

Climate Lobbying Report

Shareholders request that the Board of Directors conduct an evaluation and issue a report within the next year (at reasonable cost, omitting proprietary information) describing if, and how, ExxonMobil's lobbying activities (direct and through trade associations) align with the goal of limiting average global warming to well below 2 degrees Celsius (the Paris Climate Agreement's goal). The report should also address the risks presented by any misaligned lobbying and the company's plans, if any, to mitigate these risks.

Supporting Statement

According to the United Nations Environment Programme's annual "Emissions Gap Report" (October 26, 2021), critical gaps remain between the commitments of national governments and the actions required to prevent the worst effects of climate change. Companies have an important and constructive role to play in enabling policymakers to close these gaps.

Corporate lobbying that is inconsistent with the goals of the Paris Agreement presents significant risks to investors, including systemic risks to our economies, as delays in implementation of the Paris Agreement increase the physical risks of climate change, threaten economic stability and introduce uncertainty and volatility into investment portfolios. We believe that Paris-aligned climate lobbying helps to mitigate these risks, and contributes positively to the long-term value of companies.

Of particular concern are trade associations and other politically active organizations that speak for business but too often present forceful obstacles to progress in addressing the climate crisis.

As investors, we view fulfillment of the Paris Agreement's agreed goal—to hold the increase in the global average temperature to "well below" 2°C above preindustrial levels, and to pursue efforts to limit the temperature increase to 1.5°C— as an imperative. We are convinced that unabated climate change will have a devastating impact on our economies, on political stability and therefore on our clients, plan beneficiaries, and the value of their portfolios. We see future "business as usual" scenarios of 3-4°C or greater as both unacceptable and uninvestable.

Exxon's Board has assured us that "without exception, the company's lobbying efforts are aligned with its publicly available positions."¹ In June 2021, Greenpeace UK's journalism team published videos of two Exxon lobbyists making statements that appeared to contradict Exxon's public positions on climate policy.² Darren Woods publicly distanced Exxon from the videos. In the wake of the scandal, Exxon's membership in the Climate Leadership Council (CLC) was suspended.³ The CLC was one of only two organizations highlighted on Exxon's website as evidence of its support for Paris-aligned climate policy.⁴

This scandal, which followed a 64% vote for this proposal at Exxon's annual meeting, underscores the need for the report we're seeking. A thorough evaluation overseen by independent directors would help the Company build credibility with investors and policymakers and reduce the risk of policy advocacy that is misaligned with a stable climate.

¹ [2020 Proxy Statement \(exxonmobil.com\)](https://www.exxonmobil.com/2020-proxy-statement)

² [Inside Exxon's playbook - Uneearthed \(greenpeace.org\)](https://www.greenpeace.org/inside-exxon-playbook-uneearthed)

³ [Exxon suspended from climate advocacy group it helped form | Reuters](https://www.reuters.com/business/energy/exxon-suspended-climate-advocacy-group-it-helped-form-2021-06-23/)

⁴ [Political contributions and lobbying | ExxonMobil](https://www.exxonmobil.com/climate-advocacy)