BE IT RESOLVED: Shareholders request that ExxonMobil, with board oversight, publish a report, omitting proprietary information and prepared at reasonable cost, assessing the public health risks of expanding petrochemical operations and investments in areas increasingly prone to climate change-induced storms, flooding, and sea level rise.

SUPPORTING STATEMENT: Investors request the company assess, among other related issues at management and Board discretion: The adequacy of measures the company is employing to prevent public health impacts from associated chemical releases.

WHEREAS: Investors are concerned about the financial, health, environmental, and reputational risks associated with operating and building-out new chemical plants and related infrastructure in Gulf Coast locations increasingly prone to catastrophic storms and flooding associated with climate change. Civil society groups have mobilized to oppose the expansion of petrochemical facilities in their communities due to concerns regarding direct impacts to their health and livelihoods from unintentional air and water pollutant releases. Such opposition threatens to jeopardize ExxonMobil’s social license to operate in the region.

Petrochemical facilities like ethane crackers and polyethylene processing plants produce dangerous pollutants including benzene (a known carcinogen), Volatile Organic Compounds, and sulfur dioxide. These operations can become inundated and pose severe chemical release risks during extreme weather events. Flooding from Hurricane Harvey in 2017 resulted in ExxonMobil plant shut downs and the release of unpermitted, unsafe levels of pollutants. Nearby Houston residents reported respiratory and skin problems following ExxonMobil’s releases during Hurricane Harvey.

Growing storms and the costs they bring our company are predicted to increase in frequency and intensity as global warming escalates. Flood-related damage is projected to be highest in Texas, where many of ExxonMobil’s petrochemical plants are concentrated. Houston alone has seen three 500-year floods in the span of three years. Hurricane Harvey contributed to decreased earnings of approximately $40 million for ExxonMobil in 2017.

Historically, releases from ExxonMobil’s petrochemical operations have exceeded legal limits, exposing the company to liability and millions in payment for violations of environmental laws including the Clean Air and Clean Water Acts. As climate change intensifies flooding and storm strength, the potential for unplanned chemical releases
grows. Investors are concerned that ExxonMobil has not adequately demonstrated how it will prevent such unsafe chemical releases.

In spite of these risks, Exxon has accelerated its petrochemical activity in the Gulf Coast, investing heavily in further expansion in flood-prone areas of Texas and Louisiana. The company has generally disclosed that risks from storms may impact its business and that extreme storms are among the factors considered in its Operations Integrity Management System. The impacts to Exxon’s operations from Hurricane Harvey, however, indicate the company’s level of preparedness was insufficient. While the Company rapidly expands its petrochemical assets in climate-impacted areas, its available disclosures do not provide investors adequate information to understand whether ExxonMobil is effectively assessing and managing the drastic increase in material public health and financial risks presented by climate-related storm impacts and sea level rise.