



BE IT RESOLVED: Shareholders request that Exxon issue a report (at reasonable cost, omitting proprietary information) on how it can reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement’s goal of maintaining global warming well below 2 degrees Celsius.

SUPPORTING STATEMENT: In the report shareholders seek information, among other issues at board and management discretion, on the relative benefits and drawbacks of transitioning its operations and investments through the following actions:

- Investing in low carbon energy resources
- Reducing capital investments in oil and/ or gas resource development that is inconsistent with a below-2 degree pathway
- Otherwise diversifying its operations to reduce the company’s carbon footprint (from exploration, extraction, operations, and product sales).

WHEREAS: The Intergovernmental Panel on Climate Change released a report finding that "rapid, far-reaching" changes are necessary in the next 10 years to avoid disastrous levels of global warming. Specifically, it instructs that net emissions of carbon dioxide must fall 45 percent by 2030, reaching "net zero" by 2050 to maintain warming below 1.5 degrees Celsius.

The Fourth National Climate Assessment report finds that with continued growth in emissions, “annual losses in some U.S. economic sectors are projected to reach hundreds of billions of dollars by 2100 — more than the current gross domestic product of many U.S. states.” Other studies estimate global losses over 30 trillion dollars.¹

These climate change impacts present systemic portfolio risks to investors. A warming climate is associated with supply chain dislocations, reduced resource availability, lost production, commodity price volatility, infrastructure damage, crop loss, energy disruptions, political instability, and reduced worker efficiency, among others.

The fossil fuel industry is one of the most significant contributors to climate change. ExxonMobil is the 5th largest global contributor with the largest climate change impact of any publicly owned oil & gas company.² Exxon’s investment choices matter. Every

¹ <https://www.theguardian.com/environment/2018/may/23/hitting-toughest-climate-target-will-save-world-30tn-in-damages-analysis-shows>

² <https://www.theguardian.com/sustainable-business/2017/jul/10/100-fossil-fuel-companies-investors-responsible-71-global-emissions-cdp-study-climate-change>



dollar invested in fossil fuel resources increases risk to the global economy and investor portfolios.

A number of peer oil and gas companies have announced policies to reduce their climate footprint in support of Paris goals. Shell announced scope 3 greenhouse gas intensity reduction ambitions.³ Total has invested substantially in solar energy and is reducing the carbon intensity of its energy products.⁴ Equinor rebranded itself from 'StatOil' and is diversifying into wind and solar energy development.⁵ Orsted, previously a Danish oil and gas company, sold its oil and gas portfolio.⁶

In contrast, ExxonMobil is planning reductions to its own operational emissions (less than 20 percent of its climate footprint), has reported on its own climate risk, and is conducting technology development research. ExxonMobil has not adopted Paris-aligned policies or actions intended to reduce its full climate footprint.⁷ Exxon's [climate risk report](#) and [2018 Energy Outlook](#) maintain that use of its products and resulting emissions of carbon dioxide will rise through 2040.

³ https://www.shell.com/sustainability/sustainability-reporting-and-performance-data/performance-data/greenhouse-gas-emissions/_jcr_content/par/tabbedcontent/tab/textimage.stream/1534322148157/faafbe2d44f8f9ade10d1202b31b8552a67d1430dc3ae7ddc192fc83e9f835c8/2018-cdp-climate-change-submission-180815.pdf, C4.1b

⁴ https://www.total.com/sites/default/files/atoms/files/total_climat_2018_en.pdf, p. 35, p. 6

⁵ <https://www.equinor.com/en/how-and-why/climate-change.html>

⁶ <https://www.ft.com/content/57482c0b-db29-3147-9b7e-c522aca02271>

⁷ <http://www.lse.ac.uk/GranthamInstitute/tpi/new-research-shows-only-two-large-oil-gas-companies-have-long-term-low-carbon-ambitions/>