usually a broker or a bank) verifying that the Co-filer continuously held the requisite number of ExxonMobil shares for the one-year period preceding and including December 10, 2020; or

- if the Co-filer 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 Co-filer'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 Co-filer continuously held the requisite number of ExxonMobil shares for the one-year period.

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

The Co-filer 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 may be 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 Co-filer's broker or bank is a DTC participant, then the Co-filer needs to submit a written statement from its broker or bank verifying that the Co-filer continuously held the requisite number of ExxonMobil shares for the one-year period preceding and including December 10, 2020.

- If the Co-filer's broker or bank is not a DTC participant, then the Co-filer needs to submit proof of ownership from the DTC participant through which the securities are held verifying that the Co-filer continuously held the requisite number of ExxonMobil shares for the one-year period preceding and including December 10, 2020. The Co-filer should be able to find out who this DTC participant is by asking the Co-filer's broker or bank. If the Co-filer's broker is an introducing broker, the Co-filer may also be able to learn the identity and telephone number of the DTC participant through the Co-filer's account statements because the clearing broker identified on the Co-filer's account statements will generally be a DTC participant. If the DTC participant that holds the Co-filer's shares knows the Co-filer's broker's or bank's holdings, but does not know the Co-filer's holdings, the Co-filer 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 10, 2020 the required amount of securities were continuously held – one from the Co-filer's broker or bank, confirming the Co-filer's ownership, and the other from the DTC participant, confirming the broker or bank's ownership.

Pursuant to SEC Staff Legal Bulletin 14I, the submission of a proposal by proxy (i.e., by a representative rather than by the shareholder directly) must include proper documentation describing the shareholder's delegation of authority to the proxy. This documentation must:

- identify the shareholder-proponent and the person or entity selected as proxy;
- identify the company to which the proposal is directed;
- identify the annual or special meeting for which the proposal is submitted;
- identify the specific proposal to be submitted (e.g., proposal to lower the threshold for calling a special meeting from 25% to 10%); and
- be signed and dated by the shareholder.

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 or by email to

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

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

Sincerely,

Sherry Englande

SME/tlb

Enclosures

Sisters of St. Dominic of Caldwell New Jersey

Office of Corporate Responsibility
75 South Fullerton Ave.
Montclair NJ 07042

973 670-9674

patdalyop@gmail.com

FAX

To: **Stephen A Littleton**
Corporate Secretary

972 940 6720

From: **Sister Patricia Daly OP**

# of Pages including Cover Sheet: 5

Dominican Sisters of Hope

December 2, 2020

Mr. Stephen A. Littleton
VP of Investor Relations and Corporate Responsibility
ExxonMobil Corporation
5959 Las Colinas Blvd.
Irving, TX 75039-2298

Dear Mr. Littleton:

The Dominican Sisters of Hope is the beneficial owner of 150 shares of stock in ExxonMobil and has held these shares continuously for over twelve months and will continue hold the requisite number of shares at least until after the next annual meeting of shareholders. A letter of verification of ownership is enclosed.

I am hereby authorized to notify you of our intention to present the attached proposal for consideration and action by the stockholders at the next annual meeting. I submit this resolution for inclusion in the proxy statement, in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

We have been longtime shareholders and our Sisters are very concerned about climate change, working to facilitate the transition to a GHG-free economy. ExxonMobil plays a key role in this transition. We offer this resolution looking for an audited report on Climate Change Impacts and the financial position of the company. Tracey Rembert of CBIS will act as the primary contact for this shareholder proposal, however, please copy me on all communications at the Montclair address below.

We look forward to speaking with you about this proposal.

Blessings,

Sister Patricia A. Daly, OP
Director: Shareholder Engagement
75 S Fullerton Ave, Montclair NJ 07042 973 670-9674 patdalyop@gmail.com

CLIMATE CHANGE IMPACTS ON FINANCIAL POSITION AND ASSUMPTIONS

WHEREAS:

—As evidence of the severe impacts from climate change mounts, policy makers, companies, and financial bodies are increasingly focused on the economic impacts[1] from driving greenhouse gas (GHG) emissions to well-below 2 degrees Celsius below pre-industrial levels (including 1.5° C ambitions), as outlined in the Paris Agreement;

—This focus has led many ExxonMobil peers (including BP, Eni, Equinor, Repsol, Royal Dutch Shell, and Total) to commit to major GHG reductions, including setting "net zero emission" goals by 2050;[2] [3]

—Investors are also calling for high-emitting companies to test their financial assumptions and resiliency against substantial reduced-demand climate scenarios,[4] and to provide investors insights about the potential impact on their financial statements;[5] [6] [7]

—As of November 2020, ExxonMobil had neither committed to net-zero emissions by 2050 across its value chain, nor disclosed how its financial assumptions would change from doing so;

—In contrast, the audit reports for other high GHG-emitting companies clearly discussed this connection:

- BP: how climate change and a global energy transition impacted the capitalization of exploration and appraisal costs and risks that oil and gas price assumptions could lead to financial misstatements;

- Shell: how long-term price assumptions impacted by climate change could affect asset values and impairment estimates;

- National Grid: noted estimates inconsistent with 2050 "net zero" commitments;

— Additionally, in 2020, BP, Shell and Total reviewed their 2019 financial accounting practices in light of the accelerating low-carbon energy transition. All three subsequently adjusted critical accounting assumptions, resulting in material impairments, and disclosed how climate change affected the adjustments;

---

1 https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf

2 https://www.reuters.com/article/climate-change-carbon-targets/factbox-big-oils-climate-targets-idUSL8N2HO1B4

3 https://carbontracker.org/reports/fault-lines/

4 https://www.iigcc.org/news/investor-groups-call-on-companies-to-reflect-climate-related-risks-in-financial-reporting/

5 https://www.unpri.org/sustainability-issues/accounting-for-climate-change

6 https://www.iigcc.org/download/investor-expectations-for-paris-aligned-accounts/?wpdmdl=4001&masterkey=5fabc4d15595d

7 https://cdn.ifrs.org/-/media/feature/news/2019/november/in-brief-climate-change-nick-anderson.pdf?la=en

— In October 2020, the International Energy Agency (IEA) issued a new "Net Zero 2050" scenario which describes what it would mean for the energy sector globally to reach net-zero GHG emissions by 2050. This more aggressive global action to curtail climate change is consistent with a 1.5°C temperature increase globally.[8]

RESOLVED: Shareholders request that ExxonMobil's Board of Directors issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions. The Board should summarize its findings to shareholders by January 31, 2022, and the report should be completed at reasonable cost and omitting proprietary information.

SUPPORTING STATEMENT: Proponents recommend that in issuing the report, the company take account of information on:

- Assumptions, costs, estimates, and valuations that may be materially impacted; and
- The potential for widespread adoption of net-zero goals by governments and peers.[9]

Proponents recommend that the report be supported by reasonable assurance from an independent auditor.

[8] https://www.iea.org/reports/world-energy-outlook-2020/achieving-net-zero-emissions-by-2050
[9] https://www.climatechangenews.com/2019/06/14/countries-net-zero-climate-goal/

December 2nd, 2020

Mr. Stephen A. Littleton
VP of Investor Relations and Corporate Responsibility
ExxonMobil Corporation
5959 Las Colinas Blvd.
Irving, TX 75039-2298

RE: Dominican Sisters of Hope

Dear Corporate Secretary,

This letter alone shall serve as proof of beneficial ownership of 150 shares of Exxon common stock for the Dominican Sisters of Hope.

Please be advised that as of 12/2/2020, the Dominican Sisters of Hope have continuously held the requisite number of shares of common stock for at least one year, and intend to continue holding the requisite number of shares through the date of the next Annual Meeting of Shareholders

Sincerely,

Jerry D. Coan| Vice President – Relationship Manager | Institutional Services Group
| 313-222-4562 | Fax: 313-222-7170 | jdcoan@comerica.com | 411 W. Lafayette Blvd. | MC 3462 |
Detroit, MI 48226

U.S. POSTAGE PAID
PM 2-Day
MONTCLAIR, NJ
07042
DEC 02, 20
AMOUNT
$14.15
R2304M116179-10

1004 75039

FROM:
P DALY OP
75 So FULLERTON AVE
MONTCLAIR NJ 07042

7020 1810 0000 9163 8945

TO:
STEPHEN LITTLETON
CORP SECRETARY
EXXONMOBIL CORP
5959 LAS COLINAS BLVD
IRVING TX 75039-2298

RETURN RECEIPT REQUESTED

To schedule free Package Pickup, scan the QR code.

USPS.COM/PICKUP

EP14F May 2020
OD: 12 1/2 x 9 1/2

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

STEPHEN A LITTLETON
CORPORATE SECRETARY
EXXON MOBIL
5959 LAS COLINAS BLVD
IRVING TX 75039-2298

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X
☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail®
☐ Registered
☐ Insured Mail
☐ Priority Mail Express™
☐ Return Receipt for Merchandise
☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7020 1810 0000 9163 8945

PS Form 3811, July 2013 Domestic Return Receipt

Sisters of Saint Dominic of Caldwell

JERSEY 07006-6198

Patricia A Daly OP
75 So Fullerton Avenue
Montclair NJ 07042

MR. STEPHEN LITTLETON
VP & INVESTOR RELATIONS & CORPORATE SECRETARY
EXXONMOBIL CORP.
5959 LAS COLINAS BLVD
IRVING TX 75039-2298

TRADITION & VISION SINCE 1881

Englande, Sherry M

From:	Bates, Tamara L
Sent:	Wednesday, December 16, 2020 12:12 PM
To:	'patdalyop@gmail.com'
Subject:	ExxonMobil 2021 Co-Filer Acknowledgement Letters

Sent on Behalf of Sherry M. Englande

Dear Sister Daly,

Please see the attached acknowledgement letters concerning your co-filer status.

Regards,

Tamara L. Bates
ESG Engagement Analyst
Investor Relations

Exxon Mobil Corporation
5959 Las Colinas Blvd.,
Irving, TX 75039-2298

Exxon Mobil Corporation
5959 Las Colinas Boulevard
Irving, Texas 75039-2298

Sherry M. Englande
Manager, ESG Engagement

ExxonMobil

VIA EMAIL

December 15, 2020

Sister Patricia A. Daly, OP
On Behalf of the Dominican Sisters of Hope
Corporate Responsibility Agent
Sisters of St. Dominic of Caldwell NJ
76 South Fullerton Ave.
Montclair, NJ 07043

Dear Sister Daly:

This will acknowledge receipt of your letter indicating that you wish to co-file on behalf of Dominican Sisters of Hope (the "Co-filer"), the proposal previously submitted by Christian Brothers Investment Services, Inc. (the "Proponent") concerning a Report on Scenario Analysis (the "Proposal") in connection with ExxonMobil's 2021 annual meeting of shareholders. By copy of a letter from Comerica, share ownership has been verified.

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

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

Sincerely,

Sherry Englande

SME/tlb

Bates, Tamara L

From:	Englande, Sherry M
Sent:	Monday, December 7, 2020 3:33 PM
To:	Bates, Tamara L
Subject:	FW: Maryknoll Sisters co-filing of CBIS shareholder propo
Attachments:	Maryknoll SIsters filing packet ExxonMobil.pdf; ATT00001.txt

Scenario Analysis Co-filing

-----Original Message-----
From: Littleton, Stephen A
Sent: Monday, December 07, 2020 3:29 PM
To: Englande, Sherry M < >
Subject: FW: Maryknoll Sisters co-filing of CBIS shareholder propo

-----Original Message-----
From: Cathy Rowan [mailto:rowan@bestweb.net]
Sent: Monday, December 7, 2020 2:27 PM
To: Littleton, Stephen A < >
Subject: Maryknoll Sisters co-filing of CBIS shareholder propo

External Email - Think Before You Click

Dear Mr. Littleton,

Attached please find the Maryknoll Sister's filing packet of a cover letter, shareholder proposal and letter verifying the Maryknoll Sisters' ownership of Exxon Mobil shares.

Please acknowledge receipt of this email.

Thanks very much,

Cathy Rowan

Catherine Rowan
Corporate Responsibility Coordinator
Maryknoll Sisters
766 Brady Ave., Apt. 635
Bronx, NY 10462
phone 718-822-0820
fax 718-504-4787
rowan@bestweb.net

MARYKNOLL—SISTERS

P.O. Box 311
Maryknoll, New York 10545-0311
Tel. (914)-941-7575

December 7, 2020

Mr. Stephen A. Littleton, Secretary
Exxon Mobil Corporation
5959 Las Colinas Boulevard
Irving, TX 75039-2298

Via electronic mail:

Dear Mr. Littleton,

The Maryknoll Sisters of St. Dominic, Inc. are the beneficial owners of 100 shares of Exxon Mobil Corporation. The Maryknoll Sisters have held these shares continuously for over twelve months and will continue to do so at least until after the next annual meeting of shareholders. A letter of verification of ownership is enclosed.

I am authorized to notify you of our intention to present the attached proposal for consideration and action by the stockholders at the next annual meeting. I submit this resolution for inclusion in the proxy statement, in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The lead filer of this proposal is Christian Brothers Investment Services, and the contact person is Tracey Rembert. <trembert@cbisonline.com > The Maryknoll Sisters authorize Ms. Rembert to negotiate withdrawal on their behalf. However, we respectfully request direct communication from the company, and to be listed in the proxy.

Sincerely,

Catherine Rowan

Catherine Rowan
Corporate Responsibility Coordinator
local address: 766 Brady Ave., Apt. 635, Bronx, NY 10462
email: rowan@bestweb.net

enc

CLIMATE CHANGE IMPACTS ON FINANCIAL POSITION AND ASSUMPTIONS

WHEREAS:

—As evidence of the severe impacts from climate change mounts, policy makers, companies, and financial bodies are increasingly focused on the economic impacts[1] from driving greenhouse gas (GHG) emissions to well-below 2 degrees Celsius below pre-industrial levels (including 1.5° C ambitions), as outlined in the Paris Agreement;

—This focus has led many ExxonMobil peers (including BP, Eni, Equinor, Repsol, Royal Dutch Shell, and Total) to commit to major GHG reductions, including setting "net zero emission" goals by 2050;[2] [3]

—Investors are also calling for high-emitting companies to test their financial assumptions and resiliency against substantial reduced-demand climate scenarios,[4] and to provide investors insights about the potential impact on their financial statements;[5] [6] [7]

—As of November 2020, ExxonMobil had neither committed to net-zero emissions by 2050 across its value chain, nor disclosed how its financial assumptions would change from doing so;

—In contrast, the audit reports for other high GHG-emitting companies clearly discussed this connection:

- BP: how climate change and a global energy transition impacted the capitalization of exploration and appraisal costs and risks that oil and gas price assumptions could lead to financial misstatements;
- Shell: how long-term price assumptions impacted by climate change could affect asset values and impairment estimates;
- National Grid: noted estimates inconsistent with 2050 "net zero" commitments;

— Additionally, in 2020, BP, Shell and Total reviewed their 2019 financial accounting practices in light of the accelerating low-carbon energy transition. All three subsequently adjusted critical accounting assumptions, resulting in material impairments, and disclosed how climate change affected the adjustments;

---

[1] https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf

[2] https://www.reuters.com/article/climate-change-carbon-targets/factbox-big-oils-climate-targets-idUSL8N2HO1B4

[3] https://carbontracker.org/reports/fault-lines/

[4] https://www.iigcc.org/news/investor-groups-call-on-companies-to-reflect-climate-related-risks-in-financial-reporting/

[5] https://www.unpri.org/sustainability-issues/accounting-for-climate-change

[6] https://www.iigcc.org/download/investor-expectations-for-paris-aligned-accounts/?wpdmdl=4001&masterkey=5fabc4d15595d

[7] https://cdn.ifrs.org/-/media/feature/news/2019/november/in-brief-climate-change-nick-anderson.pdf?la=en

— In October 2020, the International Energy Agency (IEA) issued a new "Net Zero 2050" scenario which describes what it would mean for the energy sector globally to reach net-zero GHG emissions by 2050. This more aggressive global action to curtail climate change is consistent with a 1.5°C temperature increase globally.[8]

RESOLVED: Shareholders request that ExxonMobil's Board of Directors issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions. The Board should summarize its findings to shareholders by January 31, 2022, and the report should be completed at reasonable cost and omitting proprietary information.

SUPPORTING STATEMENT: Proponents recommend that in issuing the report, the company take account of information on:

- Assumptions, costs, estimates, and valuations that may be materially impacted; and
- The potential for widespread adoption of net-zero goals by governments and peers.[9]

Proponents recommend that the report be supported by reasonable assurance from an independent auditor.

[8] https://www.iea.org/reports/world-energy-outlook-2020/achieving-net-zero-emissions-by-2050
[9] https://www.climatechangenews.com/2019/06/14/countries-net-zero-climate-goal/

Wealth Management

Nicholas H. Anger
Managing Director - Financial Advisor
Senior Portfolio Manager- Portfolio Focus
3 Landmark Square
Suite 100
Stamford, CT 06901

Direct: 203-351-9323
Office: 203-351-9300
Toll Free: 877-694-6286
Cell: 203-940-3469
Fax: 203-356-1282
NMLS #578161 through City National Bank
nicholas.anger@rbc.com

December 7, 2020

Re: Maryknoll Sisters

This letter is to confirm that as of December 7, 2020, RBC holds as custodian for the Maryknoll Sisters of St. Dominic Inc., 100 shares of ExxonMobil Corporation. These shares have been held continuously for one year, and are held at the Depository Trust Company under the nominee name RBC Wealth Management.

Sincerely,

Nicholas H. Anger
Managing Director – Financial Advisor

Chairman's Council

Investment and insurance products: • Not insured by the FDIC or any other federal government agency
• Not a deposit of, or guaranteed by, the bank or an affiliate of the bank • May lose value

A division of RBC Capital Markets, LLC, member NYSE/FINRA/SIPC

Englande, Sherry M

From: Bates, Tamara L
Sent: Tuesday, December 15, 2020 1:23 PM
To: 'rowan@bestweb.net'
Subject: ExxonMobil 2021 Co-Filer Acknowledgement Letter
Attachments: 2021_CF_Report on Scenario Analysis_Maryknoll Sisters_Ack-Letter_Proof Verified.pdf

Sent on Behalf of Sherry M. Englande

Dear Ms. Rowan,

Please see the attached acknowledgement letter concerning your co-filer status.

Regards,

Tamara L. Bates
ESG Engagement Analyst
Investor Relations

Exxon Mobil Corporation
5959 Las Colinas Blvd.,
Irving, TX 75039-2298

Exxon Mobil Corporation
5959 Las Colinas Boulevard
Irving, Texas 75039-2298

Sherry M. Englande
Manager, ESG Engagement

ExxonMobil

VIA EMAIL

December 15, 2020

Ms. Catherine M. Rowan
Corporate Responsibility Coordinator
Maryknoll Sisters of St. Dominic, Inc.
766 Brady Avenue, Apt 635
Bronx, NY 10462

Dear Ms. Rowan:

This will acknowledge receipt of your letter indicating that you wish to co-file on behalf of Maryknoll Sisters of St. Dominic, Inc. (the "Co-filer"), the proposal previously submitted by Christian Brothers Investment Services, Inc. (the "Proponent") concerning a Report on Scenario Analysis (the "Proposal") in connection with ExxonMobil's 2021 annual meeting of shareholders. By copy of a letter from RBC Wealth Management, share ownership has been verified.

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

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

Sincerely,

Sherry Englande

SME/tlb

M&G Investment
Management Limited
10 Fenchurch Avenue
London EC3M 5AG

Tel 020 7626 4588
www.mandg.co.uk

M&G INVESTMENTS

1 December 2020

RECEIVED
DEC 1 2020
S.M. ENGLANDE

Stephen A. Littleton
Secretary
Exxon Mobil Corporation
5959 Las Colinas Boulevard
Irving, TX 75039-2298

Dear Mr. Littleton,

I am writing on behalf of M&G, a global asset manager that manages £350 billion on behalf of its clients in equities, fixed income, multi-assets and real estate. M&G is a long term investor and ESG is integrated into our investment decision making process.

M&G is the owner of over $2,000 of Exxon Mobil Corporation stock held continuously for over one year.

M&G intends to continue to hold this stock until after the 2021 Annual Meeting. I hereby notify Exxon Mobil Corporation of M&G's intention to co-file the enclosed shareholder resolution and am submitting the enclosed shareholder proposal for inclusion in the 2021 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

M&G is co-filing this resolution with Christian Brothers Investment Services, who is the "primary filer" of this resolution and is authorized to act on our behalf in all aspects of the resolution, including negotiation and withdrawal of the resolution.

A proof of ownership from a DTC participant is attached. A representative of the primary filer will attend the stockholders' meeting to move the resolution as required. We look forward to discussing the issues surrounding the requested report at your earliest convenience.

Yours sincerely,

Rupert Krefting
Head of Corporate Finace and Stewardship
M&G Investments

Attach copy of resolution co-filed

Attach custodian confirmation of shares held for over one year

M&G Investment Management Limited is registered in England and Wales. Registered office at 10 Fenchurch Avenue, London EC3M 5AG. Registered Number 936683.
Authorised and regulated by the Financial Conduct Authority. APR 19 / 59222

M&G Investment Management Limited
10 Fenchurch Avenue
London EC3M 5AG

Tel 020 7626 4588
www.mandg.co.uk

M&G INVESTMENTS

CLIMATE CHANGE IMPACTS ON FINANCIAL POSITION AND ASSUMPTIONS

WHEREAS:

—As evidence of the severe impacts from climate change mounts, policy makers, companies, and financial bodies are increasingly focused on the economic impacts[1] from driving greenhouse gas (GHG) emissions to well-below 2 degrees Celsius below pre-industrial levels (including 1.5° C ambitions), as outlined in the Paris Agreement;

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—Investors are also calling for high-emitting companies to test their financial assumptions and resiliency against substantial reduced-demand climate scenarios,[4] and to provide investors insights about the potential impact on their financial statements;[5] [6] [7]

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- National Grid: noted estimates inconsistent with 2050 "net zero" commitments;

— Additionally, in 2020, BP, Shell and Total reviewed their 2019 financial accounting practices in light of the accelerating low-carbon energy transition. All three subsequently adjusted critical accounting assumptions, resulting in material impairments, and disclosed how climate change affected the adjustments;

---

[1] https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf
[2] https://www.reuters.com/article/climate-change-carbon-targets/factbox-big-oils-climate-targets-idUSL8N2HO1B4
[3] https://carbontracker.org/reports/fault-lines/
[4] https://www.iigcc.org/news/investor-groups-call-on-companies-to-reflect-climate-related-risks-in-financial-reporting/
[5] https://www.unpri.org/sustainability-issues/accounting-for-climate-change
[6] https://www.iigcc.org/download/investor-expectations-for-paris-aligned-accounts/?wpdmdl=4001&masterkey=5fabc4d15595d
[7] https://cdn.ifrs.org/-/media/feature/news/2019/november/in-brief-climate-change-nick-anderson.pdf?la=en

M&G Investment Management Limited
10 Fenchurch Avenue
London EC3M 5AG

Tel 020 7626 4588
www.mandg.co.uk

— In October 2020, the International Energy Agency (IEA) issued a new "Net Zero 2050" scenario which describes what it would mean for the energy sector globally to reach net-zero GHG emissions by 2050. This more aggressive global action to curtail climate change is consistent with a 1.5°C temperature increase globally.[8]

RESOLVED: Shareholders request that ExxonMobil's Board of Directors issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions. The Board should summarize its findings to shareholders by January 31, 2022, and the report should be completed at reasonable cost and omitting proprietary information.

SUPPORTING STATEMENT: Proponents recommend that in issuing the report, the company take account of information on:

- Assumptions, costs, estimates, and valuations that may be materially impacted; and
- The potential for widespread adoption of net-zero goals by governments and peers.[9]

Proponents recommend that the report be supported by reasonable assurance from an independent auditor.

[8] https://www.iea.org/reports/world-energy-outlook-2020/achieving-net-zero-emissions-by-2050
[9] https://www.climatechangenews.com/2019/06/14/countries-net-zero-climate-goal/

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Bates, Tamara L

From:	Kinsville, Lee <lee.kinsville@mandg.co.uk>
Sent:	Tuesday, December 1, 2020 11:31 AM
To:	Krefting, Rupert
Subject:	FW: EXTERNAL: Proof Of Holding - Exxon Mobil - Sedol 2326618 - Fund: *** [HQID:30427718]
Attachments:	20201201232057025226500645.png; 20201201232057021038196146.png; 20201201232057021038196146.png; 20201201232057017140921452.png; 20201201232057018555936451.png; 20201201232057019835308758.png; 20201201232057021038196146.png; 20201201232057022220512894.png; 20201201232057025226500645.png; 20201201232057025226500645.png; 20201201232057021038196146.png; 20201201232057021038196146.png; 20201201232057030310991065.png; ATT00001.txt

From: hss.asset.servicing.cst@hsbc.com <hss.asset.servicing.cst@hsbc.com>
Sent: 01 December 2020 15:21
To: M&G Asset Services - Proxy And Class Actions <proxyandclassactions@mandg.co.uk>
Cc: M&G Asset Services - Proxy And Class Actions <proxyandclassactions@mandg.co.uk>
Subject: RE: EXTERNAL: Proof Of Holding - Exxon Mobil - Sedol 2326618 - Fund: *** [HQID:30427718]

Hello Ben,

This is the proof of holdings that we can only provide.

HSBC Bank Plc

PRECIS
Positions By Account

Reg	*ISIN*	*Sedol*	*Stock Description*	*Crst Nat Dec*	*Tax Residency*	*Location*	*Tr*
	***	PPL IN					
HBXA	[redacted]	2326618	EXXON MOBIL CORP COM NPV	GB	GB	HBUS NEW YORK DIRECT DEALING	1

Kind Regards,

Rhea

HSS Client Services Team
Global Custody Europe HSBC Securities Services
Level 29 8 Canada Square, Canary Wharf, London E145HQ

Group telephone number: +44 (0)207 088 2424

Assistant Vice President:
Rosa Nina Fernando: +44 (0)207 088 2236

Assistant Managers:
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Kieffer Ebora: 44 (0)207 088 2240
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Janess Arana: +44 (0)207 088 2230
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Email:
Corporate Actions & Income: +44 (0)207 088 2424 | hss.asset.servicing.cst@hsbc.com
Cash: +44 (0)207 088 2425 | hss.cash.cst@hsbc.com
Settlements: +44 (0)207 088 2439 | hss.settlements.cst@hsbc.com
Escalation: rosa.nina.tenebro.fernando@hsbc.com.ph

For HSBCnet related inquiries, please reach: hsbcnet.hss.support@hsbc.com
For Tax related inquiries, please reach: tax.clientservice@hsbc.com

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Sent: 2020-12-01 21:22:47 GMT+8
From: proxyandclassactions@mandg.co.uk
To: "hss.asset.servicing.cst@hsbc.com"
CC: M&G Asset Services - Proxy And Class Actions
BCC:
Subject: RE: EXTERNAL: Proof Of Holding - Exxon Mobil - Sedol 2326618 - Fund: *** [HQID:30427718]

Hi Rhea,

Thanks for following up on this for me.

No its not to do with any meeting as far I know and its just a question that has been asked. I understand its fairly urgent so any feedback today would be really appreciated.

Kind Regards

Ben

HSBC

Position Report

Report period:	**All**
Produced:	**01/12/2020 14:13**
Account name:	**PPL IN**
Account number:	***
Report parameters:	**Advanced Search**

Date	Stock Account Number	Account Name	ISIN	SEDOL	Security Name	Traded Aggregate	Settled Aggregate (Actual)	Available Balance	On Loan Quantity	Asset Location
30/11/2020	***	PPL IN	US30231G1022	2326618	EXXON MOBIL CORP COM NPV	14,163.00	14,163.00	14,163.00	0.00	UNITED STATES OF AMERICA

Bates, Tamara L

From:	Englande, Sherry M
Sent:	Tuesday, December 1, 2020 4:48 PM
To:	Bates, Tamara L
Subject:	FW: Shareholder resolution at Exxon Mobil
Attachments:	HSBC Exxon Mobil Holding 011220.pdf; FW: EXTERNAL: Proof Of Holding - Exxon Mobil - Sedol 2326618 - Fund: *** [HQID:30427718]; Exxon Mobil - letter to Secretary co-filing resolution 011220.docx

Co-filer for Report on Scenario Analysis

From: Littleton, Stephen A
Sent: Tuesday, December 01, 2020 4:42 PM
To: Englande, Sherry M < >
Subject: FW: Shareholder resolution at Exxon Mobil

fyi

From: Krefting, Rupert [mailto:Rupert.Krefting@MandG.co.uk]
Sent: Tuesday, December 1, 2020 3:59 PM
To: Littleton, Stephen A < >
Cc: Punnett, Jeremy <Jeremy.Punnett@MandG.co.uk>; Krefting, Rupert <Rupert.Krefting@MandG.co.uk>
Subject: Shareholder resolution at Exxon Mobil

External Email - Think Before You Click

Dear Mr Littleton,

Please find our letter attached co-filing a shareholder resolution and proof of our shareholding.

Please confirm safe receipt of our email and letter attached.

Many thanks,

Rupert

M&G INVESTMENTS

Rupert Krefting
Head of Corporate Finance
& Stewardship
rupert.krefting@mandg.co.uk
t. 07920 069176

10 Fenchurch Avenue
London
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M&G

Ben Slater
Proxy & Class Actions
Administrator
Investment Operations
ben.slater@mandg.co.uk
t. 0208 162 3122 (Internal: 3122)

10 Fenchurch Avenue
London
EC3M 5AG

From: hss.asset.servicing.cst@hsbc.com <hss.asset.servicing.cst@hsbc.com>
Sent: 01 December 2020 13:08
To: M&G Asset Services - Proxy And Class Actions <proxyandclassactions@mandg.co.uk>; M&G Asset Services - Proxy And Class Actions <proxyandclassactions@mandg.co.uk>
Subject: RE: EXTERNAL: Proof Of Holding - Exxon Mobil - Sedol 2326618 - Fund: *** [HQID:30427718]

Hello Ben,

Can you please advise if this is related to a meeting?

Kind Regards,

Rhea

HSS Client Services Team
Global Custody Europe HSBC Securities Services
Level 29 8 Canada Square, Canary Wharf, London E145HQ

Group telephone number: +44 (0)207 088 2424

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Escalation: rosa.nina.tenebro.fernando@hsbc.com.ph

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Sent: 2020-12-01 21:06:52 GMT+8
From: hss.asset.servicing.cst@hsbc.com
To: proxyandclassactions@mandg.co.uk
CC: M&G Asset Services - Proxy And Class Actions
BCC:
Subject: RE: EXTERNAL: Proof Of Holding - Exxon Mobil - Sedol 2326618 - Fund: *** [HQID:30427718]

Hello Ben.

Let me check internally. I will get back to you once I have the information.

Kind Regards,

Rhea

HSS Client Services Team
Global Custody Europe HSBC Securities Services
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For Tax related inquiries, please reach:tax.clientservice@hsbc.com

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Sent: 2020-12-01 20:13:40 GMT+8
From: proxyandclassactions@mandg.co.uk
To: "'HSBC Group email (hss.asset.servicing.cst@hsbc.com)'"
CC: M&G Asset Services - Proxy And Class Actions
BCC:
Subject: EXTERNAL: Proof Of Holding - Exxon Mobil - Sedol 2326618 - Fund: ***

Hi Rhea/All,

We have been asked a question by our Front Office in relation to a holding we have on:

Exxon Mobil Corporation
Sedol: 2326618
Fund: ***
Shares: 14,163

The question is around whether we can get proof of ownership as shareholders for this security ("proof of ownership from a DTC participant".)

Is this something you can provide at all?

Kind Regards

Ben

M&G

Ben Slater
Proxy & Class Actions
Administrator
Investment Operations
ben.slater@mandg.co.uk
t. 0208 162 3122 (Internal: 3122)

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EC3M 5AG

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M&G plc - Internal

Exxon Mobil Corporation
5959 Las Colinas Boulevard
Irving, Texas 75039-2298

Sherry M. Englande
Manager, ESG Engagement

ExxonMobil

VIA UPS – OVERNIGHT DELIVERY

December 15, 2020

Mr. Rupert Krefting
Head of Corporate Finance and Stewardship
M&G Investments
10 Fenchurch Avenue
London EC3M 5AG

Dear Mr. Krefting:

This will acknowledge receipt of your letter indicating that you wish to co-file on behalf of M&G Investments (the "Co-filer") the proposal previously submitted by Christian Brothers Investment Services, Inc. (the "Proponent") concerning a Report on Scenario Analysis (the "Proposal") in connection with ExxonMobil's 2021 annual meeting of shareholders. However, as explained in more detail below there are deficiencies in your submission that must be corrected in order to establish that you are eligible to submit a proposal – including as a co-filer – under SEC Rule 14a-8 (copy enclosed).

In order to be eligible to submit a shareholder proposal, Rule 14a-8 requires a co-filer to submit sufficient proof that he or she 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 as of the date the shareholder proposal was submitted. For this Proposal, the date of submission is December 1, 2020, which is the date the package was received electronically by email.

The Co-filer does not appear in our records as a registered shareholder. Moreover, the email provided by HSBC does not establish the Co-filer's continuous ownership of sufficient ExxonMobil shares for the period to and including December 1, 2020. To remedy this defect, the Co-filer must submit sufficient proof verifying their continuous ownership of the requisite number of ExxonMobil shares for the one-year period preceding and including December 1, 2020.

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

- a written statement from the "record" holder of the Co-filer's shares (usually a broker or a bank) verifying that the Co-filer continuously held the requisite number of ExxonMobil shares for the one-year period preceding and including December 1, 2020; or

- if the Co-filer 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 Co-filer'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 Co-filer continuously held the requisite number of ExxonMobil shares for the one-year period.

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

The Co-filer 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 may be 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 Co-filer's broker or bank is a DTC participant, then the Co-filer needs to submit a written statement from its broker or bank verifying that the Co-filer continuously held the requisite number of ExxonMobil shares for the one-year period preceding and including December 1, 2020.

- If the Co-filer's broker or bank is not a DTC participant, then the Co-filer needs to submit proof of ownership from the DTC participant through which the securities are held verifying that the Co-filer continuously held the requisite number of ExxonMobil shares for the one-year period preceding and including December 1, 2020. The Co-filer should be able to find out who this DTC participant is by asking the Co-filer's broker or bank. If the Co-filer's broker is an introducing broker, the Co-filer may also be able to learn the identity and telephone number of the DTC participant through the Co-filer's account statements because the clearing broker identified on the Co-filer's account statements will generally be a DTC participant. If the DTC participant that holds the Co-filer's shares knows the Co-filer's broker's or bank's holdings, but does not know the Co-filer's holdings, the Co-filer 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 1, 2020, the required amount of securities were continuously held – one from the Co-filer's broker or bank, confirming the Co-filer'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 , or by email to

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

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

Sincerely,

Sherry Englande

SME/tlb

Enclosures

Presbyterian Mission
Mission Responsibility
Through Investment

100 Witherspoon Street | Louisville, KY 40202 | presbyterianmission.org

RECEIVED
DEC 07 2020
S. A. LITTLETON

December 4, 2020

VIA OVERNIGHT DELIVERY

Mr. Stephen A. Littleton
VP of Investor Relations and Corporate Secretary
ExxonMobil Corporation
5959 Las Colinas Boulevard
Irving, TX 75039-2298

Dear Mr. Littleton,

The Presbyterian Church (U.S.A.), is a major Protestant denomination with nearly 1.3 million members. Our General Assembly believes the church's investments should promote its mission goals and reflect its ethical values such as caring for the environment. The Committee on Mission Responsibility Through Investment (MRTI) was created almost 50 years ago to implement this policy and has worked on climate change since 1990, calling for the reduction of emissions in our church buildings, international agreements and adoption of stronger policies by corporations.

The Board of Pensions of the Presbyterian Church (USA) is the beneficial owner of 87,782 shares of ExxonMobil Corporation (Exxon) common stock, 51 of which are designated for the filing of this resolution. To minimize the number of resolutions our company receives, the Presbyterian Church (USA) is joining CBIS in submitting the enclosed shareholder resolution for consideration and action at the 2021 Annual Meeting. As co-filers on this resolution, we authorize the lead filer, CBIS, to withdraw the resolution on our behalf if an agreement is reached.

In accordance with SEC Regulation 14A-8 of the Securities and Exchange Commission Guidelines, we are enclosing a shareholder resolution and supporting statement for consideration and action at your 2021 Annual Meeting. We request that it be included in the proxy statement. The resolution requests that the Board of Directors issue an audited report on whether and how a significant reduction in fossil fuel demand would affect its financial position and underlying assumptions.

The Board of Pensions of the Presbyterian Church (USA) has continuously held Exxon shares for at least one year prior to the date of this filing. Proof of ownership from BNY Mellon Asset Servicing, the master custodian is enclosed. The Board of Pensions will maintain the SEC-required ownership position of Exxon stock through the date of the Annual Meeting where our shares will be represented.

Sincerely,

Rob Fohr
Director of Faith-Based Investing and Corporate Engagement
Presbyterian Church U.S.A.
502.569.5035
rob.fohr@pcusa.org

Enc: Shareholder resolution
Proof ownership from BNY Mellon Asset Servicing

Cc: Gregory Simpson, Committee on Mission Responsibility Through Investment
Tracey Rembert, CBIS

CLIMATE CHANGE IMPACTS ON FINANCIAL POSITION AND ASSUMPTIONS

WHEREAS:

—As evidence of the severe impacts from climate change mounts, policy makers, companies, and financial bodies are increasingly focused on the economic impacts[1] from driving greenhouse gas (GHG) emissions to well-below 2 degrees Celsius below pre-industrial levels (including 1.5° C ambitions), as outlined in the Paris Agreement;

—This focus has led many ExxonMobil peers (including BP, Eni, Equinor, Repsol, Royal Dutch Shell, and Total) to commit to major GHG reductions, including setting "net zero emission" goals by 2050;[2] [3]

—Investors are also calling for high-emitting companies to test their financial assumptions and resiliency against substantial reduced-demand climate scenarios,[4] and to provide investors insights about the potential impact on their financial statements;[5] [6] [7]

—As of November 2020, ExxonMobil had neither committed to net-zero emissions by 2050 across its value chain, nor disclosed how its financial assumptions would change from doing so;

—In contrast, the audit reports for other high GHG-emitting companies clearly discussed this connection:

- BP: how climate change and a global energy transition impacted the capitalization of exploration and appraisal costs and risks that oil and gas price assumptions could lead to financial misstatements;
- Shell: how long-term price assumptions impacted by climate change could affect asset values and impairment estimates;
- National Grid: noted estimates inconsistent with 2050 "net zero" commitments;

— Additionally, in 2020, BP, Shell and Total reviewed their 2019 financial accounting practices in light of the accelerating low-carbon energy transition. All three subsequently adjusted critical accounting assumptions, resulting in material impairments, and disclosed how climate change affected the adjustments;

---

1 https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf
2 https://www.reuters.com/article/climate-change-carbon-targets/factbox-big-oils-climate-targets-idUSL8N2HO1B4
3 https://carbontracker.org/reports/fault-lines/
4 https://www.iigcc.org/news/investor-groups-call-on-companies-to-reflect-climate-related-risks-in-financial-reporting/
5 https://www.unpri.org/sustainability-issues/accounting-for-climate-change
6 https://www.iigcc.org/download/investor-expectations-for-paris-aligned-accounts/?wpdmdl=4001&masterkey=5fabc4d15595d
7 https://cdn.ifrs.org/-/media/feature/news/2019/november/in-brief-climate-change-nick-anderson.pdf?la=en

— In October 2020, the International Energy Agency (IEA) issued a new "Net Zero 2050" scenario which describes what it would mean for the energy sector globally to reach net-zero GHG emissions by 2050. This more aggressive global action to curtail climate change is consistent with a 1.5°C temperature increase globally.[8]

RESOLVED: Shareholders request that ExxonMobil's Board of Directors issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions. The Board should summarize its findings to shareholders by January 31, 2022, and the report should be completed at reasonable cost and omitting proprietary information.

SUPPORTING STATEMENT: Proponents recommend that in issuing the report, the company take account of information on:

- Assumptions, costs, estimates, and valuations that may be materially impacted; and
- The potential for widespread adoption of net-zero goals by governments and peers.[9]

Proponents recommend that the report be supported by reasonable assurance from an independent auditor.

---

8 https://www.iea.org/reports/world-energy-outlook-2020/achieving-net-zero-emissions-by-2050
9 https://www.climatechangenews.com/2019/06/14/countries-net-zero-climate-goal/

THE BANK OF NEW YORK MELLON

December 4, 2020

Mr. Stephen A. Littleton
VP of Investor Relations and Corporate Secretary
ExxonMobil Corporation
5959 Las Colinas Boulevard
Irving, TX 75039-2298

Dear Mr Littleton,

This letter is to verify that the Board of Pensions of the Presbyterian Church (U.S.A.) is the beneficial owner of 87,782 shares of ExxonMobil Corporation (Exxon) common stock, 51 of which are designated for the filing of this resolution as of December 4th. Board of Pensions of the Presbyterian Church (U.S.A.) is co-filing on this resolution. This stock has been held continuously for over one year prior to the date of the filing of the shareholder resolution.

Please note that resolution is being filed by Rob Fohr under the name of the Presbyterian Church (U.S.A.), 100 Witherspoon Street, Louisville, Kentucky 40202.

Security Name	**Cusip**	**Ticker**
ExxonMobil Corporation	30231G102	XOM

Sincerely,

Michael M. Davic

Michael M. Davic, *Vice President*
Service Director
BNY Mellon Asset Servicing
BNY Mellon Financial Corporation
mike.davic@bnymellon.com

cc: Donald A. Walker III - The Board of Pensions of the Presbyterian Church (U.S.A.)
Peter T. Maher – The Board of Pensions of the Presbyterian Church (U.S.A.)
Robert Fohr – Mission Responsibility Through Investment
Katie Carter - Mission Responsibility Through Investment

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01880250709 11/18 United Parcel Service

Englande, Sherry M

From:	Bates, Tamara L
Sent:	Wednesday, December 16, 2020 12:07 PM
To:	'rob.fohr@pcusa.org'
Subject:	ExxonMobil 2021 Co-Filer Acknowledgement Letters
Attachments:	2021_CF_Report on Scenario Analysis_Presbyterian Church_Ack Letter_Proof Verified.pdf; 2021_ROCL_Portico_Ack Letter_Proof Verified.pdf

Sent on Behalf of Sherry M. Englande

Dear Mr. Fohr,

Please see the attached acknowledgement letters concerning your co-filer status.

Regards,

Tamara L. Bates
ESG Engagement Analyst
Investor Relations

Exxon Mobil Corporation
5959 Las Colinas Blvd.,
Irving, TX 75039-2298

Exxon Mobil Corporation
5959 Las Colinas Boulevard
Irving, Texas 75039-2298

Sherry M. Englande
Manager, ESG Engagement

ExxonMobil

VIA EMAIL

December 16, 2020

Mr. Robert Fohr
Director of Faith-Based Investing & Corporate Engagement
Presbyterian Church (USA)
100 Witherspoon Street
Louisville, KY 40202-1396

Dear Mr. Fohr:

This will acknowledge receipt of your letter indicating that you wish to co-file on behalf of Presbyterian Church (USA) (the "Co-filer"), the proposal previously submitted by Christian Brothers Investment Services, Inc. (the "Proponent") concerning a Report on Scenario Analysis (the "Proposal") in connection with ExxonMobil's 2021 annual meeting of shareholders. By copy of a letter from BNY Mellon, share ownership has been verified.

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

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

Sincerely,

Sherry Englande

SME/tlb

c:

Englande, Sherry M

From:	Gail Follansbee <gail@asyousow.org>
Sent:	Thursday, December 10, 2020 8:44 AM
To:	Littleton, Stephen A; Shareholder Relations /SM; Englande, Sherry M
Cc:	Lila Holzman; Danielle Fugere; trembert@cbisonline.com
Subject:	ExxonMobil - Shareholder proposal - request to improve climate related audit procedures
Attachments:	21.XOM.2 Co-Filing Letter-Non-AYS Lead - filing docs pkg.pdf

External Email - Think Before You Click

Dear Mr. Littleton,

Attached please find filing documents submitting a shareholder proposal for inclusion in the company's 2021 proxy statement. A paper copy of these documents was sent by FedEx yesterday, Wednesday 12/9 and will be received at your office today, Thursday 12/10.

It would be much appreciated if you could please confirm receipt of this email.

Thank you very much,
Gail

Gail Follansbee (she/her)
Coordinator, Shareholder Relations
As You Sow
2150 Kittredge St., Suite 450
Berkeley, CA 94704
(510) 735-8139 (direct line) ~ (650) 868-9828 (cell)
gail@asyousow.org | www.asyousow.org

AS YOU SOW
2150 Kittredge St. Suite 450
Berkeley, CA 94704
www.asyousow.org
BUILDING A SAFE, JUST, AND SUSTAINABLE WORLD SINCE 1992

VIA FEDEX & EMAIL

December 9, 2020

Mr. Stephen A. Littleton,
Secretary,
Exxon Mobil Corporation,
5959 Las Colinas Boulevard,
Irving, TX 75039-2298

Dear Mr. Littleton,

As You Sow is co-filing a shareholder proposal on behalf of the following ExxonMobil shareholder for action at the next annual meeting of the Company:

- Ann Skartvedt Living Trust UAD 10/24/19

Shareholder is a co-filer of the enclosed proposal with Christian Brothers Investment Services, Inc. (CBIS), who is the Proponent of the proposal. CBIS is authorized to act on the co-filer's behalf with regard to withdrawal of the proposal.

A letter authorizing *As You Sow* to act on co-filer's behalf is enclosed. A representative of the lead filer will attend the stockholders' meeting to move the resolution as required.

To schedule a dialogue, please contact me at DFugere@asyousow.org. Please send all correspondence to me **with a copy to shareholderengagement@asyousow.org**.

Sincerely,

Danielle Fugere
President

Enclosures
- Shareholder Proposal
- Shareholder Authorization

cc:

CLIMATE CHANGE IMPACTS ON FINANCIAL POSITION AND ASSUMPTIONS

WHEREAS:

—As evidence of the severe impacts from climate change mounts, policy makers, companies, and financial bodies are increasingly focused on the economic impacts[1] from driving greenhouse gas (GHG) emissions to well-below 2 degrees Celsius below pre-industrial levels (including 1.5° C ambitions), as outlined in the Paris Agreement;

—This focus has led many ExxonMobil peers (including BP, Eni, Equinor, Repsol, Royal Dutch Shell, and Total) to commit to major GHG reductions, including setting "net zero emission" goals by 2050;[2] [3]

—Investors are also calling for high-emitting companies to test their financial assumptions and resiliency against substantial reduced-demand climate scenarios,[4] and to provide investors insights about the potential impact on their financial statements;[5] [6] [7]

—As of November 2020, ExxonMobil had neither committed to net-zero emissions by 2050 across its value chain, nor disclosed how its financial assumptions would change from doing so;

—In contrast, the audit reports for other high GHG-emitting companies clearly discussed this connection:

- BP: how climate change and a global energy transition impacted the capitalization of exploration and appraisal costs and risks that oil and gas price assumptions could lead to financial misstatements;

- Shell: how long-term price assumptions impacted by climate change could affect asset values and impairment estimates;

- National Grid: noted estimates inconsistent with 2050 "net zero" commitments;

— Additionally, in 2020, BP, Shell and Total reviewed their 2019 financial accounting practices in light of the accelerating low-carbon energy transition. All three subsequently adjusted critical accounting assumptions, resulting in material impairments, and disclosed how climate change affected the adjustments;

---

[1] https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf

[2] https://www.reuters.com/article/climate-change-carbon-targets/factbox-big-oils-climate-targets-idUSL8N2HO1B4

[3] https://carbontracker.org/reports/fault-lines/

[4] https://www.iigcc.org/news/investor-groups-call-on-companies-to-reflect-climate-related-risks-in-financial-reporting/

[5] https://www.unpri.org/sustainability-issues/accounting-for-climate-change

[6] https://www.iigcc.org/download/investor-expectations-for-paris-aligned-accounts/?wpdmdl=4001&masterkey=5fabc4d15595d

[7] https://cdn.ifrs.org/-/media/feature/news/2019/november/in-brief-climate-change-nick-anderson.pdf?la=en

— In October 2020, the International Energy Agency (IEA) issued a new "Net Zero 2050" scenario which describes what it would mean for the energy sector globally to reach net-zero GHG emissions by 2050. This more aggressive global action to curtail climate change is consistent with a 1.5°C temperature increase globally.[8]

RESOLVED: Shareholders request that ExxonMobil's Board of Directors issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the IEA Net Zero 2050 scenario, would affect its financial position and underlying assumptions. The Board should summarize its findings to shareholders by January 31, 2022, and the report should be completed at reasonable cost and omitting proprietary information.

SUPPORTING STATEMENT: Proponents recommend that in issuing the report, the company take account of information on:

- Assumptions, costs, estimates, and valuations that may be materially impacted; and
- The potential for widespread adoption of net-zero goals by governments and peers.[9]

Proponents recommend that the report be supported by reasonable assurance from an independent auditor.

[8] https://www.iea.org/reports/world-energy-outlook-2020/achieving-net-zero-emissions-by-2050
[9] https://www.climatechangenews.com/2019/06/14/countries-net-zero-climate-goal/

December 9, 2020

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

Re: Authorization to File Shareholder Resolution

Dear Mr. Behar,

The undersigned ("Stockholder") authorizes *As You Sow* to file or co-file a shareholder resolution on Stockholder's behalf with the named Company for inclusion in the Company's 2021 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. The resolution at issue relates to the below described subject.

Stockholder: Ann Skartvedt Living Trust UAD 10/24/19

Company: ExxonMobil

Annual Meeting / Proxy Statement Year: 2021

Subject: Request to imp[rove climate related audit procedures

The Stockholder has continuously owned over $2,000 worth of Company stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the Company's annual meeting in 2021.

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

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

Sincerely,

DocuSigned by:
V. Ann Skartvedt
5CA388DEC7FB4B0...

Name: V. Ann Skartvedt

Title: Trustee

Englande, Sherry M

From:	Bates, Tamara L
Sent:	Friday, December 18, 2020 3:29 PM
To:	'DFugere@asyousow.org'; 'shareholderengagement@asyousow.org'
Subject:	ExxonMobil 2021 Co-Filer Acknowledgement Letter
Attachments:	Attachments_SEC Rule 14a-8_Apr-1-2013 and SLB 14F_Oct-18-2011.pdf; 2021 _CF_Report on Scenario Analysis_Skartvedt_Ack Letter - No Proof.pdf

Sent on Behalf of Sherry M. Englande

Dear Ms. Fugere,

Please see the attached acknowledgement letter concerning your co-filer status.

Regards,

Tamara L. Bates
ESG Engagement Analyst
Investor Relations

Exxon Mobil Corporation
5959 Las Colinas Blvd.,
Irving, TX 75039-2298

Exxon Mobil Corporation
5959 Las Colinas Boulevard
Irving, Texas 75039-2298

Sherry M. Englande
Manager, ESG Engagement

ExxonMobil

VIA EMAIL

December 18, 2020

Ms. Danielle Fugere
President
As You Sow
2150 Kittredge St. Suite 450
Berkeley, CA 94704

Dear Ms. Fugere:

This will acknowledge receipt of your letter indicating that you wish to co-file on behalf of Ann Skartvedt Living Trust UAD 10/24/19 (the "Co-filer"), the proposal previously submitted by Christian Brothers Investment Services, Inc. (the "Proponent") concerning a Report on Scenario Analysis (the "Proposal") in connection with ExxonMobil's 2021 annual meeting of shareholders. However, proof of share ownership was not included with your December 9, 2020, submission.

In order to be eligible to submit a shareholder proposal, Rule 14a-8 (copy enclosed) requires a co-filer to submit sufficient proof that he or she 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 as of the date the shareholder proposal was submitted. For this Proposal, the date of submission is December 9, 2020, which is the date the Proposal was received electronically by email.

The Co-filer does not appear in our records as a registered shareholder. Moreover, to date we have not received proof that the Co-filer has satisfied these ownership requirements. To remedy this defect, the Co-filer must submit sufficient proof verifying their continuous ownership of the requisite number of ExxonMobil shares for the one-year period preceding and including December 9, 2020.

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

- a written statement from the "record" holder of the Co-filer's shares (usually a broker or a bank) verifying that the Co-filer continuously held the requisite number of ExxonMobil shares for the one-year period preceding and including December 9, 2020; or

- if the Co-filer 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 Co-filer'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 Co-filer continuously held the requisite number of ExxonMobil shares for the one-year period.

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

The Co-filer 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 may be 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 Co-filer's broker or bank is a DTC participant, then the Co-filer needs to submit a written statement from its broker or bank verifying that the Co-filer continuously held the requisite number of ExxonMobil shares for the one-year period preceding and including December 9, 2020.

- If the Co-filer's broker or bank is not a DTC participant, then the Co-filer needs to submit proof of ownership from the DTC participant through which the securities are held verifying that the Co-filer continuously held the requisite number of ExxonMobil shares for the one-year period preceding and including December 9, 2020. The Co-filer should be able to find out who this DTC participant is by asking the Co-filer's broker or bank. If the Co-filer's broker is an introducing broker, the Co-filer may also be able to learn the identity and telephone number of the DTC participant through the Co-filer's account statements because the clearing broker identified on the Co-filer's account statements will generally be a DTC participant. If the DTC participant that holds the Co-filer's shares knows the Co-filer's broker's or bank's holdings, but does not know the Co-filer's holdings, the Co-filer 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 9, 2020, the required amount of securities were continuously held – one from the Co-filer's broker or bank, confirming the Co-filer's ownership, and the other from the DTC participant, confirming the broker or bank's ownership.

Pursuant to SEC Staff Legal Bulletin 14I, the submission of a proposal by proxy (i.e., by a representative rather than by the shareholder directly) must include proper documentation describing the shareholder's delegation of authority to the proxy. This documentation must:

- identify the shareholder-proponent and the person or entity selected as proxy;
- identify the company to which the proposal is directed;
- identify the annual or special meeting for which the proposal is submitted;
- identify the specific proposal to be submitted (e.g., proposal to lower the threshold for calling a special meeting from 25% to 10%); and
- be signed and dated by the shareholder.

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 , or by email to

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

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

Sincerely,

SME/tlb

Enclosures

Englande, Sherry M

From: Shareholder Engagement <shareholderengagement@asyousow.org>
Sent: Monday, December 21, 2020 10:38 AM
To: Bates, Tamara L; Danielle Fugere
Subject: Re: ExxonMobil 2021 Co-Filer Acknowledgement Letter climate change

Categories: External Sender

External Email - Think Before You Click

Hello Tamara,

Confirming receipt of this Deficiency notice. We will respond within 14 days of receipt of this notice, so by 1/1/21- New Year's Day..

Best,
Gail

Gail Follansbee (she/her)
Coordinator, Shareholder Relations
As You Sow
2150 Kittredge St., Suite 450
Berkeley, CA 94704
(510) 735-8139 (direct line) ~ (650) 868-9828 (cell)
gail@asyousow.org | www.asyousow.org

From: "Bates, Tamara L" < >
Date: Friday, December 18, 2020 at 1:29 PM
To: Danielle Fugere <DFugere@asyousow.org>, Shareholder Engagement <shareholderengagement@asyousow.org>
Subject: ExxonMobil 2021 Co-Filer Acknowledgement Letter

Sent on Behalf of Sherry M. Englande

Dear Ms. Fugere,

Please see the attached acknowledgement letter concerning your co-filer status.

Regards,

Tamara L. Bates
ESG Engagement Analyst
Investor Relations