Steven J. Milloy

[redacted]

January 22, 2020

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

Ladies and Gentlemen,

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

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

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

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

The Staff refused to agree with the exclusion requests of Duke Energy[1] or Exelon[2] on the substance of the proposal.

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

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

[1] https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2019/stevenmilloy031219-14a8.pdf.
[2] https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2019/milloyexelon031219-14a8.pdf.
[3] https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2019/stevenmilloy032819-14a8.pdf.

2. The Proposal is NOT vague or indefinite.

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

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

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

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

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

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

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

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

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

The Staff has previously and numerous times rejected arguments that reports to shareholders are efforts to inappropriately interfere in ordinary business operations, including reports calling for disclosure of political contributions, charitable contributions, cost-and benefits of climate-related activities, and many more. The Proposal is no different than any of those.

The environment, especially the climate aspect, are significant policy issues - as the Commission has previously determined with many previous shareholder proposals.

4. The Proposal has NOT already been substantially implemented.

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

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

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

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

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

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

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

If you have any questions, I may be contacted at 240-205-1243. *A* copy of this letter has been sent to ExxonMobil and its counsel.

Sincerely,

Steven J Milloy

Attachment: Milloy shareholder proposal entitled, "Greenwashing Audit"

Greenwashing Audit

Resolved:

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

Supporting Statement:

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

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

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

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

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

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

But in 2018 alone:

- Exxon produced about 1.4 BILLION barrels of oil which, when burned, produced about 588 MILLION tons of carbon dioxide (CO_2).

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

So:

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

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

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

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

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

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