

## Rockefeller family members press for change at Exxon

Clifford Krauss



John D. Rockefeller, whose family descends from the founder of what became Exxon Mobil Corp., speaking at a news conference on Wednesday. (Mark Lennihan/The Associated Press)

The Rockefeller family built one of the great American fortunes by supplying the United States with oil.

Now history has come full circle: Some family members say it is time to start moving beyond the oil age.

The family members have thrown their support behind a shareholder rebellion that is ruffling feathers at Exxon Mobil, the giant oil company descended from John D. Rockefeller's Standard Oil.

Three of the resolutions, to be voted on Wednesday at the company's shareholders' meeting in Dallas, are considered unlikely to pass, even with Rockefeller family support. They would demand that Exxon take the threat of global warming more seriously and look for alternatives to spewing greenhouse gases into the air.

One resolution would urge the company to study the impact of global warming on poor countries, another would encourage Exxon to reduce its emissions and a third would encourage it to do more research on renewable energy sources like solar panels and wind turbines.

A fourth resolution the Rockefellers are supporting most enthusiastically is considered more likely to pass. It would strip Rex Tillerson of his position as chairman of Exxon's board, requiring the company to separate that job from the chief executive's post, which he also holds.

A shareholder vote in favor of that idea would be a rebuke of Tillerson, who is widely perceived as more resistant than other oil chieftains to investing in alternative energy.

The Rockefellers say they are not trying to embarrass Tillerson, but believe it is time for the company to spend more of its money helping the country chart a new energy future.

"Exxon Mobil needs to reconnect with the forward-looking and entrepreneurial vision of my great-grandfather," Neva Rockefeller Goodwin, a Tufts University economist, said in a statement. "The truth is that Exxon Mobil is profiting in the short term from investments and

decisions made many years ago, and by focusing on a narrow path that ignores the rapidly shifting energy landscape around the world."

The resolution on Exxon's chairmanship was offered for several years before the Rockefellers became involved, and last year received 40 percent of shareholder votes cast. Royal Dutch Shell and British Petroleum already separate the positions of chairman and chief executive, as do many other companies.

"You need a board asking the tough questions," Peter O'Neill, a private equity investor and great-great-grandson of John D. Rockefeller, said during an interview. "We expect the company to figure out how in this changing world to adjust."

Fifteen members of the family are sponsoring or cosponsoring the four resolutions, but it appears that some have much more solid support among the sprawling family than others. O'Neill said 73 out of 78 adult descendants of John D. Rockefeller were supporting the family effort to divide the chief executive and chairman positions.

The goal of that resolution is to improve the management of the company, not only to sharpen its focus on environmental matters, but also on more traditional pursuits like exploring more aggressively for new oil reserves.

David Rockefeller, retired chairman of Chase Manhattan Bank and patriarch of the family, issued a statement saying, "I support my family's efforts to sharpen Exxon Mobil's focus on the environmental crisis facing all of us."

The Rockefeller family has always been identified with oil and the legacy of Standard Oil, but for several generations it has also been active in environmental causes and acquiring vast amounts of land for preservation, including part of what is today the Grand Teton National Park. John D. Rockefeller's grandsons, particularly Laurance and Winthrop Rockefeller, devoted themselves to conservation issues, and Rockefeller charitable organizations have long promoted efforts to fight pollution.

Goodwin, one of the most vocal Rockefellers on the environment today, is co-director of the Global Development and Environment Institute at Tufts.

In recent years family members have quietly encouraged Exxon Mobil executives to take global warming seriously, but their private efforts did not go far. Until now they have avoided publicity in their efforts, and the youngest Rockefeller generations have generally shunned attention.

Ken Cohen, vice president for public affairs for Exxon, said the shareholders pushing the resolutions were "starting from a false premise." He added that the company was already concerned about "how to provide the world the energy it needs while at the same time reducing fossil fuel use and greenhouse gas emissions."

Exxon executives said the company had spent \$2 billion over the past five years on programs to reduce emissions and improve efficiency, and had plans to spend an additional \$800 million on similar initiatives over the next three years. They said the company last year had reduced the release of greenhouse gases from its operations by 3 percent, and was working with Stanford University to research biofuels and solar and hydrogen energy.

Exxon says the Rockefellers sponsoring the resolutions own only 0.006 percent of the company's total shares. But O'Neill and Goodwin said the percentage was larger, with most investments in trusts, but they did not disclose the stake.

Since taking over the company two years ago, Tillerson has gradually shifted its rhetoric away from that of his predecessor, Lee Raymond, who had been considered a skeptic on the science of global warming.

But with gasoline prices soaring and concern growing over global warming, Exxon Mobil, the biggest of the investor-owned oil companies, is a target for politicians and environmentalists. Chevron, BP and Shell, Exxon's three largest competitors, have given their investments in renewable fuels a much higher profile.

Similar or identical environmental proposals have lost votes at past Exxon shareholder meetings, but the public support of the Rockefeller family has given old efforts new energy.

The involvement of the Rockefellers, said Robert Monks, a shareholder advocate who has been urging a separation of the chairman and chief executive posts for years, shows "this is not just a matter of the self-appointed good guys against the cavemen but also a matter of the capitalists wanting to make money."

Nineteen institutional investors with 91 million shares announced last week that they would support resolutions asking Exxon Mobil to separate the top executive positions and tackle global warming. They included the California Public Employees' Retirement System, the California State Teachers' Retirement System and the New York City Retirement System.

The California state treasurer, Bill Lockyer, who serves on the boards of the two California funds, said the company's "go-slow approach" on global warming "places long-term shareholder value at risk."

Under Exxon Mobil rules, a shareholder proposal that passes is not binding without the support of the board of directors. But Andrew Logan, director of the oil program at Ceres, a coalition of institutional investors and environmentalists, said, "boards tend to strongly consider proposals that get significant support."

Paul Sankey, an oil analyst at Deutsche Bank, said he thought a separation of the chief executive and board chairman jobs might be a good management move and "we might see a mild benefit to Exxon's public image." But he added that "on balance, we wouldn't expect any change in strategy."

The National Fraternal Order of Police, which represents public safety officers who have pensions invested in Exxon Mobil, has publicly opposed the shareholder effort to change company policy.

"By splitting the jobs of chairman and chief executive officer, by imposing rigid, ideologically based conditions on the company's future operations," the organization wrote in a letter to Tillerson, the reform effort "would hamstring Exxon Mobil's profitability and growth."

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