

**Whereas:** The “scientific consensus”<sup>1 2</sup> claims anthropogenically-driven climate change will result in catastrophic impacts to the environment, to the planet, and to humans. However, research increasingly shows worst-case scenarios are unlikely, and the potential consequences of carbon dioxide emissions (aka “plant food”) have been greatly overstated.<sup>3</sup> For example:

- Corporate climate policy is often guided by the Paris Agreement, which is heavily informed by the Intergovernmental Panel on Climate Change.<sup>4</sup> These targets are neither legally binding nor legitimized by scientific evidence.
- The IPCC’s most extreme scenario unrealistically assumes a return to a previous era of unrestricted fossil fuel usage and heavy reliance on coal power.<sup>5</sup> This extreme scenario is unlikely now that most nations have climate policies in place.<sup>6</sup>
- Regarding catastrophic scenarios that are highly unlikely but are treated as the expectation, “the media then often amplifies this message, sometimes without communicating the nuances. This results in further confusion regarding probable emissions outcomes, because many climate researchers are not familiar with the details of these scenarios in the energy-modeling literature.”<sup>7</sup>
- These apocalyptic predictions have been repeatedly proven false.<sup>8</sup> Climate models used to predict future events “may be overly sensitive to carbon dioxide increases and therefore project future warming that is unrealistically high.”<sup>9</sup>
- Renewable energy will not replace hydrocarbons in the near future, if ever.<sup>10</sup> ExxonMobil Corporation’s (“ExxonMobil” or the “Company”) competitors are betting big on hydrocarbons.<sup>11</sup>

**Supporting Statement:** Considering the clear evidence climate alarmism is overstated, ExxonMobil’s executive pay incentives are an inefficient deployment of company resources.

- According to the company’s 2023 proxy statement, the annual bonus and performance share award make up a combined 80 to 90 percent of total compensation for Named Executive Officers.<sup>12</sup>
- The Compensation Committee of the Board of Directors uses “Progress Toward Strategic Objectives” as one of the criteria for awarding the annual bonus and performance shares.

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<sup>1</sup> <https://www.mdpi.com/2225-1154/11/11/215>

<sup>2</sup> <https://nypost.com/2023/08/09/climate-scientist-admits-the-overwhelming-consensus-is-manufactured/>

<sup>3</sup> <https://judithcurry.com/2023/03/28/uns-climate-panic-is-more-politics-than-science/>

<sup>4</sup> <https://www.ipcc.ch/sr15/faq/faq-chapter-1/>

<sup>5</sup> <https://www.sciencedirect.com/science/article/pii/S0140988317301226>

<sup>6</sup> <https://www.carbonbrief.org/explainer-the-high-emissions-rcp8-5-global-warming-scenario/>

<sup>7</sup> <https://www.nature.com/articles/d41586-020-00177-3>

<sup>8</sup> <https://www.aei.org/carpe-diem/18-spectacularly-wrong-predictions-were-made-around-the-time-of-the-first-earth-day-in-1970-expect-more-this-year/>

<sup>9</sup> <https://www.sciencedaily.com/releases/2020/04/200430113003.htm>

<sup>10</sup> <https://www.theguardian.com/environment/2023/nov/27/us-oil-gas-record-fossil-fuels-cop28-united-nations>

<sup>11</sup> <https://www.wsj.com/articles/chevron-bets-on-peak-green-energy-99e72109>

<sup>12</sup> [https://d1io3yog0oux5.cloudfront.net/\\_7127b400fb78e05736f323f511bd2ae/exxonmobil/db/2301/22049/proxy\\_statement/2023-Proxy-Statement.pdf](https://d1io3yog0oux5.cloudfront.net/_7127b400fb78e05736f323f511bd2ae/exxonmobil/db/2301/22049/proxy_statement/2023-Proxy-Statement.pdf)

- One of the company’s four long-term strategic objectives is “Energy Transition.” 2022 results included:
  - “Developed detailed roadmaps in support of 2030 GHG Emissions Reduction Plans<sup>4</sup> and 2050 Net Zero Ambitions.”
  - “A founding signatory to the Aiming for Zero Methane Emissions initiative.”
  - “Investing ~\$17 billion in lower-emission initiatives from 2022-2027, positioning for attractive returns from large potential addressable markets, and competitively advantaged products.”
  - “Capex flexibility to grow lower carbon initiatives spend as opportunity pipeline matures, technology advances, and markets and policies evolve.”

Energy transition metrics are unscientific and create a breach of fiduciary duty. ExxonMobil is an oil and gas company and should focus on what it does best. The company cannot afford to be left behind because of misguided executive pay incentives.

**Resolved:** Shareholders of ExxonMobil request the Compensation Committee of the Board of Directors to revisit its incentive guidelines for executive pay, to emphasize legitimate fiduciary goals and consider eliminating greenhouse gas reduction targets and other scientifically dubious goals from compensation inducements.