



May 7, 2004

Dear ExxonMobil Shareholder,

This year, shareowners of ExxonMobil Corp. have the opportunity to request that management disclose the scientific data on which it is basing its position on climate risk (**Climate Science Report, Item 11 on the proxy card**).

Specifically, the resolution asks ExxonMobil to explain the differences between its position and those of the [Intergovernmental Panel on Climate Change](#) and the [National Academy of Sciences](#), entities which represent the broad scientific consensus that human activity is contributing to climate change. The resolution also asks the company to estimate the costs of mitigating climate change compared to the costs of failing to address this issue. Finally, the resolution asks ExxonMobil to produce all relevant, peer-reviewed research that have lead to the company's conclusion.

The Resolution on Climate Data is supported by: the Connecticut State Treasurer's Office, Maine State Treasurer's Office, Christian Brothers Investment Services, Rockefeller Financial Services, CalPERS, and the Interfaith Center on Corporate Responsibility.

Given the risks that climate change poses to businesses internationally, shareholders' need for straightforward information is vital. Investors expect companies to support financial statements with facts. We should hold companies to the same standard for issues that can critically affect shareholder value.

The company's public position on the science of climate change is fundamental to its shareholders' concerns. While ExxonMobil has actually outpaced many of its rivals in reducing operational emissions, it is increasingly isolated, even within its own industry, by its claims that the "scientific evidence [on climate change] remains inconclusive." This has implications for shareholder value for two reasons.

First, a realistic perspective on climate change is a prerequisite for a responsible climate risk strategy. ExxonMobil's current response demonstrates a clear lack of urgency to address global warming. Consistent with its position that climate change "may prove to be significant," but "is in dispute," the company has taken few meaningful steps to prepare for policy measures designed to avert global warming. Its outlook for energy supply assumes no changes that might constrain or affect the use of carbon-intensive fuels between now and 2020, despite widespread recognition that such changes are possible. The company's investment in non-fossil fuel energy research is only \$10 million per year, approximately one-tenth the commitment made by leading peer group companies, and only one-six-hundredth the sum the company spends on core research each year.

There is a connection between acknowledging climate risk and preparing for it. In denying the science, ExxonMobil may be ill-prepared for future regulatory and retail environments. Shareholders who recognize the possibility that climate change and efforts to address it will fundamentally affect ExxonMobil should join us in demanding the company explain its position on the science.

Second, the company's position on climate change has been harmful to its public image. The public attention devoted to this subject – for example, the European Stop Esso campaign – has reduced the impact of some of the company's positive steps on issues such as human rights and HIV in Africa.

In the early 1990s, tobacco executives testified before Congress, under oath, that they did not believe that smoking was hazardous to health. When internal documents that contradicted these claims emerged years later, those public statements became a focus of public outrage and crippling lawsuits. The experience of the tobacco companies demonstrates that public statements that later prove false can have a significant impact both on companies reputations, and their bottom line. As a recent article in the [Columbia Journal of Environmental Law](#) states, “There is reason for genuine concern that liabilities may be lurking for those who neglect this issue now, to the later detriment of the corporation and its shareholders.”<sup>1</sup> Investors in ExxonMobil have the right to know that the company has given all due consideration to this matter. Especially in light of the company's isolation on this issue, it can only provide owners assurance by clearly and openly explaining how it came to its position.

The company opposes the resolution on the grounds that its position on climate science is "based on direct engagement in the ongoing scientific process and not on any particular set of 'data'..." Moreover, the company points shareholders to its [Report on Energy Trends, Greenhouse Gases Emissions and Alternative Energy](#) for information on the company's perspective on climate science and other matters. However, this report not only neglects to address the company's differences with the IPCC or the NAS, it fails to even mention either organization. The company asserts, but does not explain, the "gaps" in the climate science, and it does not make any mention of the costs associated with climate change.

It is worth noting that the Securities and Exchange Commission rejected all of the company's arguments as reasons to omit the resolution. The company claimed that to comply with the request, it would have to restate the entirety of climate science. This misstated and exaggerated the request made in the proposal. The IPCC documents already provide a comprehensive survey of the research on climate data, including technical documents for scientists and a more accessible executive summary for interested lay people. Far from addressing "the tens of thousands of papers and research results published in this area," the company simply needs to identify and discuss those areas of the IPCC reports with which they disagree. Our request goes no further than to ask the company to participate in the usual dialogue among scientists that may have differing perspectives.

Shareholders supporting this resolution fear such a strategy is having the opposite effect: the company's reputation as a leader faces further damage; and its business strategy fails to recognize a probable future for which the company appears ill-prepared. Because of the importance of climate change to the company's long-term prospects, shareholders must have assurances that it takes the issue seriously. Because the company has so far refused to offer these assurances, this resolution deserves support.

Sincerely,



John Wilson, primary filer of resolution  
Christian Brothers Investment Services



Dale McCormick  
Treasurer, State of Maine

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<sup>1</sup> <http://www.nyas.org/ebriefreps/ebrief/000271/rr/healy.pdf>. Page 93.