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13		
14		IE STATE OF CALIFORNIA
15		AN FRANCISCO
16	UNLIMITED .	JURISDICTION
10	COORDINATION PROCEEDING SPECIAL TITLE [CRC 3.550(c)]	JUDICIAL COUNCIL COORDINATION PROCEEDING NO. 5310
18	FUEL INDUSTRY CLIMATE CASES	Case No.: CJC-24-005310
19		
20	THIS CASE RELATES TO:	SECOND AMENDED COMPLAINT FOR:
21	The People of the State of California, acting by and through the San Francisco City Attorney	(1) PUBLIC NUISANCE ON BEHALF OF THE PEOPLE OF THE STATE OF CALIFORNIA;
22	<i>David Chiu, v. BP p.l.c. et al.</i> , San Francisco Superior Court, Case No.: CGC-17-561370	(2) PUBLIC NUISANCE;
23		<ul><li>(3) PRIVATE NUISANCE;</li><li>(4) TRESPASS;</li></ul>
24	THE PEOPLE OF THE STATE OF CALIFORNIA, acting by and through the San	(5) STRICT PRODUCTS LIABILITY – FAILURE TO WARN;
25	Francisco City Attorney DAVID CHIU, and the CITY AND COUNTY OF SAN FRANCISCO,	(6) NEGLIGENT PRODUCTS LIABILITY –
26	a Municipal Corporation,	FAILURE TO WARN; and (7) NEGLIGENCE
27	Plaintiffs,	JURY TRIAL DEMANDED
28	VS.	
		·
	SECOND AMENDED COMPLAINT	1

1	BP P.L.C.; BP AMERICA INC.; CHEVRON	
2	CORPORATION; CHEVRON U.S.A. INC.; CONOCOPHILLIPS; CONOCOPHILLIPS	
3	COMPANY; PHILLIPS 66; PHILLIPS 66 COMPANY; EXXON MOBIL	
4	CORPORATION; EXXONMOBIL OIL CORPORATION; SHELL PLC; SHELL USA,	
5	INC.; SHELL OIL PRODUCTS COMPANY LLC; and DOES 1 through 10,	
6	Defendants.	
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Plaintiffs—the People of the State of California, by and through San Francisco City Attorney David Chiu (the "People"), and the City and County of San Francisco ("City," and together with the People, "Plaintiffs")—bring this action against Defendants BP p.l.c.; BP America Inc.; Chevron Corporation; Chevron U.S.A. Inc.; ConocoPhillips; ConocoPhillips Company; Phillips 66; Phillips 66 Company; Exxon Mobil Corporation; ExxonMobil Oil Corporation; Shell plc; Shell USA, Inc.; Shell Oil Products Company LLC; and Does 1–10, (collectively, "Defendants"), and allege as 6 follows:

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#### I. **INTRODUCTION**

9 1. The fossil fuel industry has known for decades, based on its own internal research, 10 that fossil fuels produce carbon dioxide and other greenhouse gas pollution that can have catastrophic consequences for the planet and its people. The industry took these internal scientific findings 11 seriously, investing heavily to protect its own assets and infrastructure from rising seas, stronger 12 13 storms, and other climate change impacts. But rather than warn consumers and the public, fossil fuel companies and their surrogates mounted a disinformation campaign to discredit the scientific 14 consensus on climate change; create doubt in the minds of consumers, the media, business leaders, 15 and the public about the climate change impacts of burning fossil fuels; and delay the energy 16 17 economy's transition to a lower-carbon future while maximizing profits.

2. 18 This successful climate deception campaign had the purpose and effect of inflating and sustaining the market for fossil fuels, which drove up greenhouse gas emissions, accelerated 19 global warming, and brought about devastating climate change impacts to San Francisco and its 20 environmental justice communities<sup>1</sup> in particular. Plaintiffs are already enduring the effects of global 21 warming-induced sea level rise, extreme precipitation and heat, and poor air quality. As a result of 22 23 the fossil fuel industry's lies and deceit, Plaintiffs are confronted with the need to protect San Francisco's people, businesses, and infrastructure from these and other climate change hazards. 24

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<sup>&</sup>lt;sup>1</sup> The term "environmental justice communities" is defined as areas facing the top one-third of 27 cumulative environmental and socioeconomic burdens across San Francisco. See San Francisco General Plan, Environmental Justice Framework, https://generalplan.sfplanning.org/ 28 Environmental\_Justice\_Framework.htm.

3. Despite the clear harm to San Francisco and other communities across the country, 1 Defendants continue to peddle climate disinformation and attempt to mislead the public concerning 2 the environmental impacts of their fossil fuel products.

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4. Plaintiffs bring this action against Defendants for creating, contributing to, and/or 4 5 assisting in the creation of climate change-related harms in San Francisco. As more fully alleged below, Defendants created, contributed to, and/or assisted in the creation of a nuisance; caused 6 7 trespasses to occur on City-owned property; failed to adequately warn consumers, the City, and the public of the risks of climate change, climate change-related harms, and other dangers that 8 9 Defendants knew would inevitably follow from the intended or reasonably foreseeable use of their products; and violated their duties of care to exercise due care in the marketing, sale, and/or labeling 10 of their products and to act reasonably for the protection of San Francisco and its residents and to 11 avoid inflicting the injuries described herein. 12

13 5. Defendants are major, publicly-owned members of the fossil fuel industry, including extractors, producers, refiners, manufacturers, distributors, promoters, marketers, and/or sellers of 14 raw and refined fossil fuel products. Each Defendant funded, staffed, organized, and otherwise 15 supported efforts to deceive the public and consumers—in and outside of San Francisco—about the 16 role of fossil fuel products in causing the global climate crisis. 17

18 6. The rate at which Defendants have extracted and sold fossil fuel products has exploded since the Second World War, which has driven a concurrent increase in carbon dioxide 19 ("CO<sub>2</sub>") and other emissions from those products. Fossil fuel emissions—especially CO<sub>2</sub>—are far 20 and away the dominant driver of global warming.<sup>2</sup> The substantial majority of all anthropogenic 21 greenhouse gas emissions in history have occurred from the 1950s to the present, a period known as 22 the "Great Acceleration."<sup>3</sup> About three-quarters of all industrial CO<sub>2</sub> emissions in history have 23

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Assessment Report (2021), at 4–9, https://www.ipcc.ch/report/ar6/wg1/downloads/report/ 27 IPCC\_AR6\_WGI\_SPM.pdf.

<sup>25</sup> <sup>2</sup> See Intergovernmental Panel on Climate Change ("IPCC"), Summary for Policymakers in 26 Climate Change 2021: The Physical Science Basis. Contribution of Working Group I in the Sixth

<sup>&</sup>lt;sup>3</sup> Will Steffen et al., *The Trajectory of the Anthropocene: The Great Acceleration*, 2 The 28 Anthropocene Review 81, 81 (2015).

occurred since the 1960s,<sup>4</sup> and more than half have occurred since the late 1980s.<sup>5</sup> The annual rate
 of CO<sub>2</sub> emissions from extraction, production, and consumption of fossil fuels has increased
 substantially since 1990.<sup>6</sup>

7. Defendants have known for more than 50 years that greenhouse gas pollution from
fossil fuel products would have significant adverse impacts on the Earth's climate and sea levels.
Armed with that knowledge, Defendants took steps to protect their own assets from climate changerelated harms and risks through immense internal investment in research, infrastructure
improvements, and plans to exploit new business opportunities in a warming world.

9 8. But instead of warning the public of the known consequences flowing from the intended and foreseeable use of their products or representing those consequences truthfully, 10 Defendants concealed and misrepresented the dangers of fossil fuels; disseminated false and 11 misleading information about the existence, causes, and dangers of climate change; and aggressively 12 13 promoted the profligate use of their products at ever-greater volumes without regard for the dangers of doing so. Since at least the late 1980s, Defendants have spent millions of dollars orchestrating a 14 massive disinformation campaign to cast doubt on the science of climate change; to shuttle climate 15 denialist theories into mainstream media and science despite the fact that their own scientists had 16 already debunked those theories; and to conceal the role of fossil fuels in driving the climate crisis. 17 18 More recently, Defendants have pivoted to a new strategy of commercial deception: greenwashing. Today, Defendants misleadingly exaggerate their investments in wind, solar, and other lower carbon 19 energy resources to encourage continued consumption of their fossil fuel products. Defendants also 20 falsely advertise certain fossil fuel products as "green" or "clean," while concealing the fact that 21 those very same products are leading causes of climate change. Defendants individually and 22 23 collectively played leadership roles in all of these campaigns, which were intended to and did target 24 consumers, including those in San Francisco.

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<sup>5</sup> Ibid.

<sup>6</sup> Global Carbon Project, Global Carbon Budget 2021, https://www.globalcarbonproject.org/global/images/carbonbudget/Infographic\_Emissions2021.pdf.

<sup>&</sup>lt;sup>4</sup> R.J. Andres et al., *A Synthesis of Carbon Dioxide Emissions from Fossil-Fuel Combustion*, 9 Biogeosciences 1845, 1851 (2012).

9. Defendants, individually and collectively, have substantially and measurably 1 contributed to San Francisco's climate crisis-related injuries. All Defendants' actions in concealing 2 3 the dangers of, and promoting false and misleading information about, their fossil fuel products have contributed substantially to consumer demand for fossil fuels and the consequent buildup of CO<sub>2</sub> in 4 5 the atmosphere that drives global warming and its physical, environmental, and socioeconomic consequences, including those affecting Plaintiffs. Consequently, substantially more anthropogenic 6 greenhouse gases have been emitted into the atmosphere than would have been emitted absent 7 8 Defendants' tortious and deceptive conduct. If not for Defendants' tortious and deceptive conduct, 9 the damaging consequences of climate change in San Francisco would have been far less extreme than those currently occurring. Similarly, future harmful effects would also have been far less 10 damaging and costly—or would have been avoided entirely. 11

12 10. While Defendants have promoted and profited from the extraction and consumption 13 of fossil fuels, Plaintiffs have spent, and will continue to spend, millions of dollars to recover from 14 and adapt to climate change-induced harms. For example, Plaintiffs will have to fortify infrastructure 15 against sea level rise and extreme precipitation and the attendant coastal and inland flooding. 16 Plaintiffs will also have to undertake numerous other interventions that have and will become 17 necessary to protect San Francisco's people and infrastructure from extreme heat, poor air quality, 18 and other climate change hazards.<sup>7</sup>

19 11. Sea levels are rising at rates unprecedented in the history of human civilization
20 because of global warming.<sup>8</sup> Global warming-induced sea level rise is already causing flooding of
21 low-lying areas of San Francisco, increased shoreline erosion, and salt water impacts to San
22 Francisco's infrastructure.<sup>9</sup> The rapidly rising sea level along the Pacific coast and in San Francisco

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<sup>&</sup>lt;sup>7</sup> See San Francisco Climate Action Plan 2021, at 26–27, https://www.sfenvironment.org/files/events/2021\_climate\_action\_plan.pdf.

 <sup>&</sup>lt;sup>8</sup> Gary Griggs et al., Rising Seas in California: an update on sea-level rise science, California
 Ocean Science Trust, at 8 (Apr. 2017) ("Rising Seas in California"), http://www.opc.ca.gov/
 webmaster/ftp/pdf/docs/rising-seas-in-california-an-update-on-sea-level-rise-science.pdf.

webmaster/htp/pdl/docs/rising-seas-in-california-an-update-on-sea-level-rise-science.pd

<sup>&</sup>lt;sup>9</sup> San Francisco Sea Level Rise Action Plan at 6 (Mar. 2016),

<sup>28</sup> http://default.sfplanning.org/plans-and-programs/planning-for-the-city/sea-levelrise/160309\_SLRAP\_Executive\_Summary\_EDreduced.pdf.

Bay, moreover, poses an imminent threat of catastrophic storm surge flooding because any storm would be superimposed on a higher sea level.<sup>10</sup> This threat to human safety and to public and private property is becoming more dire every day as global warming reaches ever more dangerous levels and sea level rise accelerates. The global warming-induced sea level rise from Defendants' deceptive conduct is an irreversible condition on any relevant time scale: it will last hundreds or even thousands of years. San Francisco must take abatement action now to protect public and private property from this looming threat by building costly sea level rise adaptation infrastructure.

Similarly, climate change causes more frequent and extreme weather events, extreme 8 12. 9 heat, and reduced air quality, which damage public infrastructure and create cascading public health problems. Destructive and deadly atmospheric river events dropped record amounts of rainfall in San 10 Francisco during the winter of 2022–23 and are expected to become more frequent.<sup>11</sup> On September 11 1, 2017, San Francisco's temperatures hit 106° F-the highest temperature ever recorded in San 12 13 Francisco. Emergency medical calls during this heat wave increased by 51%, emergency department visits increased by 12%, and hospitalizations increased by 15%.<sup>12</sup> And during the 2018 Butte County 14 Camp Fire, wildfire smoke caused San Francisco's Air Quality Index to exceed 150, "unhealthy," 15 for 12 consecutive days, peaking at  $250.^{13}$ 16

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<sup>10</sup> Rising Seas in California at 16–17 (Apr. 2017); Climate Change Impacts in the United States: The Third National Climate Assessment, southwest chapter at 469-70 (2014), http://nca2014.globalchange.gov/system/files\_force/downloads/low/NCA3\_Full\_Report\_20\_South

all these dire climate change impacts in San Francisco, including: sea level rise,<sup>14</sup> more frequent and

Defendants' deceptive and tortious conduct was a substantial factor in bringing about

22 west\_LowRes.pdf?download=1.

13.

<sup>11</sup> See C. Patricola et al., *Future Changes in Extreme Precipitation Over the San Francisco Bay* Area: Dependence on Atmospheric River and Extratropical Cyclone Events, 36 Weather and Climate Extremes (June 2022), at 2, https://doi.org/10.1016/j.wace.2022.100440.

<sup>24</sup>
 <sup>12</sup> Office of Resilience and Capital Planning, Department of Public Health, & Department of Emergency Management, *The Heat and Air Quality Resilience Plan* (May 2023), at 16.

# <sup>13</sup> F. K. Chow et al., *High-Resolution Smoke Forecasting for the 2018 Camp Fire in California*, 103 Bulletin of the American Meteorological Society 1531 (June 24, 2022),

27 https://doi.org/10.1175/BAMS-D-20-0329.1.

 <sup>14</sup> See San Francisco Sea Level Rise Action Plan, Executive Summary at 4 (2016), http://default.sfplanning.org/plans-and-programs/planning-for-the-city/sea-levelrise/160309\_SLRAP\_Executive\_Summary\_EDreduced.pdf. extreme precipitation events and associated flooding,<sup>15</sup> more frequent and intense heat waves along
 with exacerbation of localized "heat island" effects, and degraded air quality.<sup>16</sup>

3 14. These consequences have and will continue to disproportionately impact San
4 Francisco's environmental justice communities, as climate change exacerbates existing
5 environmental and public health stressors associated with socioeconomic and racial disparities.

6 15. Defendants' individual and collective conduct—including, but not limited to, their 7 introduction of fossil fuel products into the stream of commerce while knowing but failing to warn 8 of the threats those products posed to the world's climate; their wrongful promotion of fossil fuel 9 products, including the misrepresentation and concealment of known hazards associated with the 10 intended use of those products; and their public deception campaigns designed to obscure the 11 connection between fossil fuel products and global warming—was a direct and proximate cause of 12 Plaintiffs' injuries.

13 16. Accordingly, Plaintiffs bring this action against Defendants for public nuisance, 14 private nuisance, trespass, failure to warn, and negligence. Plaintiffs respectfully request that this 15 Court order Defendants to abate the nuisance they have created, contributed to, and/or assisted in the 16 creation of, and that this Court use its equitable powers to order Defendants to mitigate future harm 17 to the environment and people of San Francisco attributable to Defendants' unlawful actions, 18 including, but not limited to, by granting preliminary and permanent equitable relief. Plaintiffs 19 respectfully request that this Court order Defendants to pay damages.

17. Plaintiffs do not seek relief as to state-owned property and assets. Plaintiffs do not
seek any remedy for harms or violations for which the State or State agencies have exclusive
authority to recover damages or obtain injunctive relief.

18. Plaintiffs hereby disclaim injuries arising on federal property and those arising from
Defendants' provision of non-commercial, specialized fossil fuel products to the federal government
for military and national defense purposes. Plaintiffs seek no recovery or relief attributable to these
injuries.

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<sup>15</sup> See Patricola et al. (2022), *supra* note 11, at 2.

<sup>16</sup> See The Heat and Air Quality Resilience Plan (2023), supra note 12.

19. Plaintiffs do *not* seek to impose liability on Defendants for their direct emissions of greenhouse gases and do *not* seek to restrain Defendants from engaging in their business operations.

20. This case is fundamentally about shifting the costs of climate change-related harms back onto the companies whose deception caused and exacerbated them. Plaintiffs seek to ensure that the parties who have profited from deceiving consumers and the public about climate change bear the costs of that deceptive commercial activity.

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#### **II. JURISDICTION AND VENUE**

8 21. Jurisdiction is proper in California Superior Court, San Francisco County, where this 9 case was originally filed, because Defendants have contributed to the creation of a public nuisance 10 in San Francisco, and the San Francisco City Attorney has the right and authority to seek abatement 11 of that nuisance on behalf of the People of the State of California. Injuries the City has suffered 12 personally have also occurred within San Francisco County.

13 22. This Court has personal jurisdiction over Defendants, pursuant to Code of Civil 14 Procedure section 410.10, because each Defendant purposefully availed itself of the California 15 market, and thus of the benefits of the laws of the State, during all times relevant to this Complaint, 16 so as to render California courts' exercise of jurisdiction over each Defendant consistent with 17 traditional notions of fair play and substantial justice. Each Defendant researched, developed, 18 manufactured, designed, marketed, distributed, released, promoted, and/or otherwise sold its fossil 19 fuel products in markets around the United States, including within California.

20 23. Additionally, jurisdiction is proper over each non-resident Defendant for the
21 following reasons:

i. With respect to its subsidiaries, each non-resident Defendant controls and has
controlled its direct and indirect subsidiaries' decisions about the quantity and extent of its fossil fuel
production and sales; determines whether and to what extent to market, produce, and/or distribute its
fossil fuel products; and controls and has controlled its direct and indirect subsidiaries' decisions
related to its marketing and advertising, specifically communications strategies concerning climate
change and the link between fossil fuel use and impacts on the environment. Each subsidiary
Defendant is the agent of its parent Defendant. As agents, the subsidiaries of each non-resident

Defendant conducted activities in California at the direction and for the benefit of its parent company. 1 Specifically, the subsidiaries furthered each parent company's campaign of deception and denial 2 3 through misrepresentations, omissions, and affirmative promotion of the company's fossil fuel products as safe with knowledge of the climate change-related harms that would result from the 4 5 intended use of those products, all of which resulted in climate change-related injuries in San Francisco and increased sales to the parent company. The subsidiaries' jurisdictional activities are 6 7 properly attributed to each parent company and serve as a basis to assert jurisdiction over each of the 8 non-resident Defendant parent companies.

9 ii. Through their various agreements with dealers, franchises, or otherwise,
10 Defendants direct and control the branding, marketing, sales, promotions, image development,
11 signage, and advertising of their branded fossil fuel products at their respectively branded gas stations
12 in California, including point-of-sale advertising and marketing. Defendants dictate which grades
13 and formulations of their gasoline may be sold at their respectively branded stations.

iii. Defendants, in coordination with trade organizations, conspired to conceal and 14 misrepresent the known dangers of burning fossil fuels, to knowingly withhold material information 15 regarding the consequences of using fossil fuel products, to spread knowingly false and misleading 16 17 information to the public regarding the weight of climate science research, and to promote consumer 18 demand for their fossil fuel products which they knew were harmful. Through their own actions and 19 through their membership and participation in climate denialist front groups, each Defendant was and is a member of that conspiracy. Defendants committed substantial acts to further the conspiracy 20 21 in California by making misrepresentations and misleading omissions to California consumers about the existence, causes, and effects of global warming; by affirmatively promoting Defendants' fossil 22 23 fuel products as safe, with knowledge of the disastrous impacts that would result from the intended 24 use of those products; and by failing to warn California consumers about the disastrous impacts of fossil fuel use. A substantial effect of the conspiracy has also and will also occur in San Francisco, 25 as Plaintiffs have suffered and will suffer injuries from Defendants' wrongful conduct, including 26 27 but not limited to the following: sea level rise, massive storms, flooding, extreme heat, reduced air 28 quality, and other social and economic consequences of these environmental changes. Defendants

knew or should have known based on information provided to them from their internal research
 divisions, affiliates, trade associations, and industry groups that their actions in California and
 elsewhere would result in these injuries in and to San Francisco. Finally, the climate effects described
 herein are direct and foreseeable results of Defendants' conduct in furtherance of the conspiracy.

5 24. Venue is proper in this Court pursuant to Code of Civil Procedure sections 395 and
6 395.5 because the injury giving rise to the claims alleged in this Complaint occurred in San Francisco
7 County.

8 25. Additionally, venue is also proper in San Francisco County pursuant to the February
9 9, 2024 order from the Judicial Council of California. This and other actions are coordinated into
10 JCCP 5310, Fuel Industry Climate Cases, in San Francisco County.

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### III. PARTIES

### A. Plaintiffs

26. Plaintiff the People of the State of California, by and through the San Francisco City
Attorney David Chiu, brings this suit pursuant to Code of Civil Procedure section 731, and Civil
Code sections 3479, 3480, 3491, and 3494, to abate the public nuisance caused by Defendants within
San Francisco.

Plaintiff City and County of San Francisco is a municipal corporation organized and
existing under and by virtue of the laws of the State of California and is a city and county. San
Francisco owns and manages property and structures that are threatened by climate change-related
harms, including sea level rise, more frequent and extreme precipitation and heat events, and poor
air quality. The City brings causes of action in its own name as the real party in interest for injuries
it has suffered personally, pursuant to Code of Civil Procedure section 367 and Government Code
section 23004(a).

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### **B.** Defendants

25 28. Defendants include some of the largest oil and gas companies in the world. When this
26 complaint references an act or omission of Defendants, unless otherwise stated, such references
27 should be interpreted to mean that the officers, directors, agents, employees, or representatives of
28 Defendants committed or authorized such an act or omission, or failed to adequately supervise or

properly control or direct their employees while engaged in the management, direction, operation or
 control of the affairs of Defendants, and did so while acting within the scope of their employment or
 agency.

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### 29. **<u>BP entities:</u> BP P.L.C. and BP America Inc.**

5 i. Defendant **BP P.L.C.** is a multinational, vertically integrated energy and petrochemical public limited company, registered in England and Wales with its principal place of 6 7 business in London, England. BP P.L.C. consists of three main operating segments: (1) exploration and production, (2) refining and marketing, and (3) "gas and low-carbon energy." BP P.L.C. is the 8 9 ultimate parent company of numerous subsidiaries, referred to collectively as the "BP Group," which 10 explore for and extract oil and gas worldwide; refine oil into fossil fuel products such as gasoline; and market and sell oil, gasoline, other refined petroleum products, and natural gas worldwide. BP 11 P.L.C.'s subsidiaries explore for oil and natural gas under a wide range of licensing, joint 12 13 arrangement, and other contractual agreements.

ii. BP P.L.C. controls and has controlled group-wide decisions about the quantity 14 and rate of fossil fuel production and sales, including those of its subsidiaries. BP P.L.C. is the 15 ultimate decisionmaker on fundamental decisions about the BP Group's core business, i.e., the 16 17 volume of group-wide fossil fuels to produce and market, including among BP P.L.C.'s subsidiaries. 18 For instance, BP P.L.C. reported that, in 2016–17, it brought online thirteen major exploration and production projects. These contributed to a 12% increase in the BP Group's overall fossil fuel product 19 production. These projects were carried out by BP P.L.C.'s subsidiaries. Based on these projects, BP 20 P.L.C. expected the BP Group to deliver to customers 900,000 barrels of new product per day by 21 2021. BP P.L.C. further reported that in 2017 it sanctioned three new exploration projects in Trinidad, 22 23 India. and the Gulf of Mexico.

iii. BP P.L.C. controls and has controlled group-wide decisions, including those
of its subsidiaries, related to marketing, advertising, climate change, and greenhouse gas emissions
from its fossil fuel products, as well as communications strategies concerning climate change and
the link between fossil fuel use and climate change-related impacts on the environment and humans.
BP P.L.C. makes decisions on production and use of fossil fuel reserves for the entire BP Group

based on factors including climate change. BP P.L.C.'s Board of Directors is the company's highest decision-making body, with direct responsibility for the BP Group's policies concerning climate change policies. BP P.L.C.'s chief executive is responsible for maintaining the BP Group's system of internal control that governs the BP Group's business conduct. BP P.L.C.'s senior leadership directly oversees a carbon steering group, which manages climate change-related matters and consists of two committees—both overseen directly by the board—focused on climate changerelated investments.

8 iv. Defendant **BP** America Inc. is a wholly owned subsidiary of BP P.L.C. that 9 acts on BP P.L.C.'s behalf and is subject to BP P.L.C.'s control. BP America Inc. is a vertically 10 integrated energy and petrochemical company incorporated in the state of Delaware with its headquarters and principal place of business in Houston, Texas. BP America Inc. is registered to do 11 business in California. BP America Inc. consists of numerous divisions and affiliates in all aspects 12 13 of the fossil fuel industry, including exploration for and production of crude oil and natural gas; manufacture of petroleum products; and transportation, marketing, and sale of crude oil, natural gas, 14 and petroleum products. BP America Inc. was formerly known as, did or does business as, is or was 15 affiliated with, and/or is the successor in liability to Amoco Oil Company; Amoco Production 16 17 Company; ARCO Products Company; BP Exploration & Oil, Inc.; BP Products North America Inc.; 18 BP Amoco Corporation; BP Oil, Inc.; BP Oil Company; Sohio Oil Company; Standard Oil of Ohio (SOHIO); Standard Oil (Indiana); and Atlantic Richfield Company (a Pennsylvania Corporation) 19 and its division, the Arco Chemical Company. 20

v. Defendants BP P.L.C. and BP America, Inc., together with their predecessors,
successors, parents, subsidiaries, affiliates, and divisions, are collectively referred to herein as "BP."

vi. Plaintiffs' claims against BP arise out of and are related to the acts and
omissions of BP in California and elsewhere that caused or will cause injuries in California, including
in San Francisco.

vii. BP has purposefully directed its tortious conduct toward California by
distributing, marketing, advertising, promoting, and supplying its fossil fuel products in California,
with knowledge that the intended use of those products for combustion have caused and will continue

to cause climate change-related harms in San Francisco, including Plaintiffs' injuries. BP's 1 statements in San Francisco, in California, and elsewhere made in furtherance of its campaign of 2 3 deception about and denial of climate change, and BP's affirmative promotion of its fossil fuel products as safe with knowledge of how the intended use of those products would cause climate 4 5 change-related harms, were designed to conceal and mislead consumers and the public, including Plaintiffs, about the serious adverse consequences that would result from continued use of BP's 6 7 products. That conduct was purposefully directed to reach San Francisco and obscure the dangers of BP's fossil fuel products from San Francisco and its residents such that use of BP's fossil fuel 8 9 products in San Francisco would not decline.

viii. 10 Over the last several decades and continuing to the present day, BPespecially BP p.l.c.—spent millions of dollars on radio, television, online, social media, and outdoor 11 advertisements in the California market related to its fossil fuel products. Since at least 1988 and 12 13 continuing to the present day, BP has advertised in print publications circulated widely to California consumers, including but not limited to the following: The San Francisco Chronicle, The Atlantic, 14 Life, Newsweek, The New York Times, Sports Illustrated, Time, The Wall Street Journal, and The 15 Washington Post. As further detailed herein, these include advertisements containing false or 16 misleading statements, misrepresentations, and/or material omissions obfuscating the connection 17 18 between the production and use of BP's fossil fuel products and climate change, and/or misrepresenting BP's products or BP itself as environmentally friendly. 19

ix. Significant quantities of BP's fossil fuel products are or have been transported, 20 traded, distributed, promoted, marketed, manufactured, sold, and/or consumed in California, 21 including in San Francisco, from which activities BP derives and has derived substantial revenue. 22 23 BP conducts and controls, either directly or through franchise agreements, retail fossil fuel sales at gas station locations throughout San Francisco and California, at which locations it promotes, 24 advertises, and sells its fossil fuel products under its ARCO brand name. Among other operations, 25 BP operates more than 300 ARCO-licensed and branded gas stations in California. From 2000 to 26 2013, BP also owned and operated an oil refinery in Carson, California. During the period relevant 27 28 to this Complaint, BP sold a substantial percentage of all retail gasoline sold in California. BP's

marketing and trading business maintains an office in Irvine, California. BP maintains an energy
 research center in San Diego, California.

3 x. BP also markets and sells other fossil fuel products, including engine lubricant
4 and motor oils, to San Francisco and California consumers under its Castrol brand name.

5 xi. BP historically directed its fossil fuel product advertising, marketing, and 6 promotional campaigns to San Francisco and California, including through maps that identified the 7 locations of its service stations in California, including in San Francisco. BP markets and advertises 8 its fossil fuel products in California to California residents by maintaining an interactive website 9 available to prospective customers by which it directs San Francisco's residents to BP's nearby retail 10 service stations and/or lubricant distributors.

xii. By BP's own description, its "retail stations in California serve more than
640,000 customers every day."<sup>17</sup> BP claims to support 3,000 jobs in California, including at least
1,400 BP employees, and has invested over \$100 million through vendors in California.

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## **<u>Chevron entities:</u>** Chevron Corporation and Chevron U.S.A. Inc.

Defendant Chevron Corporation is a multinational, vertically integrated
 energy and chemicals company incorporated in Delaware, with its global headquarters and principal
 place of business in San Ramon, California. Chevron Corporation, through its predecessor Standard
 Oil Company of California, has been registered to do business in California since 1926. Chevron
 Corporation was formerly known as, did or does business as, and/or is the successor in liability to
 Standard Oil Company of California (also known as "Socal"), Texaco Inc., and ChevronTexaco
 Corporation.

ii. Chevron Corporation operates through a web of United States and
international subsidiaries at all levels of the fossil fuel supply chain. Chevron Corporation and its
subsidiaries' operations include, but are not limited to: exploration, development, production,
storage, transportation, and marketing of crude oil and natural gas; refining crude oil into petroleum

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<sup>&</sup>lt;sup>17</sup> BP, *Bp in California*, https://www.bp.com/content/dam/bp/country-sites/en\_us/united-states/home/documents/where-we-operate/states/bp%20in%20California.pdf.

products and marketing those products; and manufacturing and marketing commodity
 petrochemicals, plastics for industrial uses, and fuel and lubricant additives.

3 iii. Chevron Corporation controls and has controlled group-wide decisions about
4 the quantity and rate of fossil fuel production and sales, including those of its subsidiaries. Chevron
5 Corporation determines whether and to what extent its corporate holdings market, produce, and/or
6 distribute fossil fuel products.

iv. Chevron Corporation controls and has controlled group-wide decisions,
including those of its subsidiaries, related to marketing, advertising, greenhouse gas emissions and
climate change resulting from the company's fossil fuel products, and communications strategies
concerning climate change and the link between fossil fuel use and climate change-related impacts
on the environment and humans. Overall accountability for climate change within Chevron
Corporation lies with Chevron Corporation's Board of Directors and Executive Committee.

v. Defendant Chevron U.S.A. Inc. is a wholly owned subsidiary of Chevron
Corporation that acts on Chevron Corporation's behalf and is subject to Chevron Corporation's
control. Chevron U.S.A. Inc. is a Pennsylvania corporation, with its principal place of business in
San Ramon, California. Through its predecessors, Chevron U.S.A. Inc. has been registered to do
business in California since 1965. Chevron U.S.A. Inc. was formerly known as, did or does business
as, and/or is the successor in liability to Gulf Oil Corporation, Gulf Oil Corporation of Pennsylvania,
Chevron Products Company, Chevron Chemical Company, and Chevron Chemical Company LLC.

vi. Defendants Chevron Corporation and Chevron U.S.A. Inc., together with their
predecessors, successors, parents, subsidiaries, affiliates, and divisions, are collectively referred to
herein as "Chevron."

vii. Plaintiffs' claims against Chevron arise out of and are related to the acts and
omissions of Chevron in California and elsewhere that caused and will cause injuries in California,
including in San Francisco.

viii. Chevron has purposefully directed its tortious conduct toward California by
distributing, marketing, advertising, promoting, and supplying its fossil fuel products in California,
with knowledge that the intended use of those products for combustion has caused and will continue

to cause climate change-related harms in San Francisco, including Plaintiffs' injuries. Chevron's 1 statements in San Francisco, in California, and elsewhere made in furtherance of its campaign of 2 3 deception about and denial of climate change, and Chevron's affirmative promotion of its fossil fuel products as safe with knowledge of how the intended use of those products would cause climate 4 5 change-related harms, were designed to conceal and mislead consumers and the public, including the City and its residents, about the serious adverse consequences that would result from continued use 6 7 of Chevron's products. That conduct was purposefully directed to reach San Francisco and obscure 8 the dangers of Chevron's fossil fuel products from San Francisco and its residents such that use of 9 Chevron's fossil fuel products in San Francisco would not decline.

ix. 10 Over the last several decades and continuing to the present day, Chevron spent millions of dollars on radio, television, online, social media, and outdoor advertisements in the 11 California market related to its fossil fuel products. Since at least 1970, and continuing to the present 12 13 day, Chevron has advertised in print publications circulated widely to California consumers, including but not limited to the following: The San Francisco Chronicle, The Atlantic, Life, National 14 Geographic, The New York Times, Sports Illustrated, Time Magazine, The Wall Street Journal, and 15 The Washington Post. As further detailed herein, these include advertisements containing false or 16 17 misleading statements, misrepresentations, and/or material omissions obfuscating the connection 18 between the production and use of Chevron's fossil fuel products and climate change, and/or misrepresenting Chevron's products or Chevron itself as environmentally friendly. 19

Significant quantities of Chevron's fossil fuel products are or have been 20 х. transported, traded, distributed, promoted, marketed, manufactured, sold, and/or consumed in 21 California, from which activities Chevron derives and has derived substantial revenue. Chevron 22 23 conducts and controls, either directly or through franchise agreements, retail fossil fuel sales at gas 24 station locations throughout San Francisco and California, at which locations it promotes, advertises, and sells its fossil fuel products under its various brand names, including Chevron, Texaco, and other 25 brand names. Chevron operates over 1,500 Chevron-branded petroleum service stations in 26 27 California. Chevron has owned and operated an oil refinery in Richmond, California, since 1902, 28 and has owned and operated an oil refinery in El Segundo, California, since 1911. During the period

relevant to this Complaint, Chevron sold a substantial percentage of all retail gasoline sold in 1 California. 2

xi. 3 Chevron historically directed its fossil fuel product advertising, marketing, and promotional campaigns to California, including through maps that identified the locations of its 4 5 service stations in California, including in San Francisco. Chevron markets and advertises its fossil fuel products in California to California residents by maintaining an interactive website available to 6 7 prospective customers by which it directs California residents to Chevron's nearby retail service 8 stations and/or lubricant distributors. Chevron markets and sells engine lubricants and motor oils to 9 California customers under its Delo, IsoClean, Techron, and Havoline brand names at retail outlets.

xii. 10 Chevron offers a proprietary credit card known as the "Chevron Techron Advantage Credit Card," which allows consumers in San Francisco and California to pay for gasoline 11 and other products at Chevron-branded service stations, and which encouraged San Francisco and 12 13 California consumers to use Chevron-branded service stations by offering various rewards, including discounts on gasoline purchases at Chevron service stations and cash rebates. Chevron further 14 maintains two smartphone applications known as the "Chevron App" and the "Texaco App," both 15 part of the "Chevron Texaco Rewards" program. The program offers San Francisco and California 16 17 consumers a cashless payment method for gasoline and other products at Chevron- and Texaco-18 branded service stations. San Francisco and California consumers utilize the payment method by 19 providing their credit card information through the application. San Francisco and California consumers can also receive rewards, including discounts on gasoline purchases, by registering their 20 21 personal identifying information in the apps and by using the applications to identify and activate gas pumps at Chevron and Texaco service stations during a purchase. 22

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#### 31. ConocoPhillips entities: ConocoPhillips, ConocoPhillips Company, Phillips 66, and Phillips 66 Company

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i. Defendant **ConocoPhillips** is a multinational energy company incorporated in Delaware, with its principal place of business in Houston, Texas. ConocoPhillips consists of 26 27 numerous divisions, subsidiaries, and affiliates that execute ConocoPhillips' fundamental decisions

related to all aspects of fossil fuel production, including exploration, extraction, production,
 manufacture, transport, and marketing.

ii. 3 ConocoPhillips controls and has controlled group-wide decisions about the quantity and rate of fossil fuel production and sales, including those of its subsidiaries. 4 5 ConocoPhillips determines whether and to what extent its corporate holdings market, produce, and/or distribute fossil fuel products. ConocoPhillips' most recent annual report to the Securities and 6 7 Exchange Commission ("SEC") subsumes the operations of ConocoPhillips' subsidiaries under its 8 name. In ConocoPhillips' Form 10-K filed with the SEC for Fiscal Year 2022, the company 9 represents that its value—for which ConocoPhillips maintains ultimate responsibility—is a function 10 of its decisions to direct subsidiaries to develop crude oil, bitumen, natural gas, and natural gas liquids from ConocoPhillips' reserves into fossil fuel products and to explore for and replace those 11 reserves with more fossil fuels: "Unless we successfully develop resources, the scope of our business 12 13 will decline, resulting in an adverse impact to our business. . . . If we are not successful in replacing the resources we produce with good prospects for future organic development or through 14 acquisitions, our business will decline." 15

iii. ConocoPhillips optimizes the ConocoPhillips group's oil and gas portfolio to
fit ConocoPhillips' strategic plan. For example, ConocoPhillips' 10-K in 2022 summarizes the
"continued development of onshore assets" in the United States and new exploration activities in
Alaska, Canada, the North Sea, and elsewhere. Similarly, in November 2016, ConocoPhillips
announced a plan to generate \$5 billion to \$8 billion of proceeds over two years by optimizing its
business portfolio, including its fossil fuel product business, to focus on low cost-of-supply fossil
fuel production projects that strategically fit its development plans.

iv. ConocoPhillips controls and has controlled group-wide decisions, including
those of its subsidiaries, related to marketing, advertising, climate change and greenhouse gas
emissions from its fossil fuel products, and communications strategies concerning climate change and
the link between fossil fuel use and climate change-related impacts on the environment and
communities. For instance, ConocoPhillips' board has the highest level of direct responsibility for
climate change policy within the company. ConocoPhillips has developed and purportedly

implements a corporate Climate Change Action Plan to govern climate change decision-making
 across all entities in the ConocoPhillips group.

v. Defendant ConocoPhillips Company is a wholly owned subsidiary of
ConocoPhillips that acts on ConocoPhillips' behalf and is subject to ConocoPhillips' control.
ConocoPhillips Company is incorporated in Delaware, with its principal place of business in
Houston, Texas, and has been registered to do business in California since 1947. ConocoPhillips
Company was formerly known as, did or does business as, and/or is the successor in liability to
Phillips Petroleum Company.

9 vi. Defendant Phillips 66 is a multinational energy and petrochemical company
10 incorporated in Delaware, with its principal place of business in Houston, Texas. It encompasses
11 downstream fossil fuel processing, refining, transport, and marketing segments that were formerly
12 owned and/or controlled by ConocoPhillips.

13 vii. Defendant **Phillips 66 Company** is a wholly owned subsidiary of Phillips 66 that acts on Phillips 66's behalf and is subject to Phillips 66's control. Phillips 66 Company is 14 incorporated in Delaware, with its principal place of business in Houston, Texas, and has been 15 registered to do business in California since 2011. Phillips 66 Company had been registered since 16 17 1964 under a different name, Phillips Chemical Company, which was a wholly owned subsidiary of 18 the Phillips Petroleum Company. Phillips Chemical Company changed its name to Phillips 66 19 Company in 1985, and that iteration of Phillips 66 Company was terminated in 1991. Phillips 66 Company was formerly known as, did or does business as, and/or is the successor in liability to 20 21 Phillips Petroleum Company; Phillips Chemical Company; Conoco, Inc.; Tosco Corporation; and 22 Tosco Refining Co.

viii. Defendants ConocoPhillips, ConocoPhillips Company, Phillips 66, and
Phillips 66 Company, as well as their predecessors, successors, parents, subsidiaries, affiliates, and
divisions, are collectively referred to herein as "ConocoPhillips."

ix. Plaintiffs' claims against ConocoPhillips arise out of and are related to the
acts and omissions of ConocoPhillips in California and elsewhere that caused and will cause injuries
in California, including in San Francisco.

ConocoPhillips has purposefully directed its tortious conduct toward x. 1 2 California by distributing, marketing, advertising, promoting, and supplying its fossil fuel products 3 in California, with knowledge that the intended use of those products for combustion has caused and will continue to cause climate change-related harms in San Francisco, including Plaintiffs' injuries. 4 5 ConocoPhillips' statements in San Francisco, in California, and elsewhere made in furtherance of its campaign of deception about and denial of climate change, and ConocoPhillips' affirmative 6 promotion of its fossil fuel products as safe with knowledge of how the intended use of those products 7 8 would cause climate change-related harms, were designed to conceal and mislead consumers and the 9 public, including the City and its residents, about the serious adverse consequences that would result from continued use of ConocoPhillips' products. That conduct was purposefully directed to reach 10 San Francisco and obscure the dangers of ConocoPhillips' fossil fuel products from San Francisco 11 and its residents such that use of ConocoPhillips' fossil fuel products in San Francisco would not 12 13 decline.

xi. Over the last several decades and continuing to the present day, 14 ConocoPhillips spent millions of dollars on radio, television, online, social media, and outdoor 15 advertisements in the California market related to its fossil fuel products. Since at least 1970, and 16 17 continuing to the present day, ConocoPhillips has advertised in print publications circulated widely 18 to California consumers, including but not limited to the following: The San Francisco Chronicle, 19 The Atlantic, Life, National Geographic, Newsweek, The New York Times, People, Sports Illustrated, *Time Magazine, The Wall Street Journal, and The Washington Post.* As further detailed herein, these 20 include advertisements containing false or misleading statements, misrepresentations, and/or 21 material omissions obfuscating the connection between the production and use of ConocoPhillips' 22 23 fossil fuel products and climate change, and/or misrepresenting ConocoPhillips' products or ConocoPhillips itself as environmentally friendly. 24

xii. Significant quantities of ConocoPhillips' fossil fuel products are or have been
transported, traded, distributed, promoted, marketed, manufactured, sold, and/or consumed in
California, from which activities ConocoPhillips derives and has derived substantial revenue.

ConocoPhillips conducts and controls, either directly or through franchise xiii. 1 2 agreements, retail fossil fuel sales at gas station locations throughout San Francisco and California, 3 at which locations it promotes, advertises, and sells its fossil fuel products under its various brand names, including Conoco, Phillips 66, and 76. ConocoPhillips also markets and sells to California 4 5 customers at retail outlets engine lubricants and motor oils under its Phillips 66, Kendall, and Red Line brand names. ConocoPhillips operates hundreds of 76-branded petroleum service stations 6 7 throughout California, including in San Francisco. During the period relevant to this Complaint, 8 ConocoPhillips sold a substantial percentage of all retail gasoline sold in California.

9 ConocoPhillips does substantial fossil fuel product-related business in xiv. 10 California, and a substantial quantity of its fossil fuel products are extracted, refined, transported, traded, distributed, marketed, and/or sold in California. For instance, ConocoPhillips owns and/or 11 operates oil and natural gas terminals in Richmond and Los Angeles, California; owns and operates 12 13 oil refineries in Arroyo Grande, Colton, and Wilmington, California; and distributes ConocoPhillips fossil fuel products throughout California, including San Francisco. Phillips 66 also owns and 14 operates oil refineries in Rodeo, Santa Maria, and Los Angeles, California. All of these refineries 15 were owned and operated by ConocoPhillips and its predecessors-in-interest from 1997 to 2012. 16

17 ConocoPhillips has historically directed its fossil fuel product advertising, XV. 18 marketing, and promotional campaigns to California, including through maps identifying its services 19 throughout California. ConocoPhillips markets and advertises its fossil fuel products in California to California residents by maintaining an interactive website available to prospective customers by 20 21 which it directs San Francisco and California residents to ConocoPhillips' nearby retail service stations. ConocoPhillips offers a proprietary credit card known as the "76 Credit Card," which allows 22 23 consumers in San Francisco and California to pay for gasoline and other products at 76-branded 24 service stations, and which encourages San Francisco and California consumers to use 76-branded service stations by offering various rewards, including discounts on gasoline purchases at 76-branded 25 service stations and cash rebates. ConocoPhillips further maintains a nationwide smartphone 26 application known as the "Fuel Forward App." The application offers San Francisco and California 27 28 consumers a cashless payment method for gasoline and other products at 76-branded service stations.

San Francisco and California consumers utilize the payment method by providing their credit card
 information through the application. San Francisco and California consumers can also apply for a 76
 Credit Card through the application. By registering their personal identifying information in the
 application and by using the application to identify and activate gas pumps at 76-branded service
 stations, San Francisco and California consumers can receive additional rewards, such as further
 discounts on ConocoPhillips gasoline purchases.

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#### 32. <u>Exxon entities:</u> Exxon Mobil Corporation and ExxonMobil Oil Corporation

i. 8 Defendant Exxon Mobil Corporation is a New Jersey corporation 9 headquartered in Spring, Texas, and has been registered to do business in California since 1972. 10 Exxon Mobil Corporation is a multinational, vertically integrated energy and chemical company and one of the largest publicly traded international oil and gas companies in the world. Exxon Mobil 11 Corporation was formerly known as, did or does business as, and/or is the successor in liability to 12 13 Exxon Corporation; ExxonMobil Refining and Supply Company; Exxon Chemical U.S.A.; ExxonMobil Chemical Corporation; ExxonMobil Chemical U.S.A.; ExxonMobil Refining & Supply 14 Corporation; Exxon Company, U.S.A.; Standard Oil Company of New Jersey; and Mobil 15 Corporation. 16

ii. Defendant ExxonMobil Oil Corporation is a wholly owned subsidiary of
Exxon Mobil Corporation, acts on Exxon Mobil Corporation's behalf, and is subject to Exxon Mobil
Corporation's control. ExxonMobil Oil Corporation is a New York corporation headquartered in
Spring, Texas, and has been registered to do business in California since 1959. ExxonMobil Oil
Corporation was formerly known as, did or does business as, and/or is the successor in liability to
Mobil Oil Corporation. ExxonMobil Oil Corporation is engaged in the business of oil and natural
gas production, refining, marketing, and distribution.

iii. Exxon Mobil Corporation controls and has controlled group-wide decisions
about the quantity and rate of fossil fuel production and sales, including those of its subsidiaries.
Exxon Mobil Corporation's 2022 Form 10-K filed with the SEC represents that its success, including
its "ability to mitigate risk and provide attractive returns to shareholders, depends on [its] ability to
successfully manage [its] overall portfolio, including diversification among types and locations of

[its] projects, products produced, and strategies to divest assets." Exxon Mobil Corporation
 determines whether and to what extent its subsidiaries market, produce, and/or distribute fossil fuel
 products. For example, on October 11, 2023, Exxon Mobil Corporation announced its acquisition of
 Pioneer Natural Resources in a press release that referred to the corporate family generally as
 "ExxonMobil."

iv. Exxon Mobil Corporation controls and has controlled group-wide decisions, 6 7 including those of its subsidiaries, related to marketing, advertising, greenhouse gas emissions and 8 climate change resulting from the company's fossil fuel products, and communications strategies 9 concerning climate change and the link between fossil fuel use and climate change-related impacts 10 on the environment and humans. Exxon Mobil Corporation's Board holds the highest level of direct responsibility for climate change policy. Exxon Mobil Corporation's Chairman of the Board and 11 Chief Executive Officer, its President, and the other members of its Management Committee have 12 13 been actively engaged in discussions relating to greenhouse gas emissions and the risks of climate change on an ongoing basis. Exxon Mobil Corporation requires its subsidiaries, when seeking 14 funding for capital investments, to provide estimates of project costs related to greenhouse gas 15 emissions. 16

v. Defendants Exxon Mobil Corporation, ExxonMobil Oil Corporation, and their
predecessors, successors, parents, subsidiaries, affiliates, and divisions, are collectively referred to
herein as "Exxon."

vi. Plaintiffs' claims against Exxon arise out of and are related to the acts and
omissions of Exxon in California and elsewhere that caused and will cause injuries in California,
including in San Francisco.

vii. Exxon consists of numerous divisions and affiliates in all areas of the fossil
fuel industry, including exploration for and production of crude oil and natural gas; manufacture of
petroleum products; and transportation, promotion, marketing, and sale of crude oil, natural gas, and
petroleum products. Exxon is also a major manufacturer and marketer of commodity petrochemical
products.

Exxon has purposefully directed its tortious conduct toward California by viii. 1 2 distributing, marketing, advertising, promoting, and supplying its fossil fuel products in California, 3 with knowledge that the intended use of those products for combustion has caused and will continue to cause climate change-related harms in San Francisco, including Plaintiffs' injuries. Exxon's 4 5 statements in San Francisco, in California and elsewhere, made in furtherance of its campaign of deception about and denial of climate change, and Exxon's affirmative promotion of its fossil fuel 6 products as safe with knowledge of how the intended use of those products would cause climate 7 8 change-related harms, were designed to conceal and mislead consumers and the public, including the 9 City and its residents, about the serious adverse consequences that would result from continued use 10 of Exxon's products. That conduct was purposefully directed to reach San Francisco and obscure the dangers of Exxon's fossil fuel products from San Francisco and its residents such that use of Exxon's 11 fossil fuel products in San Francisco would not decline. 12

13 ix. Over the past several decades and continuing to the present day, Exxon spent millions of dollars on radio, television, online, social media, and outdoor advertisements in the 14 California market related to its fossil fuel products. Since at least 1972, and continuing to the present 15 day, Exxon has advertised its fossil fuel products in print publications circulated widely to California 16 17 consumers, including but not limited to: The San Francisco Chronicle, The Atlantic, Life, National 18 Geographic, The New York Times, People, Sports Illustrated, Time, The Wall Street Journal, and 19 The Washington Post. As further detailed herein, these include advertisements containing false or misleading statements, misrepresentations, and/or material omissions designed to hide the 20 21 connection between the production and use of Exxon's fossil fuel products and climate change, and/or misrepresenting Exxon's products or Exxon itself as environmentally friendly. 22

x. Significant quantities of Exxon's fossil fuel products are or have been
transported, traded, distributed, promoted, marketed, manufactured, sold, and/or consumed in San
Francisco and in California, from which activities Exxon derives and has derived substantial revenue.
Exxon owns and operates a petroleum storage and transport facility in the San Ardo Oil Field in San
Ardo, California. Exxon and its predecessors owned and operated an oil refinery in Torrance,
California from 1966 to 2016, shortly after an explosion disabled the refinery. Exxon Co. USA, an

ExxonMobil subsidiary, operated a petroleum refinery in Benicia, California, from 1968 to 2000. 1 2 Exxon also—both directly and through its subsidiaries and/or predecessors-in-interest—has supplied 3 substantial quantities of fossil fuel products to California, including in San Francisco, during the period relevant to this Complaint. Currently, Exxon promotes, markets, and sells gasoline and other 4 5 fossil fuel products to California consumers through approximately 600 Exxon- and Mobil-branded petroleum service stations in California. During the period relevant to this Complaint, Exxon sold a 6 7 substantial percentage of all retail gasoline in California. Exxon also markets and sells petroleum products, including engine lubricants and motor oils sold under the "Mobil 1" brand name, to 8 9 California customers through local retailers.

xi. 10 Exxon historically directed its fossil fuel product advertising, marketing, and promotional campaigns to San Francisco and California residents, including through maps that 11 identify the locations of its service stations in California, including in San Francisco. To this day, 12 13 Exxon continues to market and advertise its fossil fuel products in California to California residents by maintaining an interactive website available to prospective customers that directs San Francisco 14 and California residents to Exxon's nearby retail service stations and lubricant distributors. Further, 15 Exxon promotes its products in San Francisco and California by regularly updating and actively 16 promoting its mobile device application, "Exxon Mobil Rewards+," throughout San Francisco and 17 18 California, which encourages San Francisco and California users to consume fuel at Exxon stations 19 in San Francisco and California in exchange for rewards on every fuel purchase.

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### 33. Shell entities: Shell plc, Shell USA, Inc., and Shell Oil Products Company LLC

i. Defendant Shell plc (formerly Royal Dutch Shell PLC) is a vertically
integrated multinational energy and petrochemical company. Shell plc is incorporated in England
and Wales, with its headquarters and principal place of business in The Hague, Netherlands. Shell
plc is the ultimate parent company of numerous divisions, subsidiaries, and affiliates, referred to
collectively as the "Shell Group," that engage in all aspects of fossil fuel production, including
exploration, development, extraction, manufacturing and energy production, transport, trading,
marketing, and sales.

ii. Shell plc controls and has controlled group-wide decisions about the quantity
 and extent of fossil fuel production and sales, including those of its subsidiaries. Shell plc's Board
 of Directors determines whether and to what extent Shell subsidiary holdings around the globe
 produce Shell-branded fossil fuel products.

5 iii. Shell plc controls and has controlled group-wide decisions, including those of its subsidiaries, related to marketing, advertising, greenhouse gas emissions and climate change 6 resulting from the company's fossil fuel products, and communications strategies concerning climate 7 8 change and the link between fossil fuel use and climate change-related impacts on the environment 9 and humans. Overall accountability for climate change within the Shell Group lies with Shell plc's 10 Chief Executive Officer and Executive Committee. For instance, at least as early as 1988, Shell plc, through its predecessors and subsidiaries, was researching company-wide CO<sub>2</sub> emissions and 11 concluded that the Shell Group accounted for 4% of the CO<sub>2</sub> emitted worldwide from combustion, 12 13 and that climatic changes could compel the Shell Group, as controlled by Shell plc, to examine the possibilities of expanding and contracting its business accordingly. 14

iv. Defendant Shell USA, Inc. (formerly Shell Oil Company) is a wholly owned 15 subsidiary of Shell plc that acts on Shell plc's behalf and is subject to Shell plc's control. Shell USA, 16 17 Inc. is incorporated in Delaware, with its principal place of business in Houston, Texas. Shell USA, 18 Inc. has been registered to do business in California since 1949. Shell USA, Inc. was formerly known 19 as, did or does business as, and/or is the successor in liability to Shell Oil Company; Shell Oil; Deer Park Refining LP; Shell Oil Products US; Shell Chemical LP; Shell Trading (US) Company; Shell 20 Energy Resources Company; Shell Energy Services Company, L.L.C.; The Pennzoil Company; and 21 Pennzoil-Quaker State Company. 22

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v. Defendant **Shell Oil Products Company LLC** is a wholly owned subsidiary of Shell USA, Inc., that acts on Shell USA, Inc.'s behalf and is subject to Shell USA, Inc.'s control. Shell Oil Products Company LLC is incorporated in Delaware, with its principal place of business in Houston, Texas, and has been registered to do business in California since 2001. Shell Oil Products Company LLC was formerly known as, did or does business as, and/or is the successor in liability to

Shell Oil Products Company, which was a Delaware corporation that converted to a limited liability
 company in 2001.

vi. Defendants Shell plc, Shell USA, Inc., Shell Oil Products Company LLC, and
their predecessors, successors, parents, subsidiaries, affiliates, and divisions are collectively referred
to herein as "Shell."

vii. Plaintiffs' claims against Shell arise out of and are related to the acts and
omissions of Shell in California and elsewhere that caused and will cause injuries in California,
including in San Francisco.

9 viii. Shell has purposefully directed its tortious conduct toward California by 10 distributing, marketing, advertising, promoting, and supplying its fossil fuel products in California, with knowledge that the intended use of those products for combustion has caused and will continue 11 to cause climate change-related harms in San Francisco, including Plaintiffs' injuries. Shell's 12 13 statements in San Francisco, in California, and elsewhere made in furtherance of its campaign of deception about and denial of climate change, and Shell's affirmative promotion of its fossil fuel 14 products as safe with knowledge of how the intended use of those products would cause climate 15 change-related harms, were designed to conceal these harms and mislead consumers and the public, 16 17 including the City and its residents, about the serious adverse consequences that would result from 18 continued use of Shell's products. That conduct was purposefully directed to reach San Francisco 19 and obscure the dangers of Shell's fossil fuel products from San Francisco and its residents such that use of Shell's fossil fuel products in San Francisco would not decline. 20

ix. 21 Over the last several decades and continuing to the present day, Shell spent millions of dollars on radio, television, online, social media, and outdoor advertisements in the 22 23 California market related to its fossil fuel products. Since at least 1970, and continuing to the present 24 day, Shell has advertised its fossil fuel products in print publications circulated widely to California consumers, including but not limited to the following: The San Francisco Chronicle, The Atlantic, 25 The Economist, Life, National Geographic, Newsweek, The New York Times, Sports Illustrated, Time 26 Magazine, The Wall Street Journal, and The Washington Post. As further detailed herein, these 27 28 include advertisements containing false or misleading statements, misrepresentations, and/or

material omissions obfuscating the connection between the production and use of Shell's fossil fuel
 products and climate change, and/or misrepresenting Shell's products or Shell itself as
 environmentally friendly.

Significant quantities of Shell's fossil fuel products are or have been 4 x. 5 transported, traded, distributed, promoted, marketed, manufactured, sold, and/or consumed in California, including in San Francisco, from which activities Shell derives and has derived 6 7 substantial revenue. Shell conducts and controls, either directly or through franchise agreements, 8 retail fossil fuel sales at gas station locations throughout California, including in San Francisco, at 9 which locations it promotes, advertises, and sells its fossil fuel products under its Shell brand name. 10 Shell operates over 1,000 Shell-branded petroleum service stations in California. During the period relevant to this Complaint, Shell sold a substantial percentage of all retail gasoline sold in California. 11 12 Shell also supplies, markets, and promotes its Pennzoil line of lubricants at retail and service stations 13 throughout California. From 1924 to 1992, Shell owned and operated an oil refinery in Carson, California, where it now owns and operates the property as a distribution facility for petroleum and 14 petroleum products throughout Southern California. From 1915 to 2020, Shell owned and operated 15 an oil refinery in Martinez, California. From 1998 to 2007, Shell owned and operated an oil refinery 16 17 in Wilmington, California. From 1998 to 2005, Shell owned and operated an oil refinery in 18 Bakersfield, California.

19 xi. Shell historically directed its fossil fuel product advertising, marketing, and promotional campaigns to San Francisco and California, including through maps that identified the 20 21 locations of its service stations in California, including in San Francisco. Shell markets and advertises its fossil fuel products in California to California residents by maintaining an interactive website 22 23 available to prospective customers by which it directs California residents to Shell's nearby retail 24 service stations. Shell offers a proprietary credit card known as the "Shell Fuel Rewards Card," which allows consumers in San Francisco and in California to pay for gasoline and other products at Shell-25 branded service stations, and which encourages consumers to use Shell-branded gas stations by 26 27 offering various rewards, including discounts on gasoline purchases. Shell further maintains a smartphone application known as the "Shell US App" that offers San Francisco and California 28

consumers a cashless payment method for gasoline and other products at Shell-branded service
 stations. San Francisco and California consumers utilize the payment method by providing their
 credit card information through the application. San Francisco and California consumers can also
 receive rewards, including discounts on gasoline purchases, by registering their personal identifying
 information in the Shell US App and using the application to identify and activate gas pumps at Shell
 service stations during a purchase.

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### C. Doe Defendants

8 34. The true names and capacities, whether individual, corporate, associate, or otherwise 9 of Defendants Does 1 through 10, inclusive, are unknown to Plaintiffs, who therefore sue said 10 Defendants by such fictitious names pursuant to Code of Civil Procedure section 474. Plaintiffs are 11 informed and believe, and on that basis allege, that each of the fictitiously named Defendants is 12 responsible in some manner for the acts and occurrences herein alleged, and that Plaintiffs' harms 13 were caused by such Defendants.

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### IV. DEFENDANTS' AGENTS AND CO-CONSPIRATORS

35. As detailed below, each Defendant had actual knowledge, or should have known, that
its fossil fuel products were hazardous in that the intended use of the fossil fuel products for
combustion would substantially contribute to climate change and result in harms to Plaintiffs.
Defendants obtained knowledge of the hazards of their products independently and through their
membership and involvement in trade associations.

36. Defendants employed, financed, and participated in several industry-created front 20 21 groups to serve their mission of flooding the markets with climate change disinformation and 22 denialism. These organizations, acting on behalf of and under Defendants' supervision and control, 23 assisted the deception campaign by implementing public advertising and outreach campaigns to 24 discredit climate science, funding scientists to cast doubt upon climate science and upon the extent to which climate change is caused by human activity. In sum, Defendants, through their front groups, 25 engaged in a significant marketing campaign that misrepresented and concealed the dangers of their 26 fossil fuel products with the aim of protecting or enhancing sales of these products to consumers, 27 28 including consumers in California. Defendants actively supervised, facilitated, consented to, and/or

directly participated in the misleading messaging of these front groups, from which Defendants
 profited significantly, including in the form of increased sales in California.

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### The American Petroleum Institute ("API")

i. API is a national trade association representing the oil and gas industry, 4 5 created in 1919. With more than 600 members, API is the country's largest oil trade association. API's purpose is to advance its members' collective business interests, which includes increasing 6 consumer consumption of oil and gas for the financial profit of Defendants and other oil and gas 7 8 companies. Among other functions, API also coordinates members of the petroleum industry, gathers 9 information of interest to the industry, and disseminates that information to its members. Acting on 10 behalf of and under the supervision and control of Defendants, API has, since at least 1988, participated in and led several coalitions, front groups, and organizations that have promoted 11 disinformation about the climate impacts of fossil fuel products to consumers-including, but not 12 13 limited to, the Global Climate Coalition, Partnership for a Better Energy Future, Coalition for American Jobs, Alliance for Energy and Economic Growth, and Alliance for Climate Strategies. 14 These front groups were formed to promote climate disinformation and advocacy from a purportedly 15 objective source, when in fact these groups were financed and controlled by Defendants and other 16 17 oil and gas companies. Defendants have benefited from the spread of this disinformation because, 18 among other things, it has ensured a thriving consumer market for oil and gas, resulting in substantial 19 profits for Defendants. In effect, API acts and has acted as a marketing arm for its member companies, including Defendants. Over the last several decades, API has spent millions of dollars 20 21 on television, newspaper, radio, social media, and internet advertisements in the California market.

ii. Member companies participate in API strategy, governance, and operation
through their membership dues and by contributing company officers and other personnel to API
boards, committees, and task forces. Defendants have collectively steered the policies and trade
practices of API through membership, Executive Committee roles, and/or providing budgetary
funding for API. Defendants have used their control over and involvement in API to develop and
execute a long-term advertising and communications campaign centered on climate change
denialism. The goal of the campaign was to influence consumer demand for Defendants' fossil fuel

products. Defendants directly controlled, supervised, and participated in API's misleading messaging
 regarding climate change. That conduct directly impacted California, as Defendants worked with
 API to create and disseminate misleading advertisements that distinctly promote consumption of
 fossil fuel products throughout California.

5 iii. All Defendants and/or their predecessors-in-interest have been key API members at all times relevant to this Complaint. All Defendants are currently members of API. 6 Executives from Exxon, Shell, Chevron, ConocoPhillips, and BP have served on the API Executive 7 8 Committee and/or as API Chairman, serving as corporate officers. For example, Exxon's CEO served 9 on API's Executive Committee, including as President and Chairman, for 21 of the 29 years between 10 1991 and 2020. Multiple high-level executives from Exxon, such as Presidents, Vice Presidents, CEOs, COOs, and Chairmans, served on API's Board in each year between 1994–2002. BP's CEO 11 served as API's Chairman in 1988, 1989, and 1998. Multiple high-level executives from BP served 12 13 on API's Board of Directors between 1994-2002. The Chairman and CEO of BP's predecessor ARCO served as API treasurer in 1998 and Chairman in 1999. Chevron's CEO served as API 14 Chairman in 1994, 1995, 1997, 1998, 2003, and 2012. In 2002, Chevron's CEO served as API 15 treasurer. Chairman and CEO of Chevron's predecessor Texaco served as API Board Chairman in 16 17 2001, and as treasurer in 1999. Multiple high-level executives from Chevron served on API's Board 18 of Directors in each year between 1994–2002. Shell's President served as API treasurer in 1997 and 19 sat on the Board's executive committee from at least 2005–2006. Multiple high-level Shell executives served on API's Board of Directors between 1994–2002. ConocoPhillips Chairman and 20 CEO was API Chairman from 2016–2018, and currently serves on API's executive committee. In 21 2020, API elected Phillips 66 Chairman and CEO to serve a two-year term as its Board President, 22 23 and Phillips 66's current President and CEO is on the API Board's executive committee. Multiple high-level ConocoPhillips executives served on API's Board of Directors between 1994–2002. 24

iv. Relevant information was shared among API and Defendants and Defendants'
predecessors-in-interest through the following: (1) API's distribution of information to its members,
and/or (2) participation of Defendants' officers and other personnel, and those of Defendants'
predecessors-in-interest, on API boards, committees, and task forces. This includes representatives

of Exxon, Chevron, BP, Shell and ConocoPhillips sitting on both API's Committee for Air and Water 1 Conservation and a special advisory group to API's Committee for Public Affairs, which worked 2 3 together to develop research reports on air emissions and other environmental topics. Different representatives of Exxon, Chevron, BP, Shell and ConocoPhillips rotated in and out of these 4 5 positions throughout the time periods discussed in this complaint. In addition, representatives from Chevron and Exxon chaired API's Engineering and Technical Research Committee, and 6 7 representatives from BP and Exxon chaired API's Health and Biological Research Committee, also developing research documents. Different representatives of Exxon, Chevron, BP, Shell and 8 9 ConocoPhillips rotated in and out of these positions throughout the time periods discussed in this complaint.<sup>18</sup> 10

38. <u>The Information Council for the Environment ("ICE")</u> was formed by coal
companies and their allies, including Western Fuels Association and the National Coal
Association. Associated companies included Pittsburg and Midway Coal Mining (Chevron).

- 39. The Global Climate Coalition ("GCC") was an industry group formed to preserve 14 and expand consumer demand for fossil fuels by publicly casting doubt on climate science and 15 opposing greenhouse gas emission reduction initiatives. The GCC was founded in 1989 in reaction 16 to the first meeting of the Intergovernmental Panel on Climate Change ("IPCC"), the United Nations 17 18 body for assessing the science related to climate change, and to NASA scientist James Hansen's presentation to the Senate Committee on Energy and Natural Resources, in which Hansen 19 emphasized that climate change was already happening and would lead to dire consequences if left 20 21 unaddressed. The GCC disbanded in or around 2001. Founding members included API, Shell Oil Company (currently, Shell); Texaco, Inc. (currently, Chevron); Amoco (currently, BP); ARCO 22 23 (owned by BP at the time); and Phillips Petroleum Company (currently, ConocoPhillips). GCC board membership during its existence included high-level executives from the founding members and 24 Chevron, Exxon, and Mobil (Exxon). Tom Lambrix, director of government relations for Phillips 25
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 <sup>&</sup>lt;sup>27</sup>
 <sup>18</sup> American Petroleum Institute, Comm. For Air and Water Conservation & Comm. On Public
 <sup>28</sup> Affairs, *Environmental Research: A Status Report* (1972) (listing members of relevant committees and their fossil fuel company affiliations), https://files.eric.ed.gov/fulltext/ED066339.pdf.

Petroleum, was the first chairman of the GCC. Exxon was also a corporate member of the GCC over
the course of the GCC's existence. The GCC Board of Directors was composed of high-level
executives from the fossil fuel industry: in 1994, for instance, the GCC Board was composed of
executives from API, Exxon, Phillips Petroleum Company (ConocoPhillips), and Texaco
(Chevron).<sup>19</sup> In 1995, GCC's Board of Directors included high-level executives from Texaco
(Chevron), American Petroleum Institute, ARCO, and Phillips Petroleum Company.<sup>20</sup>

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### V. FACTUAL BACKGROUND

### A. Defendants Are Responsible for Causing and Accelerating Climate Change.

40. The atmosphere and oceans are warming, sea level is rising, snow and ice cover is
diminishing, oceans are acidifying, and hydrogeologic systems have been altered, among other
environmental changes.<sup>21</sup> These changes are directly harming people's health, lives, lifestyles, and
livelihoods, including in San Francisco. According to the IPCC, the evidence that humans are causing
this warming of the Earth is unequivocal.<sup>22</sup>

41. The mechanism by which human activity causes global warming and climate
disruption is equally well-established: ocean and atmospheric warming is overwhelmingly caused
by anthropogenic greenhouse gas emissions.<sup>23</sup> Over the past few decades, those emission rates have
exceeded those predicted under previous "worst case" global emissions scenarios.

42. When used as intended to produce energy and create petrochemical products, fossil
fuels release greenhouse gases, including CO<sub>2</sub> and methane, which trap atmospheric heat and
increase global temperatures. Carbon dioxide is by far the most important greenhouse gas because

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<sup>&</sup>lt;sup>19</sup> 1994 GCC Board Member List and Background Information, Climate Investigations Center, https://www.climatefiles.com/denial-groups/global-climate-coalition-collection/1994-boardmember-list-general-info/.

<sup>&</sup>lt;sup>20</sup> 1995 GCC IRS 1024 and Attachments, Climate Investigations Center (1995),

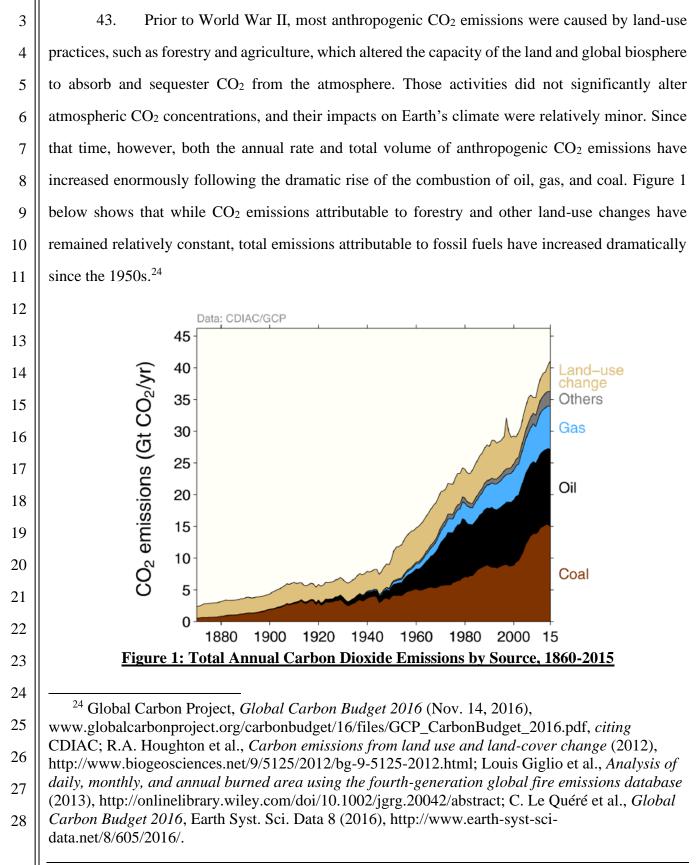
https://www.documentcloud.org/documents/5798254-GCC-IRS-1023#document/p17.

 <sup>&</sup>lt;sup>21</sup> IPCC, Global Carbon and Other Biogeochemical Cycles and Feedbacks, in Climate Change
 2021: The Physical Science Basis. Contribution of Working Group I in the Sixth Assessment Report
 688 (2021).

<sup>27 &</sup>lt;sup>22</sup> *Climate Change 2021: The Physical Science Basis*, THE INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE, at v, 4, 41, 63, 150, 425, 506 (2021),

<sup>28</sup> https://report.ipcc.ch/ar6/wg1/IPCC\_AR6\_WGI\_FullReport.pdf. <sup>23</sup> *Id.* at 41.

combustion of massive amounts of fossil fuels has released hundreds of billions of tons of CO<sub>2</sub> into
 the atmosphere.



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44. This acceleration of fossil fuel emissions has led to a correspondingly sharp rise in atmospheric concentration of CO<sub>2</sub>. Since 1960, the concentration of CO<sub>2</sub> in the atmosphere has spiked from under 320 parts per million (ppm) to approximately 427 ppm.<sup>25</sup> The concentration of atmospheric CO<sub>2</sub> has also been accelerating. From 1960 to 1970, atmospheric CO<sub>2</sub> increased by an average of approximately 0.9 ppm per year.<sup>26</sup> 6

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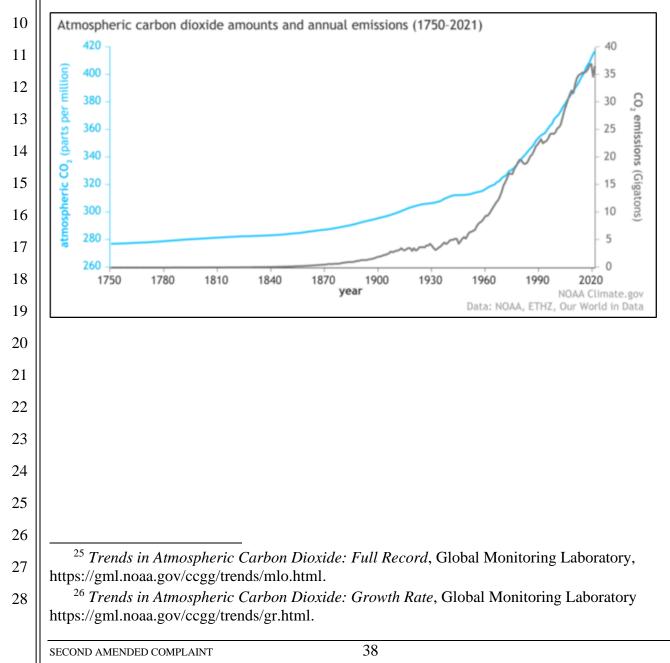
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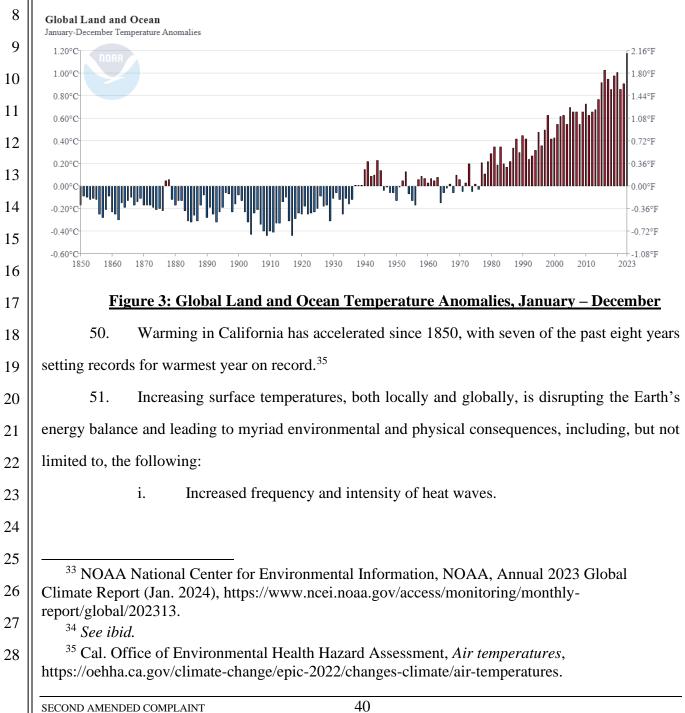
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The graph below (Figure 2) indicates the tight nexus between the sharp increase in 7 45. emissions from the combustion of fossil fuels and the steep rise of atmospheric concentrations of 8 9 CO<sub>2</sub>.



1	Figure 2: Atmospheric CO <sub>2</sub> Concentration and Annual Emissions <sup>27</sup>	
2	46. The increase in atmospheric $CO_2$ caused by fossil fuel combustion has been clearly	
3	documented and measured, and the ratio of different carbon isotopes in the atmosphere indicates that	
4	fossil fuel combustion is the overwhelming source of the increased concentration. <sup>28</sup>	
5	47. Because of the increased burning of fossil fuel products, concentrations of greenhouse	
6	gases in the atmosphere are now at an unprecedented level, one not seen in at least three million	
7	years. <sup>29</sup>	
8	48. As greenhouse gases accumulate in the atmosphere, the Earth radiates less energy	
9	back to space. The result has been dramatic planetary warming. Ocean and land surface temperatures	
10	have increased at a rapid pace during the late 20th and early 21st centuries:	
11	i. 2023 was the hottest year on record by globally averaged surface	
12	temperatures, exceeding mid-20th century mean ocean and land surface temperatures by	
13	approximately 2.12° F. Each month in 2023 was one of the seven hottest by globally averaged surface	
14	temperatures of those respective months in any previous year. June, July, August, September,	
15	October, November, and December 2023 were all the hottest average surface temperatures for those	
16	months. <sup>30</sup>	
17	ii. The second hottest year on record by globally averaged surface temperatures	
18	was 2016, and the third hottest was 2020. <sup>31</sup>	
19	iii. The ten hottest years on record by globally averaged surface temperature have	
20	all occurred since 2014. <sup>32</sup>	
21		
22	<sup>27</sup> Rebecca Lindsey, <i>Climate Change: Atmospheric Carbon Dioxide</i> , Climate.gov (May 12, 2023), https://www.climate.gov/news-features/understanding-climate/climate-change-atmospheric-	
23	carbon-dioxide. <sup>28</sup> The Data: What Carbon-14 Tells Us, Global Monitoring Laboratory,	
24	https://gml.noaa.gov/ccgg/isotopes/c14tellsus.html.	
25	<sup>29</sup> <i>More CO</i> <sub>2</sub> <i>than ever before in 3 million years, shows unprecedented computer simulation,</i> Science Daily (Apr. 3, 2019), https://www.sciencedaily.com/releases/2019/04/190403155436.htm.	
26	<sup>30</sup> NOAA National Center for Environmental Information, NOAA, Annual 2023 Global	
27	Climate Report (Jan. 2024), https://www.ncei.noaa.gov/access/monitoring/monthly-report/global/202313.	
28	<sup>31</sup> <i>Ibid.</i> <sup>32</sup> <i>Ibid.</i>	
	SECOND AMENDED COMPLAINT 39	

49. The average global surface and ocean temperature in 2023 was approximately 2.12° F 1 warmer than the 20th century baseline, which is the greatest positive anomaly observed since at least 2 1850.<sup>33</sup> The increase in hotter temperatures and more frequent positive anomalies during the Great 3 Acceleration is occurring both globally and locally, including in San Francisco. The graph below 4 5 (Figure 3) shows the increase in global land and ocean temperature anomalies since 1850, as measured against the 1901–2000 global average temperature.<sup>34</sup> 6



1ii.Sea level rise, due to the thermal expansion of warming ocean waters and2runoff from melting glaciers and ice sheets.

3 iii. Changes to the global climate generally, bringing about longer droughts and
4 dry periods interspersed with fewer and more severe periods of precipitation, and associated impacts
5 to the quantity and quality of water resources available to both human and ecological systems.

6 iv. Increased frequency and intensity of extreme weather events due to increases
7 in evaporation, evapotranspiration, and precipitation, a consequence of the warming atmosphere's
8 increased ability to hold moisture.

9 v. Adverse impacts on human health associated with extreme weather, extreme
10 heat, worsening air quality, and vector-borne illnesses.

vi. Flooding and inundation of land and infrastructure, increased erosion, higher
wave run-up and tides, increased frequency and severity of storm surges, saltwater intrusion, and
other impacts of higher sea levels.

vii. Ocean acidification, primarily due to the increased uptake of atmospheric
carbon dioxide by the oceans.

viii. Changes to terrestrial and marine ecosystems, and consequent impacts on the
populations and ranges of flora and fauna.

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## B. Defendants Knew or Should Have Known the Dangers Associated with Their Fossil Fuel Products.

52. For decades, Defendants have known that their fossil fuel products pose risks of "severe" and even "catastrophic" impacts on the global climate through the work and warnings of their own scientists and/or through trade associations such as API. Defendants consistently researched or funded research into significant issues relevant to fossil fuels and were aware of significant scientific reports on climate change science and impacts at the time they were issued. Thus, Defendants developed a sophisticated understanding of climate change that far exceeded the knowledge of the public, ordinary consumers, and the City. Yet each Defendant decided to continue its conduct and commit itself to massive fossil fuel production. This was a deliberate decision to place company profits ahead of human safety and well-being and to foist onto the public the costs of abating and adapting to the public nuisance of global warming.

53. Although concealed at the time, the industry's knowledge was later uncovered by 1 2 journalists at Inside Climate News and the Los Angeles Times, among others.<sup>36</sup> In 1954, geochemist 3 Harrison Brown and his colleagues at the California Institute of Technology wrote to API, informing 4 the trade association that preliminary measurements of natural archives of carbon in tree rings 5 indicated that fossil fuels had caused atmospheric carbon dioxide levels to increase by about 5% since 6 1840.<sup>37</sup> API provided those scientists funding for various research projects, and measurements of 7 carbon dioxide continued for at least one year and possibly longer, although the results were never 8 published or otherwise made available to the public.<sup>38</sup> In 1957, H.R. Brannon of Humble Oil 9 10 Company (predecessor-in-interest to Exxon) measured an increase in atmospheric carbon dioxide 11 attributable to fossil fuels, similar to—and in agreement with—that measured by Harrison Brown.<sup>39</sup> 12 54. In 1959, API organized a centennial celebration of the American oil industry at 13 Columbia University in New York City.<sup>40</sup> High-level representatives of Defendants were in 14 attendance. One of the keynote speakers was nuclear physicist Edward Teller. Teller warned the 15 industry that "a temperature rise corresponding to a 10[%] increase in carbon dioxide will be 16 sufficient to melt the icecap and submerge . . . [a]ll the coastal cities." Teller added that since "a 17 considerable percentage of the human race lives in coastal regions, I think that this chemical 18 contamination is more serious than most people tend to believe."<sup>41</sup> Following his speech, Teller was 19 asked to "summarize briefly the danger from increased carbon dioxide content in the atmosphere in 20 21 22 <sup>36</sup> See discussion infra ¶¶ 147–50. 23 <sup>37</sup> See Benjamin Franta, Early Oil Industry Knowledge of CO2 and Global Warming, 8 Nature 24 Climate Change 1024, 1024–25 (2018). <sup>38</sup> *Ibid*. 25 <sup>39</sup> Ibid.; Brannon, Jr. et al., Radiocarbon Evidence on the Dilution of Atmospheric and Oceanic Carbon by Carbon from Fossil Fuels (1957) 38 Am. Geophysical Union Transactions 643, 644-46. 26 <sup>40</sup> See Allan Nevins & Robert G. Dunlop, Energy and Man: A Symposium (Appleton-Century-27 Crofts, New York 1960); see also Franta (2018), supra note 37, at 1024–25. <sup>41</sup> Edward Teller, *Energy Patterns of the Future*, in *Energy and Man: A Symposium* 53–72 28 (1960).

this century." He responded that "there is a possibility the icecaps will start melting and the level of
 the oceans will begin to rise."<sup>42</sup>

55. In 1965, the president of API, Frank Ikard, relayed the findings of a recent report to 3 leaders of the fossil fuel industry at API's annual meeting, saying, "[o]ne of the most important 4 5 predictions of the report is that carbon dioxide is being added to the earth's atmosphere by the burning of coal, oil, and natural gas at such a rate that by the year 2000 the heat balance will be so modified 6 7 as possibly to cause marked changes in climate beyond local or even national efforts," and quoting the report's finding that "the pollution from internal combustion engines is so serious, and is growing 8 so fast, that an alternative nonpolluting means of powering automobiles, buses, and trucks is likely 9 to become a national necessity."43 10

56. Thus, by 1965, Defendants and their predecessors-in-interest were aware that the
scientific community had found that fossil fuel products, if used profligately, would cause global
warming by the end of the century, and that such global warming would have wide-ranging and
costly consequences.

57. In 1968, API received a report from the Stanford Research Institute, which it had 15 hired to assess the state of research on environmental pollutants, including carbon dioxide.<sup>44</sup> The 16 assessment endorsed the findings of President Johnson's Scientific Advisory Council from three 17 18 years prior, stating that carbon dioxide emissions were "almost certain" to produce "significant" temperature increases by 2000, and that these emissions were almost certainly attributable to fossil 19 fuels. The report warned of "major changes in the earth's environment" and a "rise in sea levels," 20 and concluded: "there seems to be no doubt that the potential damage to our environment could be 21 severe." The scientists warned of "melting of the Antarctic ice cap" and informed API that "[p]ast 22 23 and present studies of  $CO_2$  are detailed and seem to explain adequately the present state of  $CO_2$  in

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<sup>43</sup> Ikard, *Meeting the Challenges of 1966*, in Proceedings of the American Petroleum Institute (1965) at 13, https://www.documentcloud.org/documents/5348130-1965-API-Proceedings.

https://www.smokeandfumes.org/documents/document16.

<sup>&</sup>lt;sup>42</sup> *Id.* at 70.

the atmosphere." What was missing, the scientists said, was work on "air pollution technology and ... systems in which CO<sub>2</sub> emissions would be brought under control."<sup>45</sup> 2

In 1969, the Stanford Research Institute delivered a supplemental report on air 58. pollution to API, projecting with alarming particularity that atmospheric CO<sub>2</sub> concentrations would reach 370 parts per million (ppm) by 2000.<sup>46</sup> This projection turned out to almost exactly match the actual CO<sub>2</sub> concentrations measured in 2000 of 369.64 ppm.<sup>47</sup> The report explicitly connected the rise in CO<sub>2</sub> levels to the combustion of fossil fuels, finding it "unlikely that the observed rise in atmospheric CO<sub>2</sub> has been due to changes in the biosphere."

By virtue of their membership and participation in API at that time, Defendants 59. 10 received or should have received the Stanford Research Institute reports and were on notice of their 11 conclusions. 12

60. In 1972, API members-including Defendants-received a status report on all 13 environmental research projects funded by API. The report summarized the 1968 SRI report 14 describing the impact of fossil fuel products-including Defendants'-on the environment, including 15 global warming and its attendant consequences. Defendants and/or their predecessors-in-interest that 16 received this report included but were not limited to: American Standard of Indiana (BP), Asiatic 17 (Shell), Atlantic Richfield (BP), British Petroleum (BP), Chevron Standard of California (Chevron), 18 Esso Research (Exxon), Ethyl (formerly affiliated with Esso, which was subsumed by Exxon), Getty 19 (Exxon), Gulf (Chevron, among others), Humble Standard of New Jersey (Exxon, Chevron, BP), 20 Mobil (Exxon), Pan American (BP), Shell, Standard of Ohio (BP), Texaco (Chevron), Union 21 (Chevron), Skelly (Exxon), Colonial Pipeline (ownership has included BP, ExxonMobil, and 22

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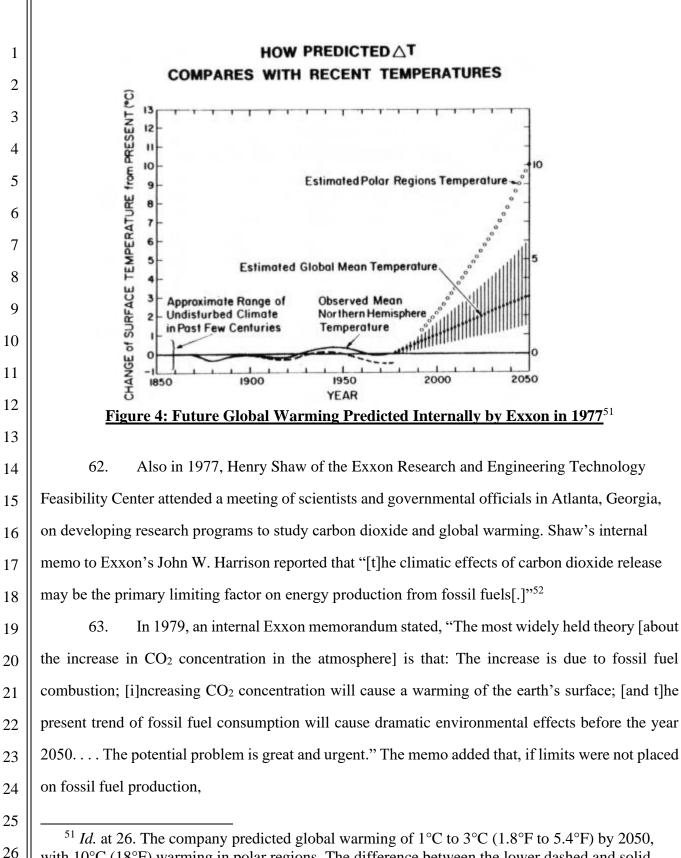
<sup>&</sup>lt;sup>45</sup> *Id.* at 108, 112.

<sup>&</sup>lt;sup>46</sup> Elmer Robinson & R.C. Robbins, *Sources, Abundance, and Fate of Gaseous Atmospheric* 27 Pollutants Supplement, Stanford Rsch. Inst. (June 1969).

<sup>&</sup>lt;sup>47</sup> NASA Goddard Institute for Space Studies, *Global Mean CO2 Mixing Ratios (ppm):* Observations, https://data.giss.nasa.gov/modelforce/ghgases/Fig1A.ext.txt.

Chevron entities, among others), Continental (ConocoPhillips), Dupont (former owner of Conoco),
 Phillips (ConocoPhillips), and Caltex (Chevron).<sup>48</sup>

In 1977, James Black of Exxon gave a presentation to Exxon executives on the 3 61. "greenhouse effect," which was summarized in an internal memo the following year. Black reported 4 5 that "[t]here is general scientific agreement that the most likely manner in which mankind is influencing the global climate is through carbon dioxide release from the burning of fossil fuels." 6 7 He noted that "current scientific opinion overwhelmingly favors attributing atmospheric carbon dioxide increase to fossil fuel consumption," and relayed that doubling atmospheric carbon dioxide 8 would, according to the best climate model available, "produce a mean temperature increase of about 9 2 °C to 3 °C [3.6 °F to 5.4 °F] over most of the earth," with two to three times as much warming at 10 the poles.<sup>49</sup> Black also reported that "[p]resent thinking holds that man has a time window of five to 11 ten years before the need for hard decisions regarding changes in energy strategies might become 12 critical."<sup>50</sup> Figure 4 below, reproduced from Black's memo, illustrates Exxon's understanding of the 13 timescale and magnitude of global warming that its products would cause. 14 15 16 17 18 19 2021 22 23 24 <sup>48</sup> American Petroleum Institute, Committee for Air and Water Conservation, Environmental 25 Research: A Status Report (Jan. 1972), http://files.eric.ed.gov/fulltext/ED066339.pdf. <sup>49</sup> J.F. Black, Exxon Research and Engineering Co., memorandum to F.G. Turpin, Exxon 26 Research and Engineering Co. re The Greenhouse Effect (June 6, 1978) at 2, 23, 26, 27 https://www.documentcloud.org/documents/2805568-1978-Exxon-Presentation-on-GreenhouseEffect. 28 <sup>50</sup> *Id.* at 2. 45 SECOND AMENDED COMPLAINT



with 10°C (18°F) warming in polar regions. The difference between the lower dashed and solid curves prior to 1977 represents global warming that Exxon believed may already have been occurring. *Ibid*.

<sup>&</sup>lt;sup>52</sup> Henry Shaw, *Environmental Effects of Carbon Dioxide, Climate Investigations Ctr.* (Oct. 31, 1977), https://www.industrydocuments.ucsf.edu/docs/tpwl0228.

Noticeable temperature changes would occur around 2010 as the  $[CO_2]$  concentration reaches 400 ppm. Significant climatic changes occur around 2035 when the concentration approaches 500 ppm. A doubling of the preindustrial concentration [i.e., 580 ppm] occurs around 2050. The doubling would bring about dramatic changes in the world's environment[.]<sup>53</sup>

Those projections proved remarkably accurate. Annual average atmospheric CO<sub>2</sub> concentrations surpassed 400 ppm in 2015 for the first time in millions of years.<sup>54</sup> And due to "committed warming"—the reality that future increases in global temperatures are caused by greenhouse gases that have *already* been emitted—future warming is certain to occur even if all greenhouse gas emissions ceased today. Put differently, because greenhouse gases can linger in the atmosphere for hundreds of years, there is a lag time between emissions on the one hand, and atmospheric greenhouse gas concentrations that lead to warming, on the other hand. Given this lag time, limiting the CO<sub>2</sub> concentration in the atmosphere to 440 ppm, or a 50% increase over preindustrial levels, which the Exxon memo said was "assumed to be a relatively safe level for the environment," would require fossil fuel emissions to peak in the 1990s and non-fossil energy systems to be rapidly deployed. Eighty percent of fossil fuel resources, the memo calculated, would have to be left in the ground to avoid doubling atmospheric carbon dioxide concentrations. Certain fossil fuels, such as shale oil, could not be substantially exploited at all.<sup>55</sup>

64. But instead of disclosing to consumers any aspects of these research findings, in November 1979, according to internal correspondence, Exxon urged "a very aggressive defensive program in . . . atmospheric science and climate" to "anticipate the strong intervention of environmental groups."<sup>56</sup> It urged an expanded research effort to "prepare[] for, and [get] ahead of the government in making the public aware of pollution problems."

<sup>55</sup> W.L. Ferrall, Controlling Atmospheric CO<sub>2</sub>, *supra*, at 3, 6–7.

<sup>&</sup>lt;sup>53</sup> W.L. Ferrall, Exxon Research and Engineering Co., memorandum to Dr. R.L. Hirsch re Controlling Atmospheric CO<sub>2</sub> (Oct. 16, 1979) at 1–2, 5,

<sup>25</sup> https://www.industrydocuments.ucsf.edu/docs/mqwl0228.

 <sup>&</sup>lt;sup>54</sup> Nicola Jones, *How the World Passed a Carbon Threshold and Why It Matters*, Yale Env't
 360 (Jan. 26, 2017), https://e360.yale.edu/features/how-the-world-passed-a-carbon-threshold 400ppm-and-why-it-matters.

<sup>28 &</sup>lt;sup>56</sup> H. Shaw memorandum to H.N. Weinberg re Research in Atmospheric Science (Nov. 19, 1979) at 2, https://www.industrydocuments.ucsf.edu/docs/yqwl0228.

65. In 1979, API and its members, including Defendants, convened a task force to 1 monitor and share cutting edge climate research among the oil industry. The group was initially 2 3 called the CO<sub>2</sub> and Climate Task Force, but changed its name to the Climate and Energy Task Force in 1980 (hereinafter referred to as "Task Force"). API kept and distributed meeting minutes to Task 4 5 Force members. Membership included senior scientists and engineers from nearly every major U.S. and multinational oil and gas company, including Exxon, Mobil (Exxon), Amoco (BP), Phillips 6 7 (ConocoPhillips), Texaco (Chevron), Shell, Sunoco, Sohio (BP) as well as Standard Oil of California 8 (Chevron) and Gulf Oil (Chevron, among others). The Task Force was charged with assessing the 9 implications of emerging science on the petroleum and gas industries and identifying where reductions in greenhouse gas emissions from Defendants' fossil fuel products could be made.<sup>57</sup> 10

11 66. In 1979, a paper prepared by API for the Task Force asserted that CO<sub>2</sub> concentrations
12 were rising, and predicted that, although global warming would occur, it would likely go undetected
13 until approximately the year 2000 because its effects were being temporarily masked by a natural
14 cooling trend.<sup>58</sup>

67. In 1980, the Task Force invited Dr. J.A. Laurman, a "recognized expert in the field of 15 CO<sub>2</sub> and climate," to make a presentation to its members.<sup>59</sup> The meeting lasted for seven hours and 16 17 included a "complete technical discussion" of global warming caused by fossil fuels, including "the 18 scientific basis and technical evidence of CO<sub>2</sub> buildup, impact on society, methods of modeling and 19 their consequences, uncertainties, policy implications, and conclusions that can be drawn from present knowledge." Attendees to the presentation included scientists and executives from API, 20 Texaco (a predecessor to Chevron), Exxon, and SOHIO (a predecessor to BP), and the minutes of 21 the meeting were distributed to the entire Task Force. Dr. Laurman's written presentation informed 22

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- 24 <sup>57</sup>American Petroleum Institute, *AQ-9 Task Force Meeting Minutes* (March 18, 1980), http://insideclimatenews.org/sites/default/files/documents/AQ-
- 25 9%20Task%20Force%20Meeting%20%281980%29.pdf (AQ-9 refers to the "CO2 and Climate" Task Force).
- <sup>26</sup><sup>58</sup> R.J. Campion memorandum to J.T. Burgess re Comments on The API's Background Paper on CO<sub>2</sub> Effects (Sept. 6, 1979), https://www.industrydocuments.ucsf.edu/docs/lqwl0228.
- <sup>59</sup> J. J. Nelson, American Petroleum Institute, letter to AQ-9 Task Force re The CO<sub>2</sub> Problem;
   Addressing Research Agenda Development (Mar. 18, 1980) at 2, https://www.industrydocuments.ucsf.edu/docs/gffl0228.

the Task Force that there was a "Scientific Consensus on the Potential for Large Future Climatic 1 Response to Increased CO<sub>2</sub> Levels." He further informed the Task Force in his presentation that, 2 3 though the exact temperature increases were difficult to predict, the "physical facts agree on the probability of large effects 50 years away." He warned the Task Force of a 2.5°C (4.5°F) global 4 5 temperature rise by 2038, which would likely have "MAJOR ECONOMIC CONSEQUENCES," and a 5°C (9°F) rise by 2067, which would likely produce "GLOBALLY CATASTROPHIC 6 EFFECTS." He also suggested that, despite uncertainty, "THERE IS NO LEEWAY" in the time for 7 8 acting.

68. 9 At this presentation, API minutes show that the Task Force discussed topics including "the technical implications of energy source changeover" and "ground rules for energy release of 10 fuels and the cleanup of fuels as they relate to CO<sub>2</sub> creation." The Task Force also discussed a 11 potential area for investigation: alternative energy sources as a means of mitigating CO<sub>2</sub> emissions 12 13 from Defendants' fossil fuel products. These efforts called for research and development to "Investigate the Market Penetration Requirements of Introducing a New Energy Source into World 14 Wide Use." Such investigation was to include the technical implications of energy source 15 changeover, research timing, and requirements.<sup>60</sup> The Task Force even asked the question "what is 16 the 50 year future of fossil fuels?" 17

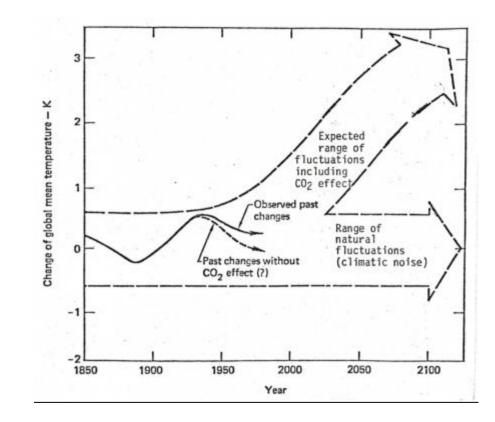
18 69. In 1980, a Canadian Esso (Exxon) company report sent to managers and staff at 19 affiliated Esso and Exxon companies stated that there was "no doubt" that fossil fuels were 20 aggravating the build-up of  $CO_2$  in the atmosphere, and that "[t]echnology exists to remove  $CO_2$ 21 from stack gases but removal of only 50% of the  $CO_2$  would double the cost of power generation."<sup>61</sup>

22 70. In December 1980, an Exxon manager distributed a memorandum on the "CO<sub>2</sub>
23 Greenhouse Effect" attributing future buildup of carbon dioxide to fossil fuel use, and explaining
24 that internal calculations indicated that atmospheric carbon dioxide could double by around 2060,

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- <sup>60</sup> Ibid.

 <sup>&</sup>lt;sup>10700</sup>
 <sup>61</sup> Imperial Oil Ltd., Review of Environmental Protection Activities for 1978–1979 (Aug. 6, 1980) at 2, http://www.documentcloud.org/documents/2827784-1980-ImperialOil-Review-of-Environmental.html#document/.

1	"most likely" resulting in global warming of approximately $3.0 \pm 1.5$ °C (2.7 to $8.1$ °F). <sup>62</sup>
2	Calculations predicting a lower temperature increase, such as 0.25°C (0.45°F), were "not held in
3	high regard by the scientific community[.]" The memo also reported that such global warming
4	would cause "increased rainfall[] and increased evaporation," which would have a "dramatic
5	impact on soil moisture, and in turn, on agriculture" and other "serious global problems[.]" The
6	memo called for "society" to pay the bill, estimating that some adaptive measures would cost no
7	more than "a few percent" of gross national product. <sup>63</sup> Shaw also reported that Exxon had studied
8	various responses for avoiding or reducing a carbon dioxide build-up, including "stopping all
9	fossil fuel combustion at the 1980 rate" and "investigat[ing] the market penetration of non-fossil
10	fuel technologies." The memo estimated that such non-fossil energy technologies "would need
11	about 50 years to penetrate and achieve roughly half of the total [energy] market." <sup>64</sup> The memo
12	included Figure 5 below, which illustrates global warming anticipated by Exxon as well as the
13	company's understanding that significant global warming would occur before exceeding the range
14	of natural variability.
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25	<sup>62</sup> Henry Shaw memorandum to T.K. Kett re Exxon Research and Engineering Company's
26	Technological Forecast: CO <sub>2</sub> Greenhouse Effect (Dec. 18, 1980) at 3,
27	https://www.documentcloud.org/documents/2805573-1980-Exxon-Memo-Summarizing-Current-Models-And.html.
28	$^{63}$ <i>Id.</i> at 3–5. $^{64}$ <i>Id.</i> at 5–6.
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## Figure 5: Future Global Warming Predicted Internally by Exxon in 1980<sup>65</sup>

In February 1981, Exxon's Contract Research Office prepared and distributed a 71. "Scoping Study on CO<sub>2</sub>" to the leadership of Exxon Research and Engineering Company.<sup>66</sup> The study reviewed Exxon's carbon dioxide research and considered whether to expand its research on carbon dioxide or global warming further. It recommended against expanding those research areas because Exxon's current research programs were sufficient for achieving the company's goals of closely monitoring federal research, building credibility and public relations value, and developing in-house expertise regarding CO<sub>2</sub> and global warming, and noted that Exxon employees were actively monitoring and keeping the company apprised of outside research developments, including those on climate modeling and "CO<sub>2</sub>-induced effects." In discussing "options for reducing CO<sub>2</sub> build-up in the atmosphere," the study noted that although capturing CO<sub>2</sub> from flue gases (i.e.,

 <sup>&</sup>lt;sup>65</sup> *Id.* at 12. The company anticipated a doubling of carbon dioxide by around 2060 and that the oceans would delay the warming effect by a few decades, leading to approximately 3°C (5.4°F)
 warming by the end of the century.

<sup>&</sup>lt;sup>66</sup> G.H. Long, Exxon Research and Engineering Co., letter to P.J. Lucchesi et al. re
Atmospheric CO Scoping Study (Feb. 5, 1981),

exhaust gas produced by combustion) was technologically possible, the cost was high, and "energy 1 conservation or shifting to renewable energy sources[] represent the only options that might make 2 sense."67 3

4	72. Exxon scientist Roger Cohen warned his colleagues in a 1981 internal memorandum
5	that "future developments in global data gathering and analysis, along with advances in climate
6	modeling, may provide strong evidence for a delayed CO <sub>2</sub> effect of a truly substantial magnitude,"
7	and that under certain circumstances it would be "very likely that we will unambiguously recognize
8	the threat by the year 2000."68 Cohen had expressed concern that the memorandum understated the
9	potential effects of reckless CO2 emissions from Defendants' fossil fuel products, saying, "it is
10	distinctly possible" that CO <sub>2</sub> emissions "will later produce effects which will indeed be catastrophic
11	(at least for a substantial fraction of the earth's population)."69
12	73. Also in 1981, Exxon's Henry Shaw, the company's lead climate researcher at the
13	time, prepared a summary of Exxon's current position on the greenhouse effect for Edward David
14	Jr., president of Exxon Research and Engineering Company, stating in relevant part:
15	• "Atmospheric CO, will double in 100 years if fossil fuels grow at 1.40/ [par
16	• "Atmospheric CO <sub>2</sub> will double in 100 years if fossil fuels grow at 1.4% [per year].
17	<ul> <li>3°C global average temperature rise and 10°C at poles if CO<sub>2</sub> doubles.</li> <li>Major shifts in rainfall/agriculture</li> </ul>
18	• Polar ice may melt" <sup>70</sup>
19	74. Thus, by 1981, Exxon and other fossil fuel companies knew $CO_2$ accumulation in the
20	atmosphere from fossil fuel consumption would lead to global warming, were actively monitoring
21	all aspects of CO <sub>2</sub> and global warming research, and recognized that a shift away from fossil fuels
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24	<sup>67</sup> <i>Ibid</i> .
25	<sup>68</sup> R.W. Cohen memorandum to W. Glass (Aug. 18, 1981), http://www.climatefiles.com/exxonmobil/1981-exxon-memo-on-possible-emissionconsequences-
26	of-fossil-fuel-consumption.
27	<sup>65</sup> <i>Ibid.</i> <sup>70</sup> Henry Shaw, <i>Exxon Memo to E. E. David, Jr. about "CO</i> <sub>2</sub> <i>Position Statement"</i> , Exxon Inter-
28	Office Correspondence (May 15, 1981), https://www.climatefiles.com/exxonmobil/ co2-research-program/1981-internal-exxon-co2-position-statement/.
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and towards renewable energy sources would be necessary to avoid a large CO<sub>2</sub> buildup in the
 atmosphere and resultant global warming.

In 1982, another API-commissioned report showed the average increase in global 3 75. temperature from a doubling of atmospheric concentrations of CO<sub>2</sub> and projected, based upon 4 computer modeling, global warming of between 2 °C and 3.5 °C [3.6 °F to 6.3 °F]. The report 5 projected potentially "serious consequences for man's comfort and survival," and noted that "the 6 height of the sea level can increase considerably."<sup>71</sup> Exxon's own modeling research confirmed 7 this.<sup>72</sup> In a 1982 internal memorandum, Exxon's Corporate Research and Science Laboratories 8 9 acknowledged a "clear scientific consensus," based on computer modeling, that "a doubling of atmospheric CO<sub>2</sub> from its pre-industrial revolution value would result in an average global 10 temperature rise of  $(3.0 \pm 1.5)$  °C [2.7 °F to 8.1 °F]."<sup>73</sup> The memo continued: "There is unanimous 11 agreement in the scientific community that a temperature increase of this magnitude would bring 12 13 about significant changes in the earth's climate, including rainfall distribution and alterations in the biosphere." 14

15 76. Also in 1982, Exxon's Environmental Affairs Manager distributed a primer on
16 climate change to a "wide circulation [of] Exxon management . . . intended to familiarize Exxon
17 personnel with the subject."<sup>74</sup> The primer also was "restricted to Exxon personnel and not to be
18 distributed externally."<sup>75</sup> The primer compiled science on climate change available at the time, and
19 confirmed fossil fuel combustion as a primary anthropogenic contributor to global warming. The
20 primer included Figure 6 below, which estimated a CO<sub>2</sub> doubling around 2090 based on Exxon's

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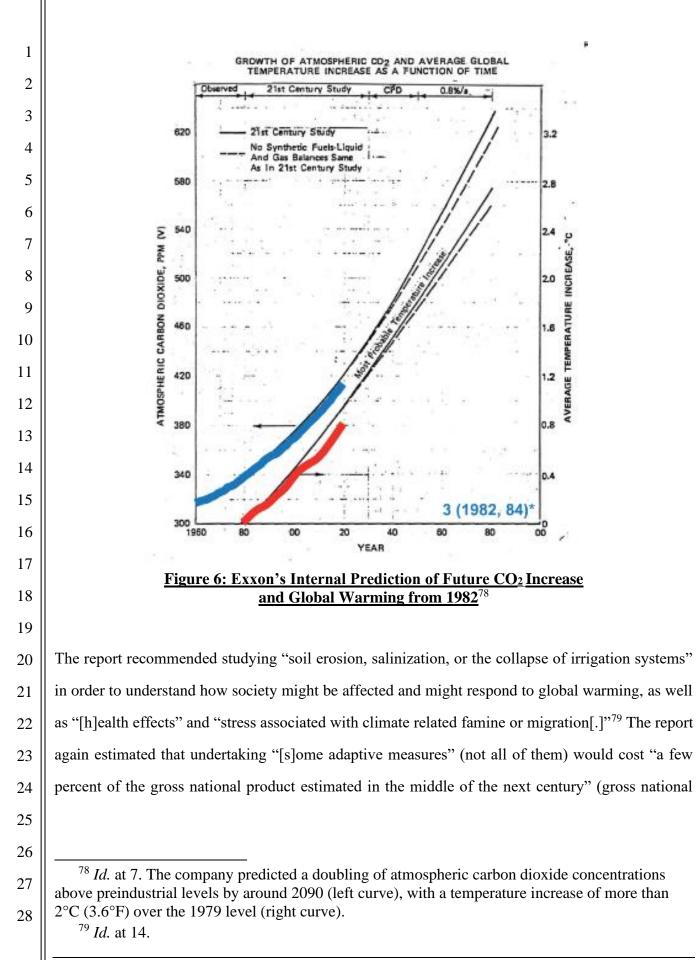
- <sup>72</sup> See Roger W. Cohen, Exxon Research and Engineering Co., memorandum to A.M. Natkin,
   Office of Science and Technology, Exxon Corp. (Sept. 2, 1982),
- 25 https://www.climatefiles.com/exxonmobil/1982-exxon-memo-summarizing-climate-modelingandco2-greenhouse-effect-research/.
  - $^{73}$  *Id.* at 1.

<sup>&</sup>lt;sup>71</sup> American Petroleum Institute, Climate Models and CO<sub>2</sub> Warming: A Selective Review and Summary (Mar. 1982) at 4, https://www.climatefiles.com/trade-group/americanpetroleum-institute/api-climate-models-and-co2-warming-a-selective-review-and-summary/.

 <sup>&</sup>lt;sup>74</sup> M. B. Glaser, *Exxon Memo to Management about "CO<sub>2</sub> 'Greenhouse' Effect"*, Exxon Research and Engineering Company (Nov. 12, 1982), https://insideclimatenews.org/wp-content/uploads/2015/09/1982-Exxon-Primer-on-CO2-Greenhouse-Effect.pdf.

<sup>&</sup>lt;sup>75</sup> Ibid.

1	long-range modeled outlook. The author warned that the melting of the Antarctic ice sheet could
2	result in global sea level rise of five feet which would "cause flooding on much of the U.S. East
3	Coast, including the State of Florida and Washington, D.C." <sup>76</sup> Indeed, it warned that "there are some
4	potentially catastrophic events that must be considered," including sea level rise from melting polar
5	ice sheets. It noted that some scientific groups were concerned "that once the effects are measurable,
6	they might not be reversible." <sup>77</sup>
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28	<sup>76</sup> <i>Ibid.</i>
	<sup>77</sup> Ibid.
	SECOND AMENDED COMPLAINT 54



1	product was \$25.925 trillion in 2022). <sup>80</sup> To avoid such impacts, the report discussed a scientific	
2	analysis which studied energy alternatives and requirements for introducing them into widespread	
3	use, and which recommended that "vigorous development of non-fossil energy sources be initiated	
4	as soon as possible." <sup>81</sup> The primer also noted that the analysis indicated that other greenhouse gases	
5	related to fossil fuel production, such as methane (which is a more powerful greenhouse gas than	
6	CO <sub>2</sub> ), "may significantly contribute to a global warming," and that concerns over CO <sub>2</sub> would be	
7	reduced if fossil fuel use were decreased due to "high price, scarcity, [or] unavailability."82	
8	"Mitigation of the 'greenhouse effect' would require major reductions in fossil fuel combustion," the	
9	primer stated. <sup>83</sup> The primer was widely distributed to Exxon leadership.	
10	77. In September 1982, the Director of Exxon's Theoretical and Mathematical Sciences	
11	Laboratory, Roger Cohen, wrote Alvin Natkin of Exxon's Office of Science and Technology to	
12	summarize Exxon's internal research on climate modeling. <sup>84</sup> Cohen reported:	
13	[O]ver the past several years a clear scientific consensus has emerged	
14	regarding the expected climatic effects of increased atmospheric CO <sub>2</sub> . The consensus is that a doubling of atmospheric CO <sub>2</sub> from its pre-industrial	
15	revolution value would result in an average global temperature rise of $(3.0 \pm 1.5)$ °C [(2.7 to 8.1) °F] The temperature rise is predicted to be distributed	
16	nonuniformly over the earth, with above-average temperature elevations in the polar regions and relatively small increases near the equator. There is	
17	unanimous agreement in the scientific community that a temperature increase	
18	of this magnitude would bring about significant changes in the earth's climate, including rainfall distribution and alterations of the biosphere. The time	
19	required for doubling of atmospheric CO <sub>2</sub> depends on future world consumption of fossil fuels.	
20	Cohen described Exxon's own climate modeling experiments, reporting that they produced "a global	
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22	averaged temperature merease that fails were within the failge of the scientific consensus, were	
23	80 Ibid , and End. Deserve Donk of St. Louis, Cross National Draduat (undated Mar. 20, 2022)	
24	<sup>80</sup> <i>Ibid.</i> ; <i>see</i> Fed. Reserve Bank of St. Louis, Gross National Product (updated Mar. 30, 2023), https://fred.stlouisfed.org/series/GNPA.	
25	<ul> <li><sup>81</sup> M.B. Glaser, CO<sub>2</sub> "Greenhouse" Effect, <i>supra</i> note 74, at 18.</li> <li><sup>82</sup> Id. at 18, 29.</li> </ul>	
26	<sup>83</sup> <i>Id.</i> at 2.	
27	<sup>84</sup> Roger W. Cohen, Exxon Research and Engineering Co., memorandum to A.M. Natkin, Exxon Corp. Office of Science and Technology (Sept. 2, 1982),	
28	https://www.climatefiles.com/exxonmobil/1982-exxon-memo-summarizing-climate-modelingand- co2-greenhouse-effect-research/.	
	SECOND AMENDED COMPLAINT 56	

1 "consistent with the published predictions of more complex climate models," and were "also in 2 agreement with estimates of the global temperature distribution during a certain prehistoric period 3 when the earth was much warmer than today." "In summary," Cohen wrote, "the results of our 4 research are in accord with the scientific consensus on the effect of increased atmospheric  $CO_2$  on 5 climate."

6 78. In October 1982, at the fourth biennial Maurice Ewing Symposium at the
7 Lamont- Doherty Geophysical Observatory, which was attended by members of API and Exxon
8 Research and Engineering Company, the Observatory's president E.E. David delivered a speech
9 titled, "Inventing the Future: Energy and the CO<sub>2</sub> 'Greenhouse Effect."<sup>85</sup> His remarks included
10 the following statement: "[i]t is ironic that the biggest uncertainties about the CO<sub>2</sub> buildup are not
11 in predicting what the climate will do, but in predicting what people will do."<sup>86</sup>

Throughout the early 1980s, at Exxon's direction, Exxon climate scientist Henry
Shaw forecasted emissions of CO<sub>2</sub> from fossil fuel use. Those estimates were incorporated into
Exxon's twenty-first century energy projections and were distributed among Exxon's various
divisions. Shaw's conclusions included an expectation that atmospheric CO<sub>2</sub> concentrations would
double in 2090 per the Exxon model, with an attendant 2.3°C to 5.6°C (4.1°F to 10.1°F) average
global temperature increase.<sup>87</sup>

80. During the 1980s, many Defendants formed their own research units focused on
climate modeling. API, including the Task Force, provided a forum for Defendants to share their
research efforts and corroborate their findings related to anthropogenic greenhouse gas emissions.<sup>88</sup>

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24 http://www.climatefiles.com/exxonmobil/inventing-future-energy-co2-greenhouse-effect. <sup>86</sup> *Id*.

<sup>&</sup>lt;sup>85</sup> Dr. E.E. David, Jr., President, Exxon Research and Engineering Co., Remarks at the Fourth Annual Ewing Symposium, Tenafly, NJ, ClimateFiles (Oct. 26, 1982),

 <sup>&</sup>lt;sup>87</sup> Neela Banerjee, *More Exxon Documents Show How Much It Knew About Climate 35 Years Ago*, Inside Climate News (Dec. 1, 2015), https://insideclimatenews.org/news/01122015/
 documents-exxons-early-co2-position-seniorexecutives-engage-and-warming-forecast/.

 <sup>&</sup>lt;sup>88</sup> Banerjee, *Exxon's Oil Industry Peers Knew About Climate Dangers in the 1970s, Too*, Inside Climate News (Dec. 22, 2015), https://insideclimatenews.org/news/22122015/exxon-mobil-oil industry-peers-knew-aboutclimate-change-dangers-1970s-american-petroleum-institute-api-shell-chevron-texaco/.

81. During this time, Defendants' statements expressed an understanding of their 1 obligation to consider and mitigate the externalities of reckless promotion, marketing, and 2 3 consumption of their fossil fuel products. For example, in 1988, Richard Tucker, the president of Mobil Oil, presented at the American Institute of Chemical Engineers National Meeting, the premier 4 5 educational forum for chemical engineers, where he stated: [H]umanity, which has created the industrial system that has transformed 6 civilization, is also responsible for the environment, which sometimes is at risk because of unintended consequences of industrialization.... Maintaining 7 the health of this life-support system is emerging as one of the highest priorities. . . . [W]e must all be environmentalists. 8 The environmental covenant requires action on many fronts . . . the low-9 atmosphere ozone problem, the upper-atmosphere ozone problem and the greenhouse effect, to name a few. ... Our strategy must be to reduce pollution 10 before it is ever generated—to prevent problems at the source. 11 Prevention means engineering a new generation of fuels, lubricants and 12 chemical products. . . . Prevention means designing catalysts and processes that minimize or eliminate the production of unwanted byproducts. . . . 13 Prevention on a global scale may even require a dramatic reduction in our dependence on fossil fuels-and a shift towards solar, hydrogen, and safe 14 nuclear power. It may be possible that—just possible—that the energy industry will transform itself so completely that observers will declare it a 15 new industry. . . . Brute force, low-tech responses and money alone won't meet the challenges we face in the energy industry.<sup>89</sup> 16 17 82. In 1987, Shell published an internal "brief for companies of the Royal Dutch/Shell 18 Group" titled "Air pollution: an oil industry perspective." In this report, the company described the 19 greenhouse effect as occurring "largely as a result of burning fossil fuels and deforestation."<sup>90</sup> Shell 20 further acknowledged the "concern that further increases in carbon dioxide levels could cause 21 climatic changes, notably a rise in overall temperature, having major environmental, social and 22 economic consequences."91 23 24 <sup>89</sup> Richard E. Tucker, *High Tech Frontiers in the Energy Industry: The Challenge Ahead*, AIChE 25 National Meeting (Nov. 30, 1988). 26 https://hdl.handle.net/2027/pur1.32754074119482?urlappend=%3Bseq=528. 90 Shell Briefing Service, Air pollution: an oil industry perspective (1987) at 4, 27 https://www.documentcloud.org/documents/24359057-shell-briefing-service-air-pollution-an-oilindustry-perspective-nr1-1987. 28  $^{91}$  *Id.* at 5.

83. In 1988, the Shell Greenhouse Effect Working Group issued a confidential internal 1 report, "The Greenhouse Effect," which acknowledged global warming's anthropogenic nature: 2 "Man-made carbon dioxide, released into and accumulated in the atmosphere, is believed to warm 3 the earth through the so-called greenhouse effect." The authors also noted the burning of fossil fuels 4 5 as a primary driver of CO<sub>2</sub> buildup and warned that warming could "create significant changes in sea level, ocean currents, precipitation patterns, regional temperature and weather." They further pointed 6 to the potential for "direct operational consequences" of sea level rise on "offshore installations, 7 coastal facilities and operations (e.g. platforms, harbors, refineries, depots)."92 8

9 84. Similar to early warnings by Exxon scientists, the 1988 Shell report noted that 10 "by the time the global warming becomes detectable it could be too late to take effective 11 countermeasures to reduce the effects or even to stabilise the situation." The authors mentioned 12 the need to consider policy changes on multiple occasions, noting that "the potential implications 13 for the world are . . . so large that policy options need to be considered much earlier" and that 14 research should be "directed more to the analysis of policy and energy options than to studies of 15 what we will be facing exactly."93 16

17 85. Defendants also meticulously examined plausible scenarios if they failed to act in the
18 face of their internal knowledge. For instance, Shell evaluated in a 1989 internal confidential
19 planning document the issue of "climate change – the greenhouse effect, global warming," which
20 the document identified as "the most important issue for the energy industry."<sup>94</sup> The document
21 compared a scenario in which society "addresses the potential problem" with one in which it does
22 not. Acknowledging that "[c]hanging emission levels … and changing atmospheric CO2
23 concentration has been likened to turning around a VLCC [very large crude carrier]," even

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<sup>93</sup> *Id.* at 1, 6.

<sup>&</sup>lt;sup>92</sup> Shell Internationale Petroleum, Greenhouse Effect Working Group, The Greenhouse Effect (May 1988) at 1, 27, available at https://www.documentcloud.org/documents/4411090-Document3.html#document/p9/a411239.

 <sup>&</sup>lt;sup>17</sup> at 1, 6.
 <sup>94</sup> Shell, *Scenarios 1989–2010: Challenge and Response* at 33 (Oct. 1989) at 33, available at https://www.documentcloud.org/documents/23735737-1989-oct-confidential-shell-group-planning-scenarios-1989-2010-challenge-and-response-disc-climate-refugees-and-shift-to-non-fossil-fuels.

"substantial efforts" by 2010 would have "hardly any impact on CO2 concentration." In later years, 1 however, the impacts are "strikingly different;" early efforts "will not prevent the problem arising, 2 but ... could mitigate the problem." The document described the consequences of failing to address 3 the problem right away: 4 5 These seem small changes but they mask more dramatic temperature changes which would take place at temperate latitudes. There would be more violent 6 weather – more storms, more droughts, more deluges. Mean sea level would rise at least 30 cm. Agricultural patterns would be most dramatically changed. 7 Something as simple as a moderate change in rainfall pattern disrupts ecosystems, and many species of trees, plants, animals and insects would not be 8 able to move and adapt. 9 The changes would, however, most impact on humans. In earlier times, man 10 was able to respond with his feet. Today, there is no place to go because people already stand there. Perhaps those in industrial countries could cope 11 with a rise in sea level (the Dutch examples) but for poor countries such defences are not possible. The potential refugee problem ... could be 12 unprecedented. Africans would push into Europe, Chinese into the Soviet 13 Union, Latins into the United States, Indonesians into Australia. Boundaries would count for little - overwhelmed by the numbers. Conflicts would 14 abound. Civilization could prove a fragile thing.<sup>95</sup> 15 86. In another 1989 confidential internal planning document, Shell anticipated that 16 "public/media pressures" to "adopt[] environmental programmes" such as "much tighter targets for 17 CO2 emissions" could prompt "effective consumer responses" that "will lead to intense and 18 unpredictable pressures on business."96 The scenario envisioned that "[c]oncerns about global 19 warming and depletion will depress production of fossil fuels, their market share declining as 20 21 renewables are actively promoted," given that "[w]here there can be real consumer choice it will be 22 a dominant force, especially where interest is heightened by obvious environmental impact."97 23 24 25 <sup>95</sup> *Id.* at 36. 26 <sup>96</sup> See Shell UK, UK Scenarios 1989 (Nov. 1989), at 31, 34, available at 27 https://embed.documentcloud.org/documents/24359062-snippets-of-confidential-shell-uknovember-1989-scenarios. 28 <sup>97</sup> *Id.* at 34.

In yet another scenario published in a 1998 internal report, Shell paints an eerily

2 prescient scene:

87.

In 2010, a series of violent storms causes extensive damage to the eastern coast of the U.S. Although it is not clear whether the storms are caused by climate change, people are not willing to take further chances. The insurance industry refuses to accept liability, setting off a fierce debate over who is liable: the insurance industry or the government. After all, two successive IPCC reports since 1993 have reinforced the human connection to climate change . . . Following the storms, a coalition of environmental NGOs brings a class-action suit against the US government and fossil-fuel companies on the grounds of neglecting what scientists (including their own) have been saying for years: that something must be done. A social reaction to the use of fossil fuels grows, and individuals become 'vigilante environmentalists' in the same way, a generation earlier, they had become fiercely anti-tobacco. Direct-action campaigns against companies escalate. Young consumers, especially, demand action.<sup>98</sup>

12 88. In a 1997 speech at Stanford University, John Browne, Group Executive for BP
13 America, noted that "there is now an effective consensus among the world's leading scientists and
14 serious and well informed people outside the scientific community that there is a discernible human
15 influence on the climate, and a link between the concentration of carbon dioxide and the increase in
16 temperature."<sup>99</sup>

17 89. Climate change research conducted by Defendants and their industry associations
18 frequently acknowledged uncertainties in their climate modeling. Those uncertainties, however, were
19 largely with respect to the magnitude and timing of climate impacts resulting from fossil fuel
20 consumption, not with respect to whether significant changes would eventually occur. Defendants'
21 researchers and the researchers at their industry associations harbored little doubt that climate change
22 was occurring and that fossil fuel products were, and are, the primary cause. As Ken Croasdale, a

<sup>&</sup>lt;sup>98</sup> Royal Dutch/Shell Group, *Group Scenarios 1998–2020* 115, 122 (1998), http://www.documentcloud.org/documents/4430277-27-1-Compiled.html.

<sup>&</sup>lt;sup>99</sup> John Browne, *BP Climate Change Speech to Stanford*, ClimateFiles (May 19, 1997), http://www.climatefiles.com/bp/bp-climate-change-speech-to-stanford.

1	senior researcher for	r Exxon's subsidiary Imperial Oil, stated to an audience of engineers in 1991,	
2	greenhouse gases are rising "due to the burning of fossil fuels. Nobody disputes this fact." <sup>100</sup>		
3	C. Despite Their Early Knowledge of Real and Severe Harm Posed by the		
4	Cons Obsc	umption of Fossil Fuel Products, Defendants Affirmatively Acted to ure Those Harms and Engaged in a Campaign to Deceptively Protect and nd the Use of Their Fossil Fuel Products.	
5			
6	1	ite the overwhelming evidence about the threats to people and the planet posed	
7	by continued use of their fossil fuel products amassed leading up to and throughout the 1980s,		
8	Defendants failed to	o act reasonably to mitigate or avoid those dire adverse impacts. Defendants	
9	instead adopted the j	position that they had a license to continue the unfettered pursuit of profits from	
10	those products—inc	luding by intentionally misleading and deceiving the public regarding these	
11	threats.		
12	91. Exxo	n has all but admitted to these decisions. In a secretly recorded video from 2021,	
13	an Exxon executive	stated:	
14	Did v	ve aggressively fight against some of the science? Yes.	
15	Did v	ve join some of these shadow groups to work against some of the early s? Yes, that's true. There's nothing illegal about that.	
16 17		vere looking out for our investments. We were looking out for our holders." <sup>101</sup>	
18	92. On no	otice that their products were causing global climate change and dire effects on	
19	the planet, Defenda	nts could and should have issued reasonable warnings to consumers and the	
20	public of the dangers	known of consuming of their fossil fuel products. Instead, Defendants engaged	
21	in advertising and co	mmunications campaigns intended to promote consumer demand for their fossil	
22	fuel products by dov	unplaying the harms and risks of global warming. Initially, the campaigns tried	
23	to show that global	warming was not occurring. More recently, the campaigns have sought to	
24	minimize the risks a	nd harms from global warming. The deception campaigns have had the purpose	
25	100 -		
26		Special Report: What Exxon Knew About Global Warming's Impact on the Oct. 10, 2015), https://www.latimes.com/business/la-na-advexxon-arctic-	
27	20151011-story.html.		
28	<sup>101</sup> Jeff Brady, <i>Exxon Lobbyist Caught on Video Talking About Undermining Biden's Climate Push</i> , NPR (July 1, 2021, 11:37 AM ET), https://www.npr.org/2021/07/01/1012138741/exxon-lobbyist-caught-on-video-talks-about-undermining-bidens-climate-push.		

and effect of inflating and sustaining the market for fossil fuels, which—in turn—drove up
 greenhouse gas emissions, accelerated global warming, delayed the energy economy's transition to
 a lower-carbon future, and brought about climate change harms to San Francisco.

93. Defendants' conduct was an abdication and contravention of their responsibility to 4 5 consumers and the public, including the City, to act on their unique knowledge of the reasonably foreseeable hazards of reckless production and promotion of their fossil fuel products. Had 6 7 Defendants acted responsibly to issue reasonable warnings instead of engaging in a disinformation 8 campaign, consumers would have acted sooner and faster to reduce their fossil fuel consumption and 9 stimulate demand for non-carbon energy alternatives whose use does not imperil the Earth. This process is now stutteringly underway, but was wrongfully delayed by Defendants' deception and 10 continued downplaying of the reality and severity of climate change—and of fossil fuels' role in 11 causing it. 12

94. Several key events during the period between 1988 and 1992 prompted Defendants to pivot from researching and discussing climate change internally to affirmatively deceiving consumers and the public about the climatic dangers of fossil fuels. As climate change—and the role of fossil fuels in causing it—became an increasingly prominent concern, Defendants realized that accurate consumer and public understanding of the dangers of fossil fuels would pose a paramount threat to their business model, their assets, and their profits. Key events that precipitated the shift from research to deception included the following:

i. In 1988, National Aeronautics and Space Administration ("NASA") scientists
 confirmed that human activities were actually contributing to global warming.<sup>102</sup> On June 23 of that
 year, NASA scientist James Hansen's presentation of this information to Congress engendered
 significant news coverage and publicity for the announcement, including coverage on the front page
 of *The New York Times*.

25 ii. On July 28, 1988, Senator Robert Stafford and four bipartisan co-sponsors
26 introduced S. 2666, "The Global Environmental Protection Act," to regulate CO<sub>2</sub> and other

<sup>&</sup>lt;sup>102</sup> See Peter C. Frumhoff et al., *The Climate Responsibilities of Industrial Carbon Producers* (2015) 132 Climatic Change 157, 161, http://dx.doi.org/10.1007/s10584-015-1472-5.

1	greenhouse gases. Three more bipartisan bills to significantly reduce CO <sub>2</sub> pollution were introduced	
2	over the following ten weeks, and in August, U.S. Presidential candidate George H.W. Bush pledged	
3	that his presidency would combat the greenhouse effect with "the White House effect." <sup>103</sup> Political	
4	will in the United States to reduce anthropogenic greenhouse gas emissions and mitigate the harms	
5	associated with Defendants' fossil fuel products was gaining momentum.	
6	iii. In December 1988, the United Nations formed the IPCC, a scientific panel	
7	dedicated to providing the world's governments with an objective, scientific analysis of climate	
8	change and its environmental, political, and economic impacts.	
9	iv. In 1990, the IPCC published its First Assessment Report on anthropogenic	
10	climate change, <sup>104</sup> which concluded that (1) "there is a natural greenhouse effect which already keeps	
11	the Earth warmer than it would otherwise be," and (2) that	
12	emissions resulting from human activities are substantially increasing the	
13	atmospheric concentrations of the greenhouse gases carbon dioxide, methane, chlorofluorocarbons (CFCs) and nitrous oxide. These increases will enhance	
14	the greenhouse effect, resulting on average in an additional warming of the Earth's surface. The main greenhouse gas, water vapour, will increase in	
15	response to global warming and further enhance it. <sup>105</sup>	
16	The IPCC reconfirmed those conclusions in a 1992 supplement to the First Assessment Report. <sup>106</sup>	
17 18	v. The United Nations held the 1992 Earth Summit in Rio de Janeiro, Brazil, a	
19	major, newsworthy gathering of 172 world governments, of which 116 sent their heads of state. The	
20	Summit resulted in the United Nations Framework Convention on Climate Change ("UNFCCC"),	
21	an international environmental treaty providing protocols for future negotiations aimed at	
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25	<sup>103</sup> N.Y. Times Editorial Board, <i>The White House and the Greenhouse</i> , N.Y. Times (May 9,	
26	1989), http://www.nytimes.com/1989/05/09/opinion/the-white-house-and-thegreenhouse.html. <sup>104</sup> See IPCC, Reports, ipcc.ch/reports.	
27	<sup>105</sup> IPCC, <i>Climate Change: The IPCC Scientific Assessment</i> xi (1990), https://www.ipcc.ch/report/climate-change-the-ipcc-1990-and-1992-assessments.	
28	<sup>106</sup> IPCC, 1992 IPCC Supplement to the First Assessment Report (1992),	
	https://www.ipcc.ch/report/climate-change-the-ipcc-1990-and-1992-assessments.	
	SECOND AMENDED COMPLAINT 64	

"stabiliz[ing] greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system."<sup>107</sup>

95. To perpetuate and maximize dependence on their fossil fuel products, Defendants embarked on a decades-long series of disinformation campaigns designed to stymie consumer and public understanding of climate change and the role of fossil fuel consumption in causing it.

96. Defendants' campaigns focused on concealing, discrediting, and/or misrepresenting 7 information that tended to support decreasing consumption of fossil fuels, thereby preserving and 8 9 inflating demand for Defendants' products and staving off the transition to a lower-carbon economy. 10 The campaigns enabled Defendants to accelerate their business practice of exploiting fossil fuel 11 reserves and to concurrently externalize the social and environmental costs of their fossil fuel 12 products. Those activities directly contradicted Defendants' internal recognition that the science of 13 anthropogenic climate change was clear and that profligate consumption of fossil fuels would result 14 in dire consequences for the planet and communities like San Francisco. 15

- 97. In 1988, Joseph Carlson, an Exxon public affairs manager, stated in an internal memo 16 17 that Exxon "is providing leadership through API in developing the petroleum industry position" on 18 "the greenhouse effect."<sup>108</sup> He then went on to describe the "Exxon Position," which included two 19 important messaging tenets among others: (1) "[e]mphasize the uncertainty in scientific conclusions 20 regarding the potential enhanced Greenhouse Effect"; and (2) "[r]esist the overstatement and 21 sensationalization [sic] of potential greenhouse effect which could lead to noneconomic development 22 of nonfossil fuel resources."<sup>109</sup> 23
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<sup>107</sup> United Nations, *United Nations Framework Convention on Climate Change* art. 2 (1992), https://unfccc.int/resource/docs/convkp/conveng.pdf.

 <sup>108</sup> Memorandum from Joseph M. Carlson, *The Greenhouse Effect* (Aug. 3, 1988), https://assets.documentcloud.org/documents/3024180/1998-Exxon-Memo-on-the-Greenhouse-Effect.pdf.
 <sup>109</sup> *Ihid.*

98. Reflecting on his time as an Exxon consultant in the 1980s, Professor Martin 1 2 Hoffert, a former New York University physicist who researched climate change, expressed regret 3 over Exxon's "climate science denial program campaign" in his sworn testimony before Congress: 4 [O]ur research [at Exxon] was consistent with findings of the United Nations Intergovernmental Panel on Climate Change on human impacts of fossil fuel 5 burning, which is that they are increasingly having a perceptible influence on Earth's climate.... If anything, adverse climate change from elevated CO<sub>2</sub> is 6 proceeding faster than the average of the prior IPCC mild projections and fully consistent with what we knew back in the early 1980's at Exxon. . . . I was 7 greatly distressed by the climate science denial program campaign that Exxon's front office launched around the time I stopped working as a 8 consultant—but not collaborator—for Exxon. The advertisements that Exxon ran in major newspapers raising doubt about climate change were contradicted 9 by the scientific work we had done and continue to do. Exxon was publicly promoting views that its own scientists knew were wrong, and we knew that 10 because we were the major group working on this.<sup>110</sup> 11 99. Likewise, Shell "shaped a series of influential industry-backed publications that 12 downplayed or omitted key risks; emphasized scientific uncertainties; and pushed for more fossil 13 fuels, particularly coal."<sup>111</sup> In 1992, for instance, Shell had released a publication for wide external 14 distribution purporting to describe the "Basic Scientific Facts" of the "Potential Augmented 15 Greenhouse Effect."112 This document downplayed the scientific consensus (that Shell internally 16 acknowledged) by referring to the "relatively few established scientific fundamentals" regarding the 17 causes of climate change.<sup>113</sup> It also misleadingly suggested that a "particular cause" of global 18 warming was "difficult" to identify, even though Shell had identified the use of its products as a 19 20 <sup>110</sup> Examining the Oil Industry's Efforts to Suppress the Truth About Climate Change, Hearing 21 Before the Subcomm. on Civil Rights and Civil Liberties of the Comm. on Oversight and Reform, 116th Cong. 7–8 (Oct. 23, 2019) (statement of Martin Hoffert, Former Exxon Consultant, Professor 22 Emeritus, Physics, New York University), 23 https://oversight.house.gov/legislation/hearings/examining-the-oil-industry-s-efforts-to-suppressthe-truth-about-climate-change. 24 <sup>111</sup> Matthew Green, Lost Decade: How Shell Downplayed Early Warnings Over Climate Change, 2023), https://www.desmog.com/2023/03/31/lost-decade-how-shell-Desmog (Mar. 31. 25 downplayed-early-warnings-over-climate-change/. 26 <sup>112</sup> Jan Kuyper, Shell Group Planning, Business Environment Occasional Paper, Potential Greenhouse *Effect:* Basic Scientific Facts (Sept. 1992). Augmented at 3. 27 https://www.documentcloud.org/documents/24359060-1992-internal-shell-group-planning-reportpotential-augmented-greenhouse-effect-and-depletion-of-the-ozone-layer. 28 <sup>113</sup> *Id.* at 5.

significant contributor to the greenhouse effect in the previous decade.<sup>114</sup> For example, in 1985, a
 Shell UK environmental scientist published an article laying out the scientific fact that "[b]urning of
 fossil fuels which have taken millions of years to form has effectively upset the balance [of the
 Carbon Cycle] leading to an increase in CO2 in the atmosphere."<sup>115</sup>

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100. A 1994 Shell report entitled "The Enhanced Greenhouse Effect: A Review of the Scientific Aspects" similarly emphasized scientific uncertainty, noting, for example, that "the postulated link between any observed temperature rise and human activities has to be seen in relation to natural variability, which is still largely unpredictable."<sup>116</sup>

9 In 1996, Exxon released a publication called "Global Warming: Who's Right? Facts 101. about a debate that's turned up more questions than answers." In the publication's preface, Exxon 10 CEO Lee Raymond inaccurately stated that "taking drastic action immediately is unnecessary since 11 many scientists agree there's ample time to better understand the climate system." The publication 12 13 described the greenhouse effect as "unquestionably real and definitely a good thing," while ignoring the severe consequences that would result from the influence of the increased CO<sub>2</sub> concentration on 14 the Earth's climate. Instead, it characterized the greenhouse effect as simply "what makes the earth's 15 atmosphere livable." Directly contradicting Exxon's own internal knowledge and peer-reviewed 16 science, the publication ascribed the rise in temperature since the late nineteenth century to "natural 17 18 fluctuations that occur over long periods of time" rather than to the anthropogenic emissions that 19 Exxon itself and other scientists had confirmed were responsible. The publication also falsely challenged the computer models that projected the future impacts of fossil fuel product consumption, 20 including those developed by Exxon's own employees, as having been "proved to be inaccurate." 21 The publication contradicted the numerous reports prepared by and circulated among Exxon's staff, 22 23 and by API, stating that "the indications are that a warmer world would be far more benign than

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<sup>&</sup>lt;sup>114</sup> *Ibid*.

 <sup>&</sup>lt;sup>115</sup> T.G. Wilkinson, *Why and How to Control Energy Pollution: Can Harmonisation Work?*, 8
 Conservation & Recycling 7, 19 (1985), https://www.documentcloud.org/documents/24359067 1985-03-why-and-how-to-control-energy-pollution-by-tg-wilkinson-shell.

 <sup>&</sup>lt;sup>116</sup> P. Langcake, Shell Internationale Petroleum, *The Enhanced Greenhouse Effect: A Review of the Scientific Aspects* (Dec. 1994), https://www.documentcloud.org/documents/4411099-Document11.html#document/p15/a411511.

1	many imagine moderate warming would reduce mortality rates in the US, so a slightly warmer	
2	climate would be more healthful." Raymond concluded his preface by criticizing the basis for	
3	reducing consumption of his company's fossil fuel products as "drawing on bad science, faulty logic,	
4	or unrealistic assumptions"—despite the important role that Exxon's own scientists had played in	
5	compiling those same scientific underpinnings. <sup>117</sup>	
6	102. Imperial Oil (Exxon) CEO Robert Peterson falsely denied the established	
7	connection between Defendants' fossil fuel products and anthropogenic climate change in the	
8	Summer 1998 Imperial Oil Review, "A Cleaner Canada":	
9	[T]his issue [referring to climate change] has absolutely nothing to do with pollution and air quality. Carbon dioxide is not a pollutant but an essential	
10 11	ingredient of life on this planet [T]he question of whether or not the trapping of 'greenhouse' gases will result in the planet's getting warmer has no connection whatsoever with our day-to-day weather.	
11	There is absolutely no agreement among climatologists on whether or not the	
12	planet is getting warmer, or, if it is, on whether the warming is the result of man-made factors or natural variations in the climate I feel very safe in	
13 14	saying that the view that burning fossil fuels will result in global climate change remains an unproved hypothesis. <sup>118</sup>	
15	103. Exxon and Mobil (Exxon) paid for a series of "advertorials," advertisements located	
16	in the editorial section of <i>The New York Times</i> and meant to look like editorials rather than paid ads.	
17	These ads discussed various aspects of the public discussion of climate change and sought to	
18	undermine the justifications for tackling greenhouse gas emissions as unsettled science. For example,	
19	the 1993 Mobil advertorial below argued that "what's wrong with so much of the global warming	
20	rhetoric" is "[t]he lack of solid scientific data," and quoted a purportedly neutral scientific expert	
21	who insisted that "there is a large amount of empirical evidence suggesting that the apocalyptic	
22	vision is in error and that the highly touted greenhouse disaster is most improbable." <sup>119</sup> It also quoted	
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25	<sup>117</sup> Exxon Corp., <i>Global Warming: Who's Right?</i> (1996), https://www.documentcloud.org/ documents/2805542-Exxon-Global-Warming-Whos-Right.html.	
26	<sup>118</sup> Robert Peterson, A Cleaner Canada in Imperial Oil Review (1998),	
27	https://www.desmogblog.com/sites/beta.desmogblog.com/files/A%20Cleaner%20Canada%20Imperial%20Oil.pdf.	
28	<sup>119</sup> Mobil, <i>Apocalypse No</i> (1993) New York Times, A19 (February 25, 1993), https://www.documentcloud.org/documents/357243-1993-2-25-mob-nyt-apocalypse-no.	
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1	another purportedly neutral scientist who asserted that "the net impact [of a modest warming] may
2	yet be beneficial."
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Apocalypse no

 For the first half of 1992, America was inundated by the media with dire predictions of global warming catastrophes, all of which seemed to be aimed at heating up the rhetoric from the Earth Summit in Rio de Janeiro last June.

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 Unfortunately, the media hype proclaiming that the sky was falling did not properly portray
 the consensus of the scientific community. After the Earth Summit, there was a noticeable lack of evidence of the sky actually falling and subsequent colder than normal temperatures across the country cooled the warming hysteria as well. Everybody, of course, remembers the

Earth Summit and the tons of paper used up in reporting on it—paper now buried in landfills around the world. But few people ever heard of a major document issued at the same time and called the "Heidelberg Appeal." The reason? It just didn't make "news."

 Perhaps that is because the Appeal urged
 Summit attendees to avoid making important environmental decisions based on "pseudoscientific arguments or false and non-relevant data."

15 The Heidelberg Appeal was issued initially by some 264 scientists from around the world, including 52 Nobel Prize winners. Today, the Appeal carries the signatures of more than 2,300 scientists – 65 of them Nobel Prize winners—from 79 countries. If nothing else, its message is illustrative of what's wrong with so much

18 of the global warming rhetoric. The lack of solid scientific data.

Scientists can agree on certain facts per-19 taining to global warming. First, the greenhouse effect is a natural phenomenon; it accounts for 20the moderate temperature that makes our planet habitable. Second, the concentration of 21 greenhouse gases (mainly carbon dioxide) has increased and there has been a slight increase in 22 global temperatures over the past century. Finally, if present trends continue, carbon dioxide levels will double over the next 50 to 100 23 years.

24 Controversy arises when trying to link past changes in temperatures to increased concentrations of greenhouse gases. And it arises again when climate prediction models are used to conclude Earth's temperature will climb drastically in the next century and—based on such models—to propose policy decisions that could drastically affect the economy.

According to Arizona State University climatologist Dr. Robert C. Balling in his book, *The Heated Debate* (San Francisco: Pacific Research Institute for Public Policy, 1992), until knowledge of the interplay between oceans and the atmosphere improves, "model predictions must be treated with considerable caution." Moreover, models don't simulate the complexity of clouds, nor do they deal adequately with sea ice, snow or changes in intensity of the sun's energy.

And they don't stand up to reality testing. Comparing actual temperatures over the last 100 years against model calculations, the models predicted temperature increases higher than those that actually occurred. Moreover, most of the earth's temperature increase over the last century occurred <u>before</u> 1940. Yet, the real buildup in man-made CO, didn't occur until <u>after</u> 1940. Temperatures actually <u>fell</u> between 1940 and 1970.

Sifting through such data, Dr. Balling has concluded, "there is a large amount of empirical evidence suggesting that the apocalyptic vision is in error and that the highly touted greenhouse disaster is most improbable."

Other scientists have an even more interesting viewpoint. Notes atmospheric physicist S. Fred Singer, president of the Washington, D.C.-based Science & Environmental Policy Project, "the net impact [of a modest warming] may well be beneficial."

All of which would seem to suggest that the jury's still out on whether drastic steps to curb CQ, emissions are needed. It would seem that the phenomenon—and its impact on the economy—are important enough to warrant considerably more research before proposing actions we may later regret.

Perhaps the sky isn't falling, after all.

SECOND AMENDED COMPLAINT

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Figure 7: 1993 Mobil Advertorial

Mobil

The first of those purportedly neutral scientific experts, Robert C. Balling, acknowledged five years 1 after the advertorial ran that he had received \$408,000 in research funding from the fossil fuel 2 industry over the past decade, including from Exxon.<sup>120</sup> The second, S. Fred Singer, was not a 3 climatologist, and had previously been funded by tobacco companies to spread doubt about the 4 scientific claim that exposure to second-hand smoke causes cancer.<sup>121</sup> 5 104. Many other Exxon and Mobil advertorials falsely or misleadingly characterized the 6 7 state of climate science research to the readership of *The New York Times*' op-ed page. A sample of 8 these untruthful statements includes: 9 "We don't know enough about the factors that affect global warming and the degree to which-if any-that man-made emissions (namely, 10 carbon dioxide) contribute to increases in Earth's temperature."<sup>122</sup> 11 "[G]reenhouse-gas emissions, which have a warming effect, are offset by another combustion product-particulates-which leads to 12 cooling.",123 13 "Even after two decades of progress, climatologists are still 14 uncertain how—or even if—the buildup of man-made greenhouse gases is linked to global warming. It could be at least a decade before climate models 15 will be able to link greenhouse warming unambiguously to human actions. Important answers on the science lie ahead."<sup>124</sup> 16 "[I]t is impossible for scientists to attribute the recent small surface 17 temperature increases to human causes."<sup>125</sup> 18 "Within a decade, science is likely to provide more answers on what 19 factors affect global warming, thereby improving our decision-making. We 20 <sup>120</sup> DeSmog, *Robert C. Balling, Jr.*, https://www.desmog.com/robert-c-balling-jr/.

<sup>121</sup> Naomi Oreskes & Erik M. Conway, *Merchants of Doubt: How a Handful of Scientists* Obscured the Truth on Issues from Tobacco Smoke to Global Warming, 150–54 (Bloomsbury Press, 1st ed. 2011).

 <sup>122</sup> Mobil, *Climate Change: A Prudent Approach*, N.Y. Times (Nov. 13, 1997), https://www.documentcloud.org/documents/705548-mob-nyt-1997-11-13climateprudentapproach.html.
 <sup>123</sup> Mobil, *Less Heat, More Light on Climate Change*, N.Y. Times (July 18, 1996), https://www.documentcloud.org/documents/705544-mob-nyt-1996-jul-18-lessheatmorelight.html.

26 <sup>124</sup> Mobil, *Climate Change: Where We Come Out*, N.Y. Times (Nov. 20, 1997), https://www.documentcloud.org/documents/705549-mob-nyt-1997-11-20-

ccwherewecomeout.html.

<sup>125</sup> ExxonMobil, *Unsettled Science* (Mar. 23, 2000), reproduced in

28 https://www.theguardian.com/environment/2021/nov/18/the-forgotten-oil-ads-that-told-us-climate-change-was-nothing.

just don't have this information today. Answers to questions about climate change will require more reliable measurements of temperature at many places on Earth, better understanding of clouds and ocean currents along with greater computer power."<sup>126</sup>

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105. A peer-reviewed quantitative analysis of Exxon's climate communications between 1989 and 2004 found that, while 83% of the company's peer-reviewed papers and 80% of its internal documents acknowledged the reality and human origins of climate change, 81% of its advertorials communicated doubt about those conclusions.<sup>127</sup> Put differently, Exxon demonstrated a clear tendency to contradict its own peer-reviewed research in statements meant for lay audiences. Based on this "statistically significant" discrepancy between internal and external communications, the authors concluded that "ExxonMobil misled the public."<sup>128</sup>

Defendants also worked jointly through industry and front groups such as API, ICE, 106. 11 and the GCC to fund, conceive, plan, and carry out sustained and widespread campaigns of denial 12 and disinformation about the existence of climate change and their products' contribution to it, 13 despite their own knowledge and the growing national and international scientific consensus about 14 the hazards of doing so. The campaigns included a long-term pattern of direct misrepresentations 15 and material omissions to consumers, as well as a plan to influence consumers indirectly by affecting 16 public opinion through the mass dissemination of misleading research. Although Defendants were 17 competitors in the marketplace, they combined and collaborated with each other and with industry 18 and front groups such as API, ICE, and the GCC on these public campaigns to misdirect and stifle 19 public knowledge in order to inflate consumer demand for fossil fuels. The efforts included 20 promoting hazardous fossil fuel products through advertising campaigns that failed to warn of the 21 existential risks associated with the use of those products, and that were designed to influence 22

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 <sup>126</sup> Mobil, *Science: What We Know and Don't Know*, (1997), reproduced in https://www.theguardian.com/environment/2021/nov/18/the-forgotten-oil-ads-that-told-us-climatechange-was-nothing.

<sup>127</sup> Geoffrey Supran & Naomi Oreskes, *Assessing ExxonMobil's Climate Change Communications (1977–2014)*, 12 *Envtl. Research Letters, IOP Publishing Ltd.* 12 (2017), https://iopscience.iop.org/article/10.1088/1748-9326/aa815f/pdf.
 <sup>128</sup> Ibid.

consumers to continue using Defendants' fossil fuel products irrespective of those products' damage
 to communities and the environment.

3 107. One of the key organizations formed by Defendants to coordinate the fossil fuel industry's response to the world's growing awareness of climate change was the International 4 5 Petroleum Industry Environmental Conservation Association ("IPIECA"). In 1987, the IPIECA formed a "Working Group on Global Climate Change" chaired by Duane LeVine, Exxon's manager 6 7 for science and strategy development. The Working Group also included Brian Flannery from Exxon, Leonard Bernstein from Mobil, Terry Yosie from API, and representatives from BP, Shell, and 8 9 Texaco (Chevron). In 1990, the Working Group sent a strategy memo created by LeVine to hundreds of oil companies around the world, including Defendants. This memo explained that, to forestall a 10 global shift away from burning fossil fuels for energy, the industry should emphasize uncertainties 11 in climate science and the need for further research.<sup>129</sup> 12

13 108. In 1991, the Information Council for the Environment (ICE), whose members 14 included affiliates, predecessors and/or subsidiaries of Defendants, launched a national climate 15 change science denial campaign with full-page newspaper ads, radio commercials, a public relations 16 tour schedule, "mailers," and research tools to measure campaign success. Included among the 17 campaign strategies was to "reposition global warming as theory (not fact)." Its target audience 18 included older less-educated males who are "predisposed to favor the ICE agenda, and likely to be 19 even more supportive of that agenda following exposure to new info."<sup>130</sup>

20 109. A goal of ICE's advertising campaign was to change public opinion and consumer
21 perceptions of climate risk. A memo from Richard Lawson, president of the National Coal
22 Association, a predecessor to the National Mining Association, warned, "Public opinion polls reveal

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<sup>&</sup>lt;sup>129</sup> Benjamin A. Franta, *Big Carbon's Strategic Response to Global Warming, 1950-2020,* 140 (2022), https://purl.stanford.edu/hq437ph9153.

 <sup>&</sup>lt;sup>130</sup> Union of Concerned Scientists, *Deception Dossier #5: Coal's "Information Council on the Environment" Sham* (1991), http://www.ucsusa.org/sites/default/files/attach/2015/07/Climate-Deception-Dossier-5\_ICE.pdf.

that 60% of the American people already believe global warming is a serious environmental problem. Our industry cannot sit on the sidelines in this debate."<sup>131</sup> 2

The following images are examples of ICE-funded print advertisements challenging 110. the validity of climate science and intended to obscure the scientific consensus on anthropogenic climate change in order to inflate consumer demand for fossil fuels:<sup>132</sup>



## Figure 8: Information Council for the Environment Advertisements

16 The Global Climate Coalition (GCC), on behalf of Defendants and other fossil fuel 111. 17 companies, spent millions of dollars on deceptive advertising campaigns and misleading material to 18 discredit climate science and generate public uncertainty around the climate debate, and thereby inflate consumer demand for fossil fuels.<sup>133</sup> The GCC operated between 1989 and 2001. Its founding 19 20 members included Defendants Exxon, Shell, Phillips Petroleum Company (ConocoPhillips), and 21 API. Defendants BP and Chevron also participated as members of the GCC. William O'Keefe,

25 <sup>131</sup> Naomi Oreskes, My Facts Are Better Than Your Facts: Spreading Good News About Global Warming (2010), in Peter Howlett et al., How Well Do Facts Travel?: The Dissemination of 26 Reliable Knowledge 136–66 (Cambridge University Press, 2011).

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<sup>&</sup>lt;sup>132</sup> Union of Concerned Scientists, *Deception Dossier #5: Coal's "Information Council on the* 27 *Environment" Sham* at 47–49 (1991),

http://www.ucsusa.org/sites/default/files/attach/2015/07/Climate-Deception-Dossier-5\_ICE.pdf. 28 <sup>133</sup> *Ibid*.

1	former president of the GCC, was also a former executive of API. <sup>134</sup> GCC's position on climate
2	change contradicted decades of its members' internal scientific reports by asserting that natural
3	trends, not human combustion of fossil fuels, was responsible for rising global temperatures:
4	The GCC believes that the preponderance of the evidence indicates that most,
5	if not all, of the observed warming is part of [a] natural warming trend which began approximately 400 years ago. If there is an anthropogenic component to this observed warming, the GCC believes that it must be very small and
6	must be superimposed on a much larger natural warming trend. <sup>135</sup>
7	112. The GCC's promotion of overt climate change skepticism also contravened its
8	internal assessment that such theories lacked scientific support. In December 1995, the GCC's
9	Science and Technology Advisory Committee ("GCC-STAC"), whose members included employees
10	of Mobil Oil Corporation (an Exxon predecessor) and API, drafted a primer on the science of global
11	warming for GCC members. The primer concluded that the GCC's contrarian theories "do not offer
12	convincing arguments against the conventional model of greenhouse gas emission-induced climate
13	change." However, the GCC excluded this section from the publicly released version of the report. <sup>136</sup>
14	Nonetheless, for years afterward, the GCC and its members continued to tout their contrarian theories
15	about global warming, even though the GCC had admitted internally these arguments were invalid.
16	Between 1989 and 1998, the GCC spent \$13 million on one ad campaign to obfuscate the public's
17	understanding of climate science and undermine its trust in climate scientists. <sup>137</sup> For example, the
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22	<sup>134</sup> Jeff Nesmith, <i>Industry Promotes Skeptical View of Global Warming</i> , Cox News Service, May 28, 2003, http://www.heatisonline.org/contentserver/objecthandlers/index.cfm
23	<ul> <li>?ID=4450&amp;Method=Full.</li> <li><sup>135</sup> Global Climate Coalition, <i>Global Climate Coalition: An Overview</i> 2 (Nov. 1996),</li> </ul>
24	http://www.climatefiles.com/denial-groups/global-climatecoalition-collection/1996-global-climate-
25	coalition-overview/. <sup>136</sup> Memorandum from Gregory J. Dana, Assoc. of Int'l Auto. Mfrs., to AIAM Technical
26	Committee, <i>Global Climate Coalition (GCC) - Primer on Climate Change Science - Final Draft</i> (Jan. 18, 1996), http://www.webcitation.org/6FyqHawb9.
27	<sup>137</sup> Wendy E. Franz, Kennedy School of Government, Harvard University, Science, Skeptics
28	and Non-State Actors in the Greenhouse, ENRP Discussion Paper E-98-18 13 (Sept. 1998), https://www.belfercenter.org/sites/default/files/legacy/files/Science%20Skeptics%20and%20Non- State%20Actors%20in%20the%20Greenhouse%20-%20E-98-18.pdf.
	SECOND AMENDED COMPLAINT 75

GCC distributed a video to hundreds of journalists, which claimed that carbon dioxide emissions
 would increase crop production and feed the hungry people of the world.<sup>138</sup>

In a 1994 public report, the GCC stated that "observations have not yet confirmed 3 113. evidence of global warming that can be attributed to human activities," and that "[t]he claim that 4 5 serious impacts from climate change have occurred or will occur in the future simply has not been proven."<sup>139</sup> In 1994, the GCC Board of Directors was composed of high-level executives from API, 6 Exxon, Phillips Petroleum Company (ConocoPhillips), and Texaco (Chevron). Representatives from 7 Shell, Amoco (BP), and BP were also GCC members at that time.<sup>140</sup> In 1995, the GCC published a 8 booklet called "Climate Change: Your Passport to the Facts," which stated, "While many warnings 9 have reached the popular press about the consequences of a potential man-made warming of the 10 Earth's atmosphere during the next 100 years, there remains no scientific evidence that such a 11 dangerous warming will actually occur."<sup>141</sup> In 1995, GCC's Board of Directors included high-level 12 13 executives from Texaco (Chevron), American Petroleum Institute, ARCO, and Phillips Petroleum Company.<sup>142</sup> 14

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114. In 1997, William O'Keefe, chairman of the GCC and executive vice president of API, falsely wrote in a *Washington Post* op-ed, "[c]limate scientists don't say that burning oil, gas, and coal is steadily warming the earth."<sup>143</sup> This statement contradicted the established scientific

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   <sup>138</sup> The Center for Media and Democracy, *Global Climate Coalition*, Source Watch, *http://www.sourcewatch.org/index.php/Global\_Climate\_Coalition*.
- <sup>139</sup> GCC, *Issues and Options: Potential Global Climate Change, Climate Files* (1994), http://www.climatefiles.com/denial-groups/global-climate-coalition-collection/1994-potentialglobal-climate-change-issues.
   <sup>140</sup> 1994 GCC Board Member List and Background Information, Climate Investigations Center,
- https://www.climatefiles.com/denial-groups/global-climate-coalition-collection/1994-board member-list-general-info/.
  - <sup>141</sup> GCC, *Climate Change: Your Passport to the Facts, Climate Files* (1995), http://www.climatefiles.com/denial-groups/global-climate-coalition-collection/1995-climate-change-facts-passport.
- <sup>142</sup> 1995 GCC IRS 1024 and Attachments, Climate Investigations Center (1995),
   https://www.documentcloud.org/documents/5798254-GCC-IRS-1023#document/p17.
- <sup>143</sup> William O'Keefe, A Climate Policy, in The Washington Post (July 5, 1997),
   https://www.washingtonpost.com/archive/opinions/1997/07/05/a-climate-policy/6a11899a-c020-4d59-a185-b0e7eebf19cc/.

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consensus as well as Defendants' own knowledge. Yet Defendants did nothing to correct the public record, and instead continued to fund the GCC's anti-scientific climate skepticism.

- In addition to publicly spreading false and misleading information about the climate 115. science consensus, the GCC also sought to undermine credible climate science from within the IPCC. After becoming a reviewer of IPCC's Second Assessment Report in 1996, the GCC used its position to accuse the convening author of a key chapter in the Report of modifying its conclusions. The GCC claimed that the author, climatologist Ben Santer, had engaged in "scientific cleansing" that "understate[d] uncertainties about climate change causes and effect . . . to increase the apparent scientific support for attribution of changes to climate to human activities."<sup>144</sup> The GCC also arranged to spread the accusation among reporters, editors of scientific journals, and even the op-ed page of the Wall Street Journal.<sup>145</sup> This effort "was widely perceived to be an attempt on the part of the GCC to undermine the credibility of the IPCC."<sup>146</sup>
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In the late 1990s, Defendants shifted away from openly denying anthropogenic 116. warming toward peddling a subtler form of climate change skepticism. Defendants became alarmed 16 by significant legal judgments Big Tobacco now faced as a result of decades spent publicly denying 17 the health risks of smoking cigarettes, with a Shell employee explaining that the company "didn't 18 want to fall into the same trap as the tobacco companies who have become trapped in all their lies."<sup>147</sup> 19 Defendants began to shift their communications strategy, claiming they had accepted climate science 20 all along.148 Several large fossil fuel companies, including BP and Shell, left the GCC (although all Defendants remained members of API).<sup>149</sup> At this point in time, Defendants publicly claimed to 22

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<sup>145</sup> Naomi Oreskes & Erik Conway, Merchants of Doubt: How a Handful of Scientists 24 Obscured the Truth on Issues from Tobacco Smoke to Global Warming, New York: Bloomsbury Press 205-13 (2011). See also S. Fred Singer, Climate Change and Consensus, Science vol. 271, no. 5249 (Feb. 2, 1996); Frederick Seitz, A Major Deception on 'Global Warming', Wall Street 26 Journal (June 12, 1996).

- <sup>147</sup> Nathaniel Rich, Losing Earth: A Recent History, London: Picador 186 (2020).
- <sup>148</sup> Franta (2022), *supra* note 129, at 170.
  - <sup>149</sup> *Id.* at 177.

<sup>&</sup>lt;sup>144</sup> Franz, *supra* note 137, at 14.

<sup>&</sup>lt;sup>146</sup> Franz, *supra* note 137, at 15.

accept the reality that the climate is changing (or Earth is warming) and that climate change is
 primarily caused by human activities.

3 117. Despite the shift in public messaging, Defendants surreptitiously continued to organize and fund programs designed to deceive the public about the weight and veracity of the 4 5 climate science consensus. In 1998, API convened a Global Climate Science Communications Team ("GCSCT") whose members representatives from Exxon, Chevron, and API. There were no 6 7 scientists on the "Global Climate Science Communications Team." Steve Milloy (a key player in the 8 tobacco industry's deception campaigns) and his organization, The Advancement of Sound Science 9 Coalition ("TASSC"), were also founding members of the GCSCT. TASSC was a fake grassroots citizen group created by the tobacco industry to sow uncertainty by discrediting the scientific link 10 between exposure to second-hand cigarette smoke and increased rates of cancer and heart disease. 11 Philip Morris launched TASSC on the advice of its public relations firm, which advised Philip Morris 12 13 that the tobacco company itself would not be a credible voice on the issue of smoking and public health. TASSC, through API and with the approval of Defendants, also became a front group for the 14 fossil fuel industry beyond its roll in GCSCT, using the same tactics it had honed while operating on 15 behalf of tobacco companies to spread doubt about climate science. Although TASSC posed as a 16 17 grassroots group of concerned citizens, it received significant funding from Defendants. For 18 example, between 2000 and 2004, Exxon donated \$50,000 to Milloy's Advancement of Sound 19 Science Center; and an additional \$60,000 to the Free Enterprise Education Institute and \$50,000 to the Free Enterprise Action Institute, both of which were registered to Milloy's home address.<sup>150</sup> The 20 GCSCT, including TASSC, represented a continuation of Defendants' concerted actions to sow 21 doubt and confusion about climate change in order to inflate consumer demand for fossil fuels. 22

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118. The GCSCT continued Defendants' efforts to expand the market for fossil fuels by convincing the public that the scientific basis for climate change was in doubt. The multi-million-dollar, multi-year plan, among other elements, sought to: (a) "[d]evelop and implement a national

 <sup>&</sup>lt;sup>150</sup> Union of Concerned Scientists, Smoke, Mirrors & Hot Air: How ExxonMobil Uses Big
 Tobacco's Tactics to Manufacture Uncertainty on Climate Science (July 16, 2007), https://www.ucsusa.org/resources/smoke-mirrors-hot-air.

media relations program to inform the media about uncertainties in climate science to generate 1 national, regional, and local media coverage on the scientific uncertainties"; (b) "[d]evelop a global 2 3 climate science information kit for media including peer-reviewed papers that undercut the 'conventional wisdom' on climate science"; (c) "[p]roduce . . . a steady stream of op-ed columns"; 4 5 and (d) "[d]evelop and implement a direct outreach program to inform and educate members of Congress . . . and school teachers/students about uncertainties in climate science"<sup>151</sup>—a blatant 6 7 attempt to deceive consumers and the public in order to ensure a continued and unimpeded market 8 for their fossil fuel products.

9 119. Exxon, Chevron, and API directed and contributed to the development of the plan, which plainly set forth the criteria by which the contributors would know when their efforts to 10 manufacture doubt had been successful. "Victory," they wrote, "will be achieved when . . . average 11 citizens 'understand' (recognize) uncertainties in climate science" and "recognition of uncertainties 12 becomes part of the 'conventional wisdom."<sup>152</sup> In other words, the plan was part of Defendants' 13 goal to use disinformation to plant doubt about the reality of climate change in an effort to inflate 14 consumer demand for their fossil fuel products and their large profits. 15

120. In furtherance of the strategies described in these memoranda, Defendants made 16 misleading statements to consumers about climate change, the relationship between climate change 17 18 and their fossil fuel products, and the urgency of the problem. Defendants made these statements in public fora and in advertisements published in newspapers and other media with substantial 19 circulation to San Francisco and California, including regional and national publications such as The 20 San Francisco Chronicle, The New York Times, The Wall Street Journal, and The Washington Post. 21

121. Another key strategy in Defendants' efforts to discredit scientific consensus on 22 23 climate change and the IPCC was to bankroll unqualified or unscrupulous scientists to advance fringe conclusions about climate change. These scientists obtained part or all of their research budget from 24

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<sup>&</sup>lt;sup>151</sup> Email from Joe Walker to Global Climate Science Team, *Draft Global Climate Science* Communications Plan (Apr. 3, 1998), https://assets.documentcloud.org/documents/784572/apiglobal-climate-science-communications-plan.pdf. 28 <sup>152</sup> *Ibid*.

Defendants directly or through Defendant-funded organizations like API.<sup>153</sup> During the early- to mid1990s, Exxon directed some of this funding to Dr. Fred Seitz, Dr. Fred Singer, and/or Seitz and
Singer's Science and Environmental Policy Project ("SEPP") in order to launch repeated attacks on
mainstream climate science and IPCC conclusions, even as Exxon scientists participated in the
IPCC.<sup>154</sup> Seitz and Singer were not climate scientists. Rather, they and SEPP had previously been
paid by the tobacco industry to create doubt in the public mind about the hazards of smoking.<sup>155</sup>

Industry-funded scientists frequently failed to disclose their fossil fuel industry 7 122. underwriters.<sup>156</sup> At least one, Dr. Wei-Hock Soon, contractually agreed to allow donors to review 8 9 his research before publication, and his housing institution agreed not to disclose the funding arrangement without prior permission from his fossil fuel donors.<sup>157</sup> Between 2001 and 2012, various 10 fossil fuel interests, including Exxon and API, paid Soon over \$1.2 million.<sup>158</sup> "Dr. Soon, in 11 correspondence with his corporate funders, described many of his scientific papers as 'deliverables' 12 that he completed in exchange for their money."<sup>159</sup> His Defendant-funded research includes articles 13 in scientific journals accusing the IPCC of overstating the negative environmental effects of carbon 14 dioxide emissions and arguing that the sun is responsible for recent climate trends. Soon was the lead 15 author of a 2003 article that argued that the climate had not changed significantly. The article was 16

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- 19 res.com/articles/cr2003/23/c023p089.pdf.
  - <sup>154</sup> Union of Concerned Scientists (2007), *supra* note 150.
  - <sup>155</sup> The Center for Media and Democracy, S. Fred Singer, Source Watch,
- http://www.sourcewatch.org/index.php/S.\_Fred\_Singer ; The Center for Media and Democracy, *Frederick Seitz*, http://www.sourcewatch.org/ index.php/Frederick\_Seitz.
   Smithsonian Statement: Dr. Wei-Hock (Willie) Soon, Smithsonian (Feb. 26, 2015).
- <sup>156</sup> E.g., Smithsonian Statement: Dr. Wei-Hock (Willie) Soon, Smithsonian (Feb. 26, 2015), https://web.archive.org/web/20181105223030/https://www.si.edu/newsdesk/releases/smithsonian-statement-dr-wei-hock-willie-soon.
- 24 <sup>157</sup> Union of Concerned Scientists, *Climate Deception Dossier #1: Dr. Wei-Hock Soon's Smithsonian Contracts*, (July 2015), https://www.ucsusa.org/sites/default/files/attach/2015/07/The-
- 25 Climate-Deception-Dossiers.pdf.
- [https://perma.cc/JL2V-XYGL] & https://s3.amazonaws.com/ucs-documents/global-
- 26 warming/Climate-Deception-Dossier-1\_Willie-Soon.pdf.
- <sup>158</sup> Justin Gillis & John Schwartz, Deeper Ties to Corporate Cash for Doubtful Climate
   Researcher, *New York Times* (Feb. 21, 2015), https://www.nytimes.com/2015/02/22/us/ties-to corporate-cash-for-climate-change-researcher-Wei-Hock-Soon.html?mcubz=1.
   <sup>159</sup> Ibid.

widely promoted by other denial groups funded by Exxon, including via "Tech Central Station," a 1 website supported by Exxon.<sup>160</sup> Soon published other bogus "research" in 2009, attributing global 2 warming to solar activity, for which Exxon paid him \$76,106.<sup>161</sup> This 2009 grant was made several 3 years after Exxon had publicly committed not to fund climate change deniers.<sup>162</sup> 4

5 123. Defendants intended for the papers of authors they funded to be distributed to and relied on by consumers when buying Defendants' products, including by consumers in San 6 7 Francisco.

8 124. Defendants have also funded dozens of think tanks, front groups, and dark money 9 foundations pushing climate change denial. These include the Competitive Enterprise Institute, the 10 Heartland Institute, Frontiers for Freedom, Committee for a Constructive Tomorrow, and Heritage Foundation. According to the Union of Concerned Scientists, from 1998 to 2017, Exxon spent over 11 \$36 million funding numerous organizations misrepresenting the scientific consensus<sup>163</sup> that fossil 12 13 fuel products were causing climate change, sea level rise, and injuries to San Francisco, among other communities. Several Defendants have been linked to other groups that undermine the scientific 14 basis linking fossil fuel products to climate change and sea level rise, including the Frontiers of 15 Freedom Institute and the George C. Marshall Institute. 16

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Philip Cooney, an attorney at API from 1996 to 2001, testified at a 2007 125. Congressional hearing that it was "typical" for API to fund think tanks and advocacy groups that 18 minimized fossil fuels' role in causing climate change.<sup>164</sup> 19

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<sup>160</sup> Union of Concerned Scientists (2007), *supra* note 150, at 13–14.

<sup>161</sup> Willie Soon FOIA Grants Chart, https://www.documentcloud.org/documents/682765-willie-22 soon-foia-grants-chart-02-08-2011.html. 23

<sup>162</sup> http://www.socialfunds.com/shared/reports/1211896380\_ExxonMobil\_2007\_ Corporate\_Citizenship\_Report.pdf.

24 <sup>163</sup> Union of Concerned Scientists, ExxonMobil Foundation & Corporate Giving to Climate Change Denier & Obstructionist Organizations (1998–2017), 25

### https://www.ucsusa.org/sites/default/files/attach/2019/ExxonMobil-Worldwide-Giving-1998-26 2017.pdf.

<sup>164</sup> Allegations of Political Interference with Government Climate Change Science: Hearing 27 Before the Comm. on Oversight and Government Reform, 110th Cong. 324 (Mar. 19, 2007) (statement of Philip A. Cooney), https://www.govinfo.gov/content/pkg/CHRG-28

110hhrg37415/html/CHRG-110hhrg37415.htm).

Creating a false perception of disagreement in the scientific community (despite the 1 126. consensus that its own scientists, experts, and managers had previously acknowledged) disrupted 2 3 vital channels of communication between scientists and the public. A 2007 Yale University-Gallup poll found that only 48% of Americans believed that there was a consensus among the scientific 4 5 community that global warming was happening, and 40% believed there was a lot of disagreement among scientists over whether global warming was occurring.<sup>165</sup> Eight years later, a 2015 Yale-6 7 George Mason University poll found that "[o]nly about one in ten Americans understands that nearly 8 all climate scientists (over 90%) are convinced that human-caused global warming is happening, and just half . . . believe a majority do."<sup>166</sup> Further, it found that 33% of Americans believe that climate 9 change is mostly due to natural causes, compared to the 97% of peer-reviewed papers that 10 acknowledge that global warming is real and at least partly human-caused.<sup>167</sup> The lack of progress, 11 and even regress, in the public understanding of climate science over this period—during which 12 13 Defendants professed to accept the conclusions of mainstream climate science-testifies to the success of Defendants' deception campaign in thwarting dissemination of accurate scientific 14 expertise to the public regarding the effects fossil fuel consumption. 15

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127. As a result of Defendants' tortious, false, and misleading conduct, consumers of Defendants' fossil fuel products in San Francisco and elsewhere, have been deliberately and 17 18 unnecessarily deceived about: the role of fossil fuel products in causing global warming, sea level 19 rise, disruptions to the hydrologic cycle, and increased extreme precipitation, heat waves, and other consequences of the climate crisis; the acceleration of global warming since the mid-twentieth 20 century and the continuation thereof; and the fact that the continued increase in fossil fuel 21 consumption creates severe environmental threats and significant economic costs for coastal 22 23 communities, including San Francisco. Consumers in San Francisco and elsewhere have also been

<sup>&</sup>lt;sup>165</sup> American Opinions on Global Warming: A Yale/Gallup/Clearvision Poll, Yale Program on 25 Climate Change Communication (July 31, 2007), http://climatecommunication.yale.edu/ publications/american-opinions-on-global-warming.

<sup>26</sup> <sup>166</sup> Leiserowitz et al., *Climate Change in the American Mind* (Yale Program on Climate Change Comm. & Geo. Mason U., Ctr. for Climate Change Comm eds., Oct. 2015), 27

https://climatecommunication.yale.edu/wp-content/uploads/2015/11/Climate-Change-American-28 Mind-October-20151.pdf. <sup>167</sup> *Id.* at 7.

deceived about the depth and breadth of the state of the scientific evidence on anthropogenic climate
 change and, in particular, about the strength of the scientific consensus demonstrating the role of
 fossil fuels in causing both climate change and a wide range of potentially destructive impacts,
 including sea level rise, disruptions to the hydrologic cycle, extreme precipitation, heat waves, and
 associated consequences.

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## D. In Contrast to Public Misrepresentations About the Risks of Climate Change, Defendants' Internal Actions Demonstrate Their Awareness of and Intent to Profit from Uses of Fossil Fuel Products They Knew Were Hazardous.

128. In contrast to their public-facing efforts challenging the validity of the scientific 8 9 consensus about anthropogenic climate change, Defendants' acts and omissions evidence their internal acknowledgement of the reality of climate change and its likely consequences. Those actions 10 include, but are not limited to, making multi-billion-dollar infrastructure investments for their own 11 operations that acknowledge the reality of coming anthropogenic climate change-related change. 12 13 Those investments included (among others): raising offshore oil platforms to protect against sea level rise; reinforcing offshore oil platforms to withstand increased wave strength and storm severity; 14 developing technology and infrastructure to extract, store, and transport fossil fuels in a warming 15 arctic environment; and developing and patenting designs for equipment intended to extract crude 16 oil and/or natural gas in areas previously unreachable because of the presence of polar ice sheets.<sup>168</sup> 17

18 129. For example, oil and gas reserves in the Arctic that were not previously reachable due
19 to sea ice are becoming increasingly reachable as sea ice thins and melts due to climate change.<sup>169</sup> In
20 1973, Exxon obtained a patent for a cargo ship capable of breaking through sea ice<sup>170</sup> and for an oil
21 tanker<sup>171</sup> designed specifically for use in previously unreachable areas of the Arctic.

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<sup>&</sup>lt;sup>168</sup> Amy Lieberman & Susanne Rust, *Big Oil braced for global warming while it fought regulations*, *L.A. Times* (Dec. 31, 2015), https://graphics.latimes.com/oil-operations.

 <sup>&</sup>lt;sup>169</sup> Henderson & Loe, The Prospects and Challenges for Arctic Oil Development, Oxford Institute for Energy Studies (Nov. 2014) p. 1, https://www.oxfordenergy.org/publications/theprospects-and-challenges-for-arctic-oildevelopment/.

<sup>&</sup>lt;sup>170</sup> ExxonMobil Research Engineering Co., *Patent US3727571A: Icebreaking cargo vessel* (granted Apr. 17, 1973), https://www.google.com/patents/US3727571.

<sup>&</sup>lt;sup>171</sup> ExxonMobil Research Engineering Co., *Patent US3745960A: Tanker vessel* (granted July 17, 1973), https://www.google.com/patents/US3745960.

In 1974, Chevron obtained a patent for a mobile arctic drilling platform designed to
 withstand significant interference from lateral ice masses,<sup>172</sup> allowing for drilling in areas with
 increased ice floe movement due to elevated temperature.

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131. That same year, Texaco (Chevron) worked toward obtaining a patent for a method and apparatus for reducing ice forces on a marine structure prone to being frozen in ice through natural weather conditions,<sup>173</sup> allowing for drilling in previously unreachable Arctic areas that would become seasonally accessible.

8 132. In 1984, Shell obtained a patent for an Arctic offshore platform adapted for
9 conducting operations in the Beaufort Sea, an area that previously was largely unreachable because
10 of ice but has become increasingly accessible as polar ice has melted.<sup>174</sup>

133. As described below, in 1989, Norske Shell, Royal Dutch Shell's Norwegian
subsidiary, altered designs for a natural gas platform planned for construction in the North Sea to
account for anticipated sea level rise. Those design changes were ultimately carried out by Shell's
contractors, adding substantial costs to the project.<sup>175</sup>

i. The Troll natural gas and oil field, off the Norwegian coast in the North Sea,
was proven to contain large natural oil and gas deposits in 1979, shortly after Norske Shell was
approved by Norwegian oil and gas regulators to operate a portion of the field.

ii. In 1986, the Norwegian parliament granted Norske Shell authority to complete
the first development phase of the Troll field gas deposits, and Norske Shell began designing the
"Troll A" gas platform, with the intent to begin operation of the platform in approximately 1995.
Based on the very large size of the gas deposits in the Troll field, the Troll A platform was projected
to operate for approximately 70 years.

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- <sup>172</sup> Chevron Research & Technology Co., *Patent US3831385A: Arctic offshore platform* (granted Aug. 27, 1974), https://www.google.com/patents/US3831385.
- <sup>173</sup> Texaco Inc., *Patent US3793840A: Mobile, arctic drilling and production platform* (granted Feb. 26, 1974), https://www.google.com/patents/US3793840.
- <sup>174</sup> Shell Oil Co., *Patent US4427320A: Arctic offshore platform* (granted Jan. 24, 1984),
   https://www.google.com/patents/US4427320.

<sup>175</sup> Greenhouse Effect: Shell Anticipates a Sea Change, N.Y. Times (Dec. 20, 1989),

28 http://www.nytimes.com/1989/12/20/business/greenhouse-effect-shell-anticipates-a-seachange.html.

- iii. The platform was originally designed to stand approximately 100 feet above 1 sea level-the amount necessary to stay above waves in a once-in-a-century strength storm. 2
- 3 iv. In 1989, Shell engineers revised their plans to increase the above-water height of the platform by 3 to 6 feet, specifically to account for higher anticipated average sea levels and 4 increased storm intensity due to global warming over the platform's 70-year operational life.<sup>176</sup> 5
- v. Shell projected that the additional 3 to 6 feet of above-water construction 6 7 would increase the cost of the Troll A platform by as much as \$40 million.

In 1989, Esso Resources Canada (Exxon) commissioned a report on the impacts of 8 134. 9 climate change on existing and proposed natural gas facilities in the Mackenzie River Valley and Delta, including extraction facilities on the Beaufort Sea and a pipeline crossing Canada's Northwest 10 Territory.<sup>177</sup> It reported that "large zones of the Mackenzie Valley could be affected dramatically by 11 climatic change" and that "the greatest concern in Norman Wells [oil town in North West Territories, 12 13 Canada] should be the changes in permafrost that are likely to occur under conditions of climate warming."<sup>178</sup> The report concluded that, in light of climate models showing a "general tendency 14 towards warmer and wetter climate," operation of those facilities would be compromised by 15 increased precipitation, increase in air temperature, changes in permafrost conditions, and, 16 significantly, sea level rise and erosion damage.<sup>179</sup> The authors recommended factoring those 17 eventualities into future development planning and also warned that "a rise in sea level could cause 18 increased flooding and erosion damage on Richards Island." 19

135. In the mid-1990s, Exxon, Shell, and Imperial Oil (Exxon) jointly undertook the Sable 20 Offshore Energy Project in Nova Scotia. The project's own Environmental Impact Statement 21 declared, "The impact of a global warming sea level rise may be particularly significant in Nova 22 23 Scotia. The long-term tide gauge records at a number of locations along the N.S. coast have shown

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<sup>176</sup> *Ibid.*; Lieberman & Rust, *supra* note 168.

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- <sup>179</sup> *Id.* at 360, 377–78.

<sup>&</sup>lt;sup>177</sup> See Stephen Lonergan & Kathy Young, An Assessment of the Effects of Climate Warming 26 on Energy Developments in the Mackenzie River Valley and Delta, Canadian Arctic, 7 Energy 27 Exploration & Exploitation 359-81 (1989). <sup>178</sup> *Id.* at 369, 376.

sea level has been rising over the past century. . . . For the design of coastal and offshore structures,
 an estimated rise in water level, due to global warming, of 0.5 m [1.64 feet] may be assumed for the
 proposed project life (25 years)."<sup>180</sup>

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## E. Defendants Slowed the Development of Alternative Energy Sources and Knowingly Exacerbated the Costs of Adapting to and Mitigating the Adverse Impacts of the Climate Crisis.

6 136. As greenhouse gas pollution accumulates in the atmosphere, some of which does not
7 dissipate for potentially thousands of years (namely CO<sub>2</sub>), climate changes and consequent adverse
8 environmental changes compound, and their frequencies and magnitudes increase. As those adverse
9 environmental changes compound and their frequencies and magnitudes increase, so too do the
10 physical, environmental, economic, and social injuries that result from them.

11 137. By sowing doubt about the future consequences of unrestricted fossil fuel 12 consumption, Defendants' deception campaign successfully delayed the transition to alternative 13 energy sources, which Defendants forecasted could penetrate half of a competitive energy market in 14 50 years if allowed to develop unimpeded. This delay caused emission of huge amounts of avoidable 15 greenhouse gases, and has increased the magnitude and cost to address environmental harms, 16 including in San Francisco, that have already occurred or are locked in by previous emissions.

17 138. Knowledge of full extent of the risks associated with the routine use of fossil fuel
18 products is material to consumers' decisions to purchase and use those products. Had consumer
19 demand to transition away from fossil fuels—and the market for affordable, reliable sources of clean
20 energy—developed earlier, the subsequent impacts of climate change could have been avoided or
21 mitigated.

139. As with cigarettes, history demonstrates that when consumers are made aware of the extent of the harmful effects or qualities of the products they purchase, they often choose to stop purchasing them, to reduce their purchases, or to make different purchasing decisions. This phenomenon holds especially true when products have been shown to harm public health or the environment. For example, increased consumer awareness of the role of pesticides in harming human

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<sup>&</sup>lt;sup>180</sup> ExxonMobil, Sable Project Development Plan, vol. 3, Environmental Impact Statement (Feb. 1996), at 4–77.

health, worker health, and the environment has spurred a growing market for food grown organically
 and without the use of pesticides. With access to information about how their food is grown,
 consumers have demanded healthier choices, and the market has responded.

140. A consumer who received accurate information that fossil fuel use was a primary 4 5 driver of drastic climate change, and about the extent of the resultant dangers to the environment and to public health, likely would have decreased their use of fossil fuel products and/or demanded lower-6 7 carbon transportation options. Indeed, recent studies and surveys have found that consumers with substantial awareness of climate change are largely willing "to change their consumption habits . . . 8 to help reduce the impacts of climate change."<sup>181</sup> If consumers were aware of what Defendants knew 9 about climate change when Defendants knew it, consumers might have opted to avoid or minimize 10 airplane travel; avoid or combine car travel trips; carpool; switch to more fuel-efficient vehicles, 11 hybrid vehicles, or electric vehicles; demand more charging infrastructure for electric vehicles; use 12 13 a car-sharing service; seek transportation alternatives all or some of the time, if and when available (e.g., public transportation, biking, or walking); electrify houses and office buildings, or adopt any 14 combination of these choices. In addition, informed consumers often attempt to contribute toward 15 solving environmental problems by supporting companies that they perceive to be developing 16 "green" or more environmentally friendly products.<sup>182</sup> 17

18 141. Defendants have been aware for decades that clean energy presents a feasible
19 alternative to fossil fuels. In 1980, Exxon forecasted that non-fossil fuel energy sources, if pursued,

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<sup>182</sup> See, e.g., Leiserwitz et al., Program on Climate Change Communication, Yale University, and Center for Climate Change Communication, George Mason University, Consumer Activism on Global Warming, September 2021 (2021), https://climatecommunication.yale.edu/wp-

content/uploads/2021/12/consumer-activism-onglobal-warming-september-2021.pdf. About a third of American consumers surveyed report "reward[ing] companies that are taking steps to reduce
global warming by buying their products" and "punish[ing] companies that are opposing steps to reduce global warming by not buying their products," *id.* at 3.

<sup>&</sup>lt;sup>181</sup> The Conference Board, Changes in Consumers' Habits Related to Climate Change May Require New Marketing and Business Models (Oct. 26, 2022), https://www.conferenceboard.org/topics/consumers-attitudes-sustainability/changes-in- consumer-habits-related-toclimate-change.

could penetrate half of a competitive energy market in approximately 50 years.<sup>183</sup> This internal 1 estimate was based on extensive modeling within the academic community, including research 2 3 conducted by the Massachusetts Institute of Technology's David Rose, which concluded that a transition to non-fossil energy could be achieved in around 50 years. Exxon circulated an internal 4 memo approving of Rose's conclusions, stating they were "based on reasonable assumptions."<sup>184</sup> But 5 instead of warning consumers about the dangers of burning fossil fuels, Defendants chose to deceive 6 7 consumers to preserve Defendants' profits and assets. As a result, much time has been lost during 8 which consumers and market forces would have spurred a societal transition away from fossil fuels, 9 which would have reduced or eliminated entirely the harmful effects of climate change in San 10 Francisco.

11 142. By casting doubt upon the scientific consensus on climate change, Defendants 12 deceived consumers about the relationship between consumption of fossil fuels and climate change, 13 and the magnitude of the threat posed by fossil fuel use. Consumers equipped with complete and 14 accurate knowledge about the climate and the public health effects of continued consumption of 15 fossil fuels would have likely formed a receptive customer base for clean energy alternatives decades 16 before such demand in fact developed. Instead, Defendants' campaign of deception allowed them to 17 exploit public uncertainty to reap substantial profits.

18 143. The delayed emergence of a scalable market for non-fossil fuel energy is attributable
19 to consumers' ignorance of the reality and severity of the climatic consequences associated with
20 normal use of fossil fuels caused by Defendants' deception. The societal transition to a low-carbon
21 economy would have been far cheaper had Defendants issued reasonable warnings about the dangers
22 of runaway consumption of fossil fuels of which they were aware.

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 <sup>&</sup>lt;sup>183</sup> Shaw & McCall, Exxon Research and Engineering Company's Technological Forecast:
 CO2 Greenhouse Effect (Dec. 18, 1980) at 5, https://www.climatefiles.com/exxonmobil/1980 exxon-memo-on-the-co2-greenhouse-effect-andcurrent-programs-studying-the-issue/.

<sup>27 &</sup>lt;sup>184</sup> Exxon Research and Engineering Company, Coordination and Planning Division, CO<sub>2</sub> Greenhouse Effect: A Technical Review (Apr. 1, 1982) at 17–18,

<sup>28</sup> https://www.climatefiles.com/exxonmobil/1982-memo-to-exxon-management-about-co2greenhouse-effect/.

Despite Defendants' knowledge of the foreseeable, measurable, and significant harms 1 144. associated with the unrestrained consumption and use of their fossil fuel products, and despite 2 Defendants' knowledge of technologies and practices that could have helped to reduce the 3 foreseeable dangers associated with their fossil fuel products, Defendants continued to misleadingly 4 5 and wrongfully market and promote heavy fossil fuel use and mounted a campaign to obscure the connection between their fossil fuel products and the climate crisis, dramatically increasing the cost 6 7 of abatement. This campaign was intended to and did reach and influence consumers and the public, 8 including in San Francisco and California.

9 145. At all relevant times, Defendants were deeply familiar with opportunities to reduce
10 the use of their fossil fuel products and associated global greenhouse emissions, mitigate the harms
11 associated with the use and consumption of their products, and promote development of alternative,
12 clean energy sources. Examples of that recognition include, but are not limited to, the following:

i. In 1961, Phillips Petroleum Company filed a patent application for a method
 to purify gas, among other things, because "natural gas containing gasoline hydrocarbons can contain
 undesirable amounts of sulfur and other compounds such as carbon dioxide which are undesirable in
 the finished gasoline product."<sup>185</sup>

ii. In 1963, Esso (Exxon) obtained multiple patents on technologies for fuel
cells,<sup>186</sup> including on the design of a fuel cell and necessary electrodes,<sup>187</sup> and on a process for
increasing the oxidation of a fuel, specifically methanol, to produce electricity in a fuel cell.<sup>188</sup>

20 iii. In 1970, Esso (Exxon) obtained a patent for a "low-polluting engine and drive
21 system" that used an interburner and air compressor to reduce pollutant emissions, including CO<sub>2</sub>
22 emissions, from gasoline combustion engines (the system also increased the efficiency of the fossil

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<sup>186</sup> Fuel cells use the chemical energy of hydrogen or other fuels to produce electricity. *See* U.S.
 Dep't of Energy, *Fuel Cells*, https://www.energy.gov/eere/fuelcells/fuel-cells.

<sup>187</sup> ExxonMobil Research Engineering Co., *Patent US3116169A: Fuel cell and fuel cell electrodes* (granted Dec. 31, 1963), https://www.google.com/patents/US3116169.

*electrodes* (granted Dec. 31, 1963), https://www.google.com/patents/US3116169.
 <sup>188</sup> ExxonMobil Research Engineering Co., *Patent US3113049A: Direct production of electrical energy from liquid fuels* (granted Dec. 3, 1963), https://www.google.com/patents/US3113049.

<sup>&</sup>lt;sup>185</sup> Phillips Petroleum Co., *Patent US3228874A: Method for recovering a purified component from a gas* (filed Aug. 22, 1961), https://patents.google.com/patent/US3228874.

fuel products used in such engines, thereby lowering the amount of fossil fuel product necessary to
 operate engines equipped with this technology).<sup>189</sup>

iv. In 1980, Imperial Oil wrote in its "Review of Environmental Protection
Activities for 1978–79": "There is no doubt that increases in fossil fuel usage and decreases in forest
cover are aggravating the potential problem of increased CO<sub>2</sub> in the atmosphere. Technology exists
to remove CO<sub>2</sub> from stack gases but removal of only 50% of the CO<sub>2</sub> would double the cost of power
generation."<sup>190</sup>

A 1987 company briefing Shell produced on "Synthetic Fuels and Renewable 8 v. Energy" noted that while "immediate prospects" were "limited," "nevertheless it is by pursuing 9 10 commercial opportunities now and in the near future that the valuable experience needed for further development will be gained." The brief also noted that "the task of replacing oil resources is likely 11 to become increasingly difficult and expensive and there will be a growing need to develop lean, 12 13 convenient alternatives. Initially these will supplement and eventually replace valuable oil products. Many potential energy options are as yet unknown or at very early stages of research and 14 development. New energy sources take decades to make a major global contribution. Sustained 15 commitment is therefore needed during the remainder of this century to ensure that new technologies 16 and those currently at a relatively early stage of development are available to meet energy needs in 17 the next century."<sup>191</sup> 18

vi. A 1989 article in a publication from Exxon Corporate Research for company
use only stated: "CO<sub>2</sub> emissions contribute about half the forcing leading to a potential enhancement
of the Greenhouse Effect. Since energy generation from fossil fuels dominates modern CO<sub>2</sub>
emissions, strategies to limit CO<sub>2</sub> growth focus near term on energy efficiency and long term on
developing alternative energy sources. Practiced at a level to significantly reduce the growth of

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<sup>26</sup> Imperial Oil Ltd., *Review of Environmental Protection Activities for 1978–1979* 2 (Aug. 6,

- 27 1980), http://www.documentcloud.org/documents/2827784-1980-Imperial-Oil-Review-of-Environmental.html#document/p2.
   28 <sup>191</sup> Synthetic Fuels and Renewable Energy Shell Service Briefing, no. 2, 1987
  - <sup>191</sup> Synthetic Fuels and Renewable Energy, Shell Service Briefing, no. 2, 1987, https://assets.documentcloud.org/documents/4411089/Document2.pdf.

<sup>&</sup>lt;sup>189</sup> ExxonMobil Research Engineering Co., *Patent US3513929A: Low-polluting engine and drive system* (granted May 26, 1970), https://www.google.com/patents/US3513929.

greenhouse gases, these actions would have substantial impact on society and our industry—near term from reduced demand for current products, long term from transition to entirely new energy
 systems."<sup>192</sup>

4 146. Defendants could have taken practical, cost-effective steps to mitigate the risks posed
5 by fossil fuel products. Those alternatives could have included, among other measures:

i. Acknowledging scientific evidence on anthropogenic climate change and the
damages it will cause people, communities, and the environment. Acceptance of that evidence along
with associated warnings and actions would have progressed the agenda from determining *whether*to combat climate change and sea level rise to deciding *how* to combat it; avoided much of the public
confusion that has ensued over more than 30 years, since at least 1988; and contributed to an earlier
and quicker transition to energy sources compatible with minimizing catastrophic climatic
consequences.

ii. Forthrightly communicating with Defendants' shareholders, consumers,
banks, insurers, the public, and the City and warning them about the global warming hazards of
Defendants' fossil fuel products that were known to Defendants, which would have enabled those
groups to make material, informed decisions about whether and how to address climate change and
sea level rise vis-à-vis Defendants' products—including whether and how much to invest in
alternative clean energy sources compared to fossil fuels;

iii. Refraining from affirmative efforts, whether directly, through coalitions, or
through front groups, to distort consumer awareness of the climatic dangers of fossil fuels, and to
cause many consumers and business leaders to think the relevant science was far less certain that it
actually was; and

iv. Sharing their internal scientific research with consumers and the public, and
with other scientists and business leaders, to increase public understanding of the scientific
underpinnings of climate change and its relation to Defendants' fossil fuel products.

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 <sup>&</sup>lt;sup>192</sup> Brian Flannery, *Greenhouse Science, Connections: Corporate Research, Exxon Research and Engineering Company* (Fall 1989), http://www.climatefiles.com/exxonmobil/1989-exxonmobil-article-technologys-place-marketing-mix.

# F. Defendants' Deceit Only Recently Came to Light, and Their Misconduct Is Ongoing.

147. Beginning in 2015, journalists began to uncover mounting evidence of Defendants' campaign of deception. In September 2015, journalists at *Inside Climate News* reported that Exxon had sophisticated knowledge of the causes and consequences of climate change and the role its products played in causing climate change as far back as the 1970s.<sup>193</sup> These journalists uncovered Exxon's superior knowledge through an exhaustive investigation of thousands of archived documents and through interviews with former Exxon employees.

148. Between October and December 2015, several journalists at the Energy and Environment Reporting Project at Columbia University's Graduate School of Journalism and *The Los Angeles Times* also exposed the fact that Exxon and other members of the fossil fuel industry had superior knowledge of the causes and consequences of climate change and the role their products played in causing climate change as far back as the 1970s.<sup>194</sup>

149. In November 2017, the Center for International Environmental Law issued a report revealing that Defendants had superior knowledge of the causes and consequences of climate change and the role fossil fuel products played in causing climate change since the 1970s.<sup>195</sup>

150. In September 2023, the *Wall Street Journal* reported that Exxon worked "behind closed doors" to sow public doubt about climate change. The article was based on "documents reviewed by the Journal, which haven't been previously reported."<sup>196</sup>

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<sup>&</sup>lt;sup>193</sup> Neela Banerjee et al., *Exxon: The Road Not Taken*, InsideClimate News (Sept. 16, 2015), https://insideclimatenews.org/content/Exxon-The-Road-Not-Taken.

 <sup>&</sup>lt;sup>194</sup> The Los Angeles Times published a series of three articles between October and December
 2015. See Katie Jennings et al., How Exxon went from leader to skeptic on climate change
 *research, L.A. Times* (Oct. 23, 2015), https://graphics.latimes.com/exxon-research; Sara Jerving et

<sup>24</sup> al., What Exxon knew about the Earth's melting Arctic, L.A. Times (Oct. 9, 2015),

https://www.latimes.com/nation/la-na-what-exxon-knew-20151009-story.html; Lieberman & Rust, *supra* note 168.

 <sup>&</sup>lt;sup>195</sup> Caroll Muffett & Steven Feit, Smoke and Fumes: The Legal and Evidentiary Basis for
 <sup>26</sup> Holding Big Oil Accountable for the Climate Crisis, Ctr. for Int'l Envtl. Law 10 (2017),

<sup>27</sup> https://www.ciel.org/reports/smoke-and-fumes.

 <sup>&</sup>lt;sup>27</sup> <sup>196</sup> Christopher M. Matthews & Collin Eaton, *Inside Exxon's Strategy to Downplay Climate Change*, THE WALL STREET J. (Sept. 14, 2023, 5:30 AM ET), https://www.wsj.com/business/energy-oil/exxon-climate-change-documents-e2e9e6af.

- 1 151. The fact that Defendants and their proxies knowingly provided incomplete and
   2 misleading information to the public, including San Francisco consumers, only recently became
   3 discoverable due to, among other things:
- 4 i. Defendants' above-described deception campaign, which continues to this
  5 day;
- 6 ii. Defendants' concealment and misrepresentations regarding the fact that their
  7 products cause catastrophic harms; and

8 iii. the fact that Defendants used front groups such as API, GCC, and ICE to
9 obscure their involvement in these actions, which put Plaintiffs off the trail of inquiry.

10 152. Moreover, Defendants' tortious misconduct—in the form of misrepresentations,
11 omissions, and deceit—began decades ago and continues to this day. Now, rather than engaging in
12 outright denials of the existence of climate change, Defendants deflect attention from their role in
13 causing climate change by falsely portraying fossil fuel products as environmentally friendly,
14 climate-friendly, or otherwise less environmentally damaging than those products really are.

153. Defendants have continued to mislead the public about the impact of fossil fuel 15 products on climate change through "greenwashing." Through recent advertising campaigns and 16 17 public statements in California and/or intended to reach California, including but not limited to online 18 advertisements and social media posts, Defendants falsely and misleadingly portray these products 19 as "green," and Defendants portray themselves as climate-friendly energy companies that are deeply engaged in finding solutions to climate change. In reality, Defendants continue to primarily, and 20 21 overwhelmingly, invest in, develop, promote, and profit from fossil fuel products and heavily market those products to consumers, with full knowledge that those products will continue to exacerbate 22 climate change harms. 23

154. Defendants' greenwashing exploits consumers' concerns about climate change and
their desire to purchase "green" products and spend their consumer dollars on products and
businesses that are taking substantial and effective measures to combat climate change. Defendants'
false advertisements are likely to mislead the public, including San Francisco consumers, by giving
the impression that in purchasing Defendants' fossil fuel products, consumers are supporting

genuine, substantial, and effective measures to mitigate climate change through these companies'
 alleged investments in clean energy. Defendants' greenwashing ultimately attempts to persuade
 consumers to continue purchasing Defendants' products, including fossil fuel products.

- 155. As described above, Defendants, directly and/or through membership in other organizations, continue to misrepresent their own activities, the fact that their products cause climate change, and the danger presented by climate change. Exemplars of Defendants' continuing misrepresentations, omissions, and deceit follow below.
- 8 156. As recently as June 2018, a post on the official Shell blog stated: "the potential extent
  9 of change in the climate itself could now be limited. In other words, the prospect of runaway climate
  10 change might have passed."<sup>197</sup> However, this statement is not supported by valid scientific research,
  11 and was and is contradicted by various studies.<sup>198</sup>
- 12 157. In March 2018, Chevron issued a report entitled "Climate Change Resilience: A
  Framework for Decision Making," which misleadingly stated that "[t]he IPCC Fifth Assessment
  Report concludes that there is warming of the climate system and that warming is due in part to
  human activity."<sup>199</sup> In reality, the Fifth Assessment report concluded that "[i]t is *extremely likely*Idefined as 95–100% probability] that human influence has been the *dominant cause* of the observed
  warming since the mid-20th century."<sup>200</sup>
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158. Despite this fact, in April 2017, Chevron CEO and Chairman of the Board John Watson said on a podcast, "There's no question there's been some warming; you can look at the

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- 27 <sup>199</sup> Chevron, *Climate Change Resilience: A Framework for Decision Making* 20 (Mar. 2018), https://www.chevron.com/-/media/shared-media/documents/climate-change-resilience.pdf.
- 28 <sup>200</sup> IPCC, Summary for Policymakers: Working Group I Contribution to the Fifth Assessment Report 17 (2013), https://www.ipcc.ch/site/assets/uploads/2018/02/WG1AR5\_SPM\_FINAL.pdf.

<sup>&</sup>lt;sup>197</sup> David Hone, *Has Climate Change Run Its Course??*, *Shell Climate Change Blog* (June 14, 2018), https://blogs.shell.com/2018/06/14/has-climate-change-run-its-course.

 <sup>&</sup>lt;sup>198</sup> See, e.g., Fiona Harvey, Carbon Emissions from Warming Soils Could Trigger Disastrous
 Feedback Loop, The Guardian (Oct. 5, 2017), https://www.theguardian.com/environment/2017/
 oct/05/carbon-emissions-warming-soils-higher-than-estimated-signalling-tipping-points; Jonathan
 Watts, Domino-Effect of Climate Events Could Move Earth into a 'Hothouse' State, The Guardian
 (Aug. 7, 2018), https://www.theguardian.com/environment/2018/aug/06/domino-effect-of-climate climate Crisis, Scientists Fear, The Guardian (Oct. 9, 2018),
 https://www.theguardian.com/environment/2018/oct/09/tipping-points-could-exacerbate-climate-

<sup>26</sup> https://www.tneguardian.com/environment/2018/oct/09/tipping-points-could-exacerbate-climate crisis-scientists-fear.

temperatures data and see that. The question and debate is around how much, and how much is
 caused by humans."<sup>201</sup>

Similarly, ConocoPhillips' "Climate Change Position" as it appeared on the company's website through 2020 stated that human activity is "contributing to" climate change and emphasizes "uncertainties," even though the science is clear: "ConocoPhillips recognizes that human activity, including the burning of fossil fuels, is contributing to increased concentrations of greenhouse gases in the atmosphere that can lead to adverse changes in global climate. . . . While uncertainties remain, we continue to manage greenhouse gas emissions in our operations and to integrate climate change related activities and goals into our business planning."<sup>202</sup>

On May 27, 2015, at Exxon's annual shareholder meeting, then-CEO Rex Tillerson 10 160. misleadingly downplayed global warming's risks by stating that climate models used to predict 11 future impacts were unreliable: "What if everything we do it turns out our models are lousy, and we 12 13 don't get the effects we predict? Mankind has this enormous capacity to deal with adversity, and those solutions will present themselves as those challenges become clear."<sup>203</sup> But as noted above, in 14 1982 Exxon's scientific staff stated, based upon the climate models, that there was a "clear scientific 15 consensus" with respect to the level of projected future global warming and starting shortly thereafter 16 17 Exxon relied upon the projections of climate models, including its own climate models, in order to 18 protect its own business assets. Tillerson's statement reached consumers because it was reported in the press, including in California,<sup>204</sup> as is common when fossil fuel company CEOs make statements 19 regarding climate change and as Exxon had reason to know would occur. 20

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<sup>201</sup> Columbia Energy Exchange Podcast, John Watson, CEO, Chevron (Apr. 10, 2017), https://www.energypolicy.columbia.edu/us-energy-markets-policy.

<sup>202</sup> ConocoPhillips, *Climate Change Position* (Oct. 28, 2020),

- https://web.archive.org/web/20201028115814/https://www.conocophillips.com/sustainability/integ
   rating-sustainability/sustainable-development-governance/policies-positions/climate-change-position/.
- 25 <sup>203</sup> Dallas Morning News, *Exxon CEO: Let's Wait for Science to Improve Before Solving Problem of Climate Change* (May 27, 2015),
- <sup>26</sup> https://www.dallasnews.com/business/energy/2015/05/28/

27 exxon-ceo-let-s-wait-for-science-to-improve-before-solving-problem-of-climate-change.

<sup>27</sup> 2<sup>04</sup> See, e.g., David Koenig, Exxon shareholders to vote on climate change, fracking, San Diego
 Union-Tribune, May 27, 2015, http://www.sandiegouniontribune.com/news/2015/may/27/exxon-shareholders-to-vote-on-climate-change/

1 161. Until approximately early 2017, Exxon's website continued to emphasize the
 "uncertainty" of global warming science and impacts: "current scientific understanding provides
 3 limited guidance on the likelihood, magnitude, or time frame" of events like temperature extremes
 4 and sea level rise.<sup>205</sup> Exxon's insistence on crystal-ball certainty was clear misdirection, since Exxon
 5 knew that the fundamentals of climate science were well settled and showed global warming to
 6 present a clear and present danger.<sup>206</sup>

7 162. Until approximately early 2016, API's website referred to global warming as
8 "possible man-made warming" and claimed that the human contribution is "uncertain." API
9 removed this statement from its web site in 2016 when journalistic investigations called attention to
10 API's misleading statements on global warming and its participation in the climate change Task
11 Force during the late 1970s and early 1980s.

12 163. Defendants bombard the public and consumers with the following advertisements,
13 although these are a mere sliver of Defendants' extensive campaigns. Defendants' advertisements,
14 directed at consumers, follow Defendants' substantial early knowledge of global warming's severe
15 risks and impacts, and follow a decades-long campaign of misleading statements on global warming
16 that primed the pump for massive use of their fossil fuel products.

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i. Exxon's "Lights Across America" website advertisement states that natural gas is "helping dramatically reduce America's emissions"<sup>207</sup> even though natural gas is a fossil fuel causing widespread planetary warming and harm to coastal cities like San Francisco and the use of natural gas competes with wind and solar, which have no greenhouse gas emissions.

ii. In 2017, Shell's CEO promoted massive fossil fuel use by stating that the
fossil fuel industry could play a "crucial role" in lifting people out of poverty.<sup>208</sup> A Shell website

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<sup>205</sup> Formerly found at http://corporate.exxonmobil.com/en/current-issues/climate-policy/meeting-global-needs/managing-climate-change-business-risks.

<sup>206</sup> See IPCC, Climate Change 2014, Impacts, Adaptation, and Vulnerability, Summary for
 Policymakers, http://www.ipcc.ch/pdf/assessment-report/ar5/wg2/ar5\_wgII\_spm\_en.pdf.

27 <sup>207</sup> https://www.youtube.com/watch?v=tMu1CBjXfq4&list=PLIrXlHj7zayYGaExfTp\_ B4t6gqTtkGf9A&index=6 (at 0:46).

28 <sup>208</sup> Shell CEO speech, Mar. 9, 2017, http://www.shell.com/media/speeches-and-articles/2017/deliver-today-prepare-for-tomorrow.html.

promotion states: "We are helping to meet the world's growing energy demand while limiting
 CO<sub>2</sub> emissions, by delivering more cleaner-burning natural gas."<sup>209</sup>

BP touts natural gas on its website as "a vital lower carbon energy source" and iii. 3 as playing a "crucial role" in a transition to a lower carbon future.<sup>210</sup> BP promotes continued massive 4 fossil fuel use as enabling two billion people to be lifted out of poverty.<sup>211</sup> 5 iv. Chevron's website implores the public that "we produce safe, reliable energy 6 products for people around the world."<sup>212</sup> Chevron also promotes massive use of fossil fuels as the 7 key to lifting people out of poverty: "Reliable and affordable energy is necessary for improving 8 9 standards of living, expanding the middle class and lifting people out of poverty. Oil and natural gas will continue to fulfill a significant portion of global energy demand for decades to come – even in 10 a carbon-constrained scenario."<sup>213</sup> A prior Chevron advertisement still available on the web promotes 11 Chevron fossil fuels on a massive scale by stating that "our lives demand oil."<sup>214</sup> 12 ConocoPhillips promotes its fossil fuel products by stating that it "responsibly 13 v. suppl[ies] the energy that powers modern life."<sup>215</sup> Similarly, ConocoPhillips has the following 14 advertising slogan on its website: "Providing energy to improve quality of life."<sup>216</sup> 15 16 17 18 19 <sup>209</sup> Shell United States, Transforming Natural Gas, http://www.shell.us/energy-and-20 innovation/transforming-natural-gas.html. <sup>210</sup> https://www.bp.com/content/dam/bp/en/corporate/pdf/sustainability-report/group-21 reports/bp-sustainability-report-2016.pdf; http://www.bp.com/energytransition/shifting-towards-22 gas.html. <sup>211</sup> BP energy outlook, http://www.bp.com/en/global/corporate/energy-economics/energy-23

24 outlook.html.

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<sup>212</sup> Chevron, Products and Services, https://www.chevron.com/operations/products-services.

<sup>213</sup> Chevron, managing climate change risks, https://www.chevron.com/corporate-responsibility/climate-change/managing-climate-risk.

<sup>214</sup> Chevron TV ad (2009), https://www.youtube.com/watch?v=-KyjTGMVTkA.

27 <sup>215</sup> ConocoPhillips, the changing energy landscape, http://www.conocophillips.com/who-weare/our-company/spirit-values/responsibility/Pages/the-changing-energy-landscape.aspx.

28 <sup>216</sup> ConocoPhillips, Producing energy, http://www.conocophillips.com/what-we-do/producingenergy/Pages/default.aspx. 

## G. San Francisco Has Suffered, Is Suffering, and Will Suffer Injuries from Defendants' Tortious Conduct.

164. Defendants' individual and collective conduct—including, but not limited to their failures to warn of the threats their fossil fuel products posed to the world's climate; their wrongful promotion of fossil fuel products and their concealment of known hazards associated with the use of those products; and their public deception campaigns designed to obscure the connection between their products and climate change and its environmental, physical, social, and economic consequences—brought about or helped bring about climate change and consequent harms to Plaintiffs. Such harms include sea level rise and attendant coastal erosion and flooding; increased frequency and intensity of extreme precipitation events; increased frequency and intensity of heat events; reduced air quality; and the cascading social, economic, health, and other consequences of these environmental changes. These adverse impacts will continue to increase in frequency and severity in San Francisco.

165. These harms affect and will continue to disproportionately affect San Francisco's environmental justice communities. Sea level rise, extreme precipitation, extreme heat, and poor air quality affect San Franciscans differently, depending on where in San Francisco they live and work and other social, economic, and environmental factors. The lowest-lying areas of San Francisco are most at risk from sea level rise, flood inundation, and storm surges. Areas of San Francisco with density of impervious surfaces and lacking in tree and green infrastructure are most prone to the urban heat island effect. San Franciscans who are unhoused or reside in older, less resilient buildings and homes are and will continue to be disproportionately impacted by exposure to extreme heat and air pollution.<sup>217</sup> Plaintiffs have incurred and will continue to incur costs to respond to public health and safety impacts of climate change.

166. Plaintiffs have suffered and will continue to suffer severe climate change harms, as a result of Defendants' deceptive promotion of fossil fuel consumption as described in this Complaint.These include, but are not limited to, injury or destruction of City-owned or -operated facilities and

<sup>217</sup> SF.gov, *Climate Health and Equity* (May 17, 2023), https://www.sf.gov/reports/may-2023/climate-health-and-equity.

property, as well as other assets that are essential to community health, safety, and well-being; 1 increased planning and implementation costs for confronting sea level rise, coastal and inland storms 2 3 and associated flooding, erosion, landslides, extreme precipitation and extreme heat events, and poor air quality; increased costs for emergency preparedness and response measures; and increased costs 4 5 for public education and awareness and for community adaptation and resilience efforts.

167. As a result of Defendants' wrongful conduct, Plaintiffs have expended and will 6 7 continue to expend resources to abate the existing and projected adverse effects of global warming 8 on Plaintiffs, including, but not limited to, the efforts described below.

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#### i. Sea Level Rise

10 168. Global warming has caused and continues to cause accelerated sea level rise in San 11 Francisco Bay and the adjacent ocean with severe, and potentially catastrophic, consequences for 12 Plaintiffs. The San Francisco Bay Area has experienced significant sea level rise over the last half 13 century attributable to Defendants' conduct. In the last 100 years, sea levels in the San Francisco Bay 14 Area have risen 8 inches.<sup>218</sup>

15 169. San Francisco is extremely vulnerable to inundation from accelerated sea level rise 16 and storm surges because it is surrounded by water on three sides – the Pacific Ocean to the west and 17 San Francisco Bay to the north and east. Sea level rise in San Francisco Bay is causing and will 18 continue to cause coastal flooding of low-lying shorelines, increased shoreline erosion, and 19 inundation of and injury to public property and private property located on and near the San 20 Francisco's coastline.<sup>219</sup>

Plaintiffs are further threatened by additional, significant, and dangerous sea level rise 170. 22 in the future. Sea level rise is currently projected to increase by up to 16 inches by 2050 and 78

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<sup>&</sup>lt;sup>218</sup> Cal. Fourth Climate Change Assessment, San Francisco Bay Area Regional Report at 31 (Jan. 2019), https://www.energy.ca.gov/sites/default/files/2019-11/Reg\_Report-SUM-CCCA4-2018-005\_SanFranciscoBayArea\_ADA.pdf.

<sup>27</sup> <sup>219</sup> City & County of San Francisco, Sea Level Rise Vulnerability and Consequences Assessment (Feb. 2020), at E.1, https://sfplanning.s3.amazonaws.com/default/files/plans-and-28 programs/planning-for-the-city/sea-level-rise/SLRVCA\_Report\_Full\_Report.pdf.

inches by 2100.<sup>220</sup> Storm surge added on top of these elevated sea levels could produce water levels
up to 58 inches by 2050 and 120 inches by 2100 higher than the current average higher high tide (*i.e.*mean higher high water).<sup>221</sup> This increase comes in part from committed sea level rise caused by the
"locked in" greenhouse gases already emitted<sup>222</sup> due to Defendants' past and ongoing tortious
promotion of fossil fuel consumption.

6 171. As sea level rises, high tides will extend further inland and cause more extensive 7 flooding. Without adaptation measures, daily tides could permanently inundate more than six 8 percent of San Francisco by 2100.<sup>223</sup> Storms with their attendant surges and flooding occur on top of 9 and superimposed on sea level rise, causing storm surges to be greater, extend farther inland, and 10 cause more extensive injury—including greater inundation and flooding of public and private 11 property in San Francisco.<sup>224</sup>

12 172. People and assets located adjacent to San Francisco's coastline are at risk from 13 flooding due to sea level rise, including at least 13,500 residents; wastewater systems that serve two-14 thirds of San Franciscans; local and regional transit networks, including MUNI and BART 15 underground; 40 miles of roadway; 25 miles of MUNI track; 3 bus facilities; many critical facilities, 16 including 6 fire stations; and 2,600 residential and commercial buildings, including significant areas 17 of Transbay and SOMA, which are zoned for future growth.

18 173. Plaintiffs have taken and continue to take steps to assess the immediate and long-term
 19 threats of sea level rise and identify actions Plaintiffs must take to confront the threat.<sup>225</sup> A severe
 20 storm surge or extreme high tides coupled with higher sea levels can potentially result in the loss of

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 <sup>221</sup> Ibid.
 <sup>222</sup> Peter U. Clark et al., *Consequences of Twenty-First-Century Policy for Multi-Millennial Climate and Sea-Level Change*, Nature Climate Change Vol. 6, 363–65 (2016).
 <sup>223</sup> Ibid.

<sup>&</sup>lt;sup>220</sup> Cal. Ocean Protection Council, *State of California Sea Level Rise Guidance: 2024 Science and Policy Update – Draft Released For Public Comment* (Jan. 2024), https://opc.ca.gov/2024/01/draft-slr-guidance-2024/.

<sup>27 224 2020</sup> Sea Level Rise Vulnerability and Consequences Assessment, *supra* note 219, at 19–21.

<sup>28 &</sup>lt;sup>225</sup> See, e.g., 2020 Sea Level Rise Vulnerability and Consequences Assessment, *supra* note 219, at 9–10.

life and extensive injury to public and private property. Higher sea levels will also increase the 1 elevation of the groundwater table, increasing the susceptibility of some soils to liquefaction during 2 an earthquake.<sup>226</sup> Elevated groundwater levels could further disturb contaminated soils near landfills 3 etc., leading to the release of hazardous substances with potentially significant consequences on 4 public health, the environment, and San Francisco's economy.<sup>227</sup> To protect people and property 5 against sea level rise, Plaintiffs are also developing and implementing adaptation plans to raise 6 infrastructure, build flood barriers and other infrastructure, and take other resiliency measures. The 7 magnitude of the actions needed to abate harms from sea level rise will increase in light of the rapidly 8 9 accelerating sea level rise.

10 174. Plaintiffs are adapting now to ongoing sea level rise given ongoing and future harm
11 to San Franciscans and injury to City-owned property, facilities, and equipment, with risks of
12 increasingly severe injury in the future. For example:

13 i. Plaintiffs are planning to transform much of San Francisco's waterfront to prepare for climate change-induced sea level rise and coastal flooding as part of the Waterfront 14 Resilience Program.<sup>228</sup> The program includes elements such as floodproofing, seawalls, berms, 15 floodwalls, and nature-based features, and actions such as elevating entire buildings (including San 16 Francisco's iconic Ferry Building) above where they currently sit.<sup>229</sup> The plan seeks to fortify crucial 17 economic, transportation, cultural, historical, and ecological hubs in San Francisco against sea level 18 rise, including Fisherman's Wharf, the Embarcadero, South Beach and Mission Bay, and Islais Creek 19 and Bayview. The first phase of this program is preliminarily expected to cost upwards of \$13.6 20 billion.<sup>230</sup> Plaintiffs are also planning adaptation measures for San Francisco's northern waterfront, 21

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<sup>229</sup> Ibid. <sup>230</sup> Ibid.

<sup>&</sup>lt;sup>226</sup> City & County of San Francisco, Hazards and Climate Resilience Plan (Mar. 2020), at 62, https://onesanfrancisco.org/sites/default/files/inline-files/HCR\_FullReport\_200326\_0.pdf; *see also* https://www.usgs.gov/tools/liquefaction-and-sea-level-rise.

<sup>25</sup> *See generally* 2020 Sea Level Rise Vulnerability and Consequences Assessment, *supra* note 219.

 <sup>&</sup>lt;sup>228</sup> San Francisco Waterfront Coastal Flood Study Draft Integrated Feasibility Report and Environmental Impact Statement (Jan. 2024), https://www.swt.usace.army.mil/Portals/41/
 SFWCFS\_DIFR\_EIS\_Main%20Report\_1.pdf.

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including the Marina and surrounding areas, and additional parts of its eastern waterfront, including
 Yosemite Creek and Yosemite Slough.

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ii. 3 Rising sea levels and increasing frequency of intense storms are causing shoreline erosion along Ocean Beach that threatens roads, pathways, public infrastructure, and 4 5 buildings along the shore—all of which San Francisco's residents have long used and enjoyed. To protect these properties and infrastructure, Plaintiffs have embarked on an Ocean Beach Climate 6 7 Change Adaptation Project. Project elements include rerouting Great Highway traffic at Sloat Boulevard away from the narrowest part of the beach, building a multi-use public trail where the 8 9 highway is now, and mitigating erosion through sand replacement.<sup>231</sup> San Francisco is also confronting rising sea level effects, including saltwater intrusion and shoreline erosion, through 10 projects elsewhere in San Francisco, including at India Basin Waterfront Park and Heron's Head 11 Park, through wetland restoration and other resiliency measures. 12

- 13 iii. Sea level rise also poses a severe threat to San Francisco international Airport ("SFO"), including its runways and other infrastructure that provide critical economic value to the 14 region. The airport is located at an elevation approximately between two to seven feet above mean 15 sea level. Today, the airport is at risk of flooding from storm surges.<sup>232</sup> Sea level rise, absent 16 adaptation, will cause additional severe disruption to the public's use of SFO, a major commercial 17 18 hub for San Francisco and its residents. SFO has developed the Shoreline Protection Program at an estimated cost of \$587 million to mitigate against flooding vulnerabilities from storm surges and sea 19 level rise. The program involves constructing a continuous system of coastal protection consisting 20 primarily of sheet pile walls along the airport's eight miles of shoreline. The program will include 21 reconstructing outfalls and relocating service roads and other assets.<sup>233</sup> 22
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iv. Sea level rise and coastal storm surges will impact the integrity of San Francisco's wastewater infrastructure. San Francisco has a combined sewer system that collects and

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<sup>231</sup> Ocean Beach Climate Change Adaptation Project, https://sfpuc.org/constructioncontracts/construction-projects/oceanbeach.

<sup>27</sup>  $\begin{bmatrix} 2^{32} 2020 \text{ Sea Level Rise Vulnerability and Consequences Assessment, supra note 219, at 48-}{50.}$ 

<sup>28 &</sup>lt;sup>233</sup> SFO, Shoreline Protection Program Fact Sheet (Sept. 2021), https://planning.flysfo.com/wp-content/uploads/2023/03/Shoreline-Protection\_Fact-Sheet\_Sep2021\_ada.pdf.

treats both stormwater and wastewater. This system includes nearly 1,000 miles of sewer pipelines, 1 26 pump stations, and three treatment plants that collect, convey, and treat stormwater and 2 3 wastewater before it is discharged through outfalls to San Francisco Bay and the Pacific Ocean. Among the impacts is the hydraulic capacity of the collection system to discharge through 36 4 combined sewer discharge outfalls to the Pacific Ocean and San Francisco Bay.<sup>234</sup> Of the 36 5 discharge outfalls, 29 are located on the bayside shoreline, and 7 are located on the westside of San 6 7 Francisco. As currently configured, sea level rise and coastal storm surges threaten to inundate many 8 of these outfalls, substantially reducing the capacity of these outfalls to discharge wastewater as 9 intended.<sup>235</sup> Discharge outfalls cannot simply be elevated because that would interfere with the hydraulic grade line of the entire system. As a result, Plaintiffs are developing costly backflow 10 prevention and pumping measures to prevent intrusion of saltwater and ensure wastewater can be 11 discharged. To address current and short-term impacts of sea level rise on its Bayside discharge 12 13 outfalls, for example, Plaintiffs have implemented and continues to implement backflow prevention measures that cost tens of millions of dollars. In addition, maintaining outflow capacity as sea levels 14 rise may require the installation of pumping stations and new outfalls in the future, projects that will 15 cost billions.<sup>236</sup> The discharge outfall structures are also vulnerable to saltwater corrosion and 16 degradation, requiring costly repairs and upgrades in the future. 17

v. Other aspects of San Francisco's combined sewer system are also impacted
by sea level rise. The Southeast Treatment Plant, San Francisco's largest wastewater treatment plant,
is particularly vulnerable to flooding caused by sea level rise. The plant consists of multiple facilities
above and below ground that have a unique configuration of mechanical and electrical equipment
interconnected through a network of conduits or tunnels. Coastal flooding could potentially damage
sensitive components, and retrofits and flood proofing measures may be required to ensure plant
operations are not interrupted by flooding events.<sup>237</sup>

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- <sup>234</sup> 2020 Sea Level Rise Vulnerability and Consequences Assessment, *supra* note 219, at 115.
   <sup>235</sup> *Id.* at 153.
   <sup>236</sup> *Id.* at 153.
  - <sup>237</sup> *Id.* at 145–46.

vi. The Southeast Treatment Plant discharges wastewater primarily through the
 Southeast Bay effluent outfall. With the threat of sea level rise, which will reduce the discharge
 capacity of other outfalls connected to the plant, Plaintiffs are planning for the potential need to
 replace the Southeast Bay outfall and construct a new booster station—an undertaking that is
 projected to cost billions—to enable final effluent from the plant to be discharged.

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vii. San Francisco's combined sewer system includes a system of pump stations that transport wastewater to treatment plants. Many of San Francisco's pump stations are vulnerable to flooding caused by sea level rise. Potential flooding risks to pump stations require costly flood proofing measures, retrofits, and the relocation of electrical gear to higher elevations.<sup>238</sup>

viii. A significant portion of the combined sewer infrastructure on the west side of 10 San Francisco is at severe risk of shoreline erosion caused by sea level rise. This infrastructure, 11 including the Westside Transport/Storage Box, Westside Pump Station, Lake Merced Tunnel, and 12 13 the Oceanside Water Pollution Control Plant, is located along Ocean Beach on San Francisco's western shore. Most of this infrastructure is located underground. Sea level rise and corresponding 14 shoreline erosion threatens to damage this infrastructure. As part of Plaintiffs' Ocean Beach Climate 15 Change Adaptation Project, Plaintiffs have developed plans to protect this infrastructure at an 16 17 estimated cost of \$220 million.

18 175. Plaintiffs are already experiencing, and working to abate, current harms caused by sea 19 level rise. But while harms to Plaintiffs have commenced, additional and far more severe injuries 20 will occur in the future if prompt action is not taken to protect Plaintiffs from rising sea levels. Indeed, 21 the sea level rise harms inflicted on Plaintiffs by global warming are insidious partly because they 22 are projected to continue, and to worsen, far into the future. Plaintiffs must plan for future harms 23 from sea level rise now to ensure that adaptation to protect human well-being and public and private 24 property is done most efficiently and effectively.

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<sup>238</sup> *Id.* at 162.

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## ii. More Frequent and Extreme Precipitation

176. Extreme precipitation events will continue to increase in frequency and severity as a result of climate change attributable to Defendants' tortious conduct alleged herein.<sup>239</sup> Recent estimates show that climate change will result in storms in the San Francisco Bay Area that release up to 37% more precipitation by the year 2100.<sup>240</sup> Warmer global temperatures lead to storm systems being able to hold a higher volume of water, which is then released as increasingly unprecedented levels of precipitation. More frequent and extreme precipitation events caused by climate change compound San Francisco's vulnerability to storm surges and sea level rise.

9 177. Much of California's winter precipitation arrives in the form of "atmospheric rivers," 10 which are fed by long streams of water vapor transported from the Pacific Ocean. Atmospheric rivers 11 can produce extremely heavy precipitation over multiple days, and their frequency is expected to 12 increase in the Western US due to climate change.<sup>241</sup> The amount of precipitation associated with 13 each of these storms in the Bay Area is expected to increase by up to 17% by 2050 and up to 37% 14 by 2100.<sup>242</sup> Warmer global temperatures lead to storm systems being able to hold a higher volume 15 of water, which is then released as increasingly unprecedented levels of precipitation.

178. Between December 26, 2022, and January 16, 2023, the Bay Area was hit with nine 16 17 consecutive atmospheric rivers. In San Francisco alone, 18 inches of rain fell over those 21 days, 18 representing 75% of San Francisco's total average annual rainfall. These extreme precipitation events 19 caused and will continue to cause destructive coastal and inland flooding and flash-flooding. Floods and storms can cause emergency conditions such as power, water, and gas outages; disrupt 20 transportation routes and commercial supplies; damage homes, buildings, and roads; cause 21 destruction in San Francisco's parks and recreation areas; and create severe environmental problems, 22 23 including landslides and mudslides, which require **costly** response and recovery efforts. Especially

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<sup>239</sup> See Cal. Fourth Climate Change Assessment, *supra* note 220, at 19.

<sup>240</sup> C. Patricola et al., *Future Changes in Extreme Precipitation Over the San Francisco Bay* Area: Dependence on Atmospheric River and Extratropical Cyclone Events, 36 Weather & Climate
 Extremes 1, 12 (2022), https://doi.org/10.1016/j.wace.2022.100440.
 <sup>241</sup> Id. at 2.

 $^{242}$  Id. at 12.

vulnerable neighborhoods to extreme flooding include Bayview-Hunters Point, Mission Bay,
 SOMA, Downtown Civic Center, Chinatown, and North Beach.<sup>243</sup>

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Plaintiffs continue to suffer injuries caused by and responding to extreme storms and 179. flooding and must adapt now to protect people, property, facilities, and equipment from impacts 4 5 caused by more frequent and extreme precipitation events. For example, throughout the year, the City cleans pipes and clear catch basins, performs targeted tree pruning, and sweeps streets across 6 7 San Francisco. Before anticipated storms, the City intensifies these efforts and provides free sandbags to residents. The City also increases staffing and prioritizes locations in low-lying 8 neighborhoods to respond to reports of clogged storm drains so that they can be addressed during or 9 after the storm.<sup>244</sup> After storms, the City undertakes extensive recovery efforts to repair damage to 10 City-owned property and infrastructure. 11

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## iii. Extreme Heat and Reduced Air Quality

13 180. Climate change has increased and will continue to increase average temperatures and 14 the frequency and severity of extreme heat events in San Francisco.<sup>245</sup> By 2050, California is 15 projected to warm by between 4.4–5.8°F in daily maximum average temperature, an indicator of 16 extreme temperature shifts.<sup>246</sup> By 2100, California's average temperatures could increase by 8.8°F, 17 if not more.<sup>247</sup> In the San Francisco Bay Area, average annual temperatures are currently projected 18 to increase by up to 7.2°F by 2100.<sup>248</sup>

19 181. Between 1960 and 1990, San Francisco averaged three or four extreme heat events
20 per year, but between 2035 and 2064, that number is expected to jump to an average of seven
21 extreme heat events per year with a maximum of 24 extreme heat events in particularly hot years.

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<sup>243</sup> 2020 Hazards and Climate Resilience Plan, *supra* note 226, at 111.

<sup>244</sup> 2020 Sea Level Rise Vulnerability and Consequences Assessment, *supra* note 219, at 37.
 <sup>245</sup> A San Francisco extreme heat event is any temperature in the top two percent of all San Francisco temperatures between the years 1961–1990. By this standard, in San Francisco an extreme heat event is officially any day over 85 °F. *See The Heat and Air Quality Resilience Plan* (2023), *supra* note 12, at 17.
 <sup>246</sup> Cel Fourth Climate Change Assessment, supra pote 220, et 22.

<sup>246</sup> Cal. Fourth Climate Change Assessment, *supra* note 220, at 23.

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- <sup>248</sup> *Id.* at 14.

<sup>247</sup> *Ibid*.

And between 2070 and 2099, San Francisco is expected to have an average of 15 extreme heat events per year, with an expected maximum of 51 extreme heat events in particularly hot years.

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182. San Francisco's temperature exceeded 95°F on only 12 dates between 1980 and 2022, but it may exceed this threshold up to 10 days *per year* by 2100.<sup>249</sup> On September 1, 2017, San Francisco's temperatures hit 106°F—the highest temperature ever recorded in San Francisco. Temperatures reached 102 degrees the next day, making it only the third time in recorded history that San Francisco's temperatures hit triple digits on two consecutive days. During this extreme heat event, 911 emergency calls for medical services increased by 51%, emergency department visits increased by 12%, and hospitalizations increased by 15%.<sup>250</sup>

10 183. San Francisco's historically mild climate means it has the lowest rate of air 11 conditioning anywhere in the country.<sup>251</sup> Thus, during heat waves, temperatures inside buildings are 12 often higher than outside temperatures, and are likely to stay elevated for longer periods of time. 13 This creates dangerous health conditions for the buildings' residents. Extreme heat events not only 14 cause direct health impacts like dehydration, heat stroke, and heat exhaustion, but also exacerbate 15 pre-existing or underlying health conditions.<sup>252</sup>

Heat ranks among the deadliest of all climate hazards in California, and heat waves 17 184. 18 in cities are projected to cause two to three times more heat-related deaths by mid-century. As with 19 all climate change impacts, the impacts from extreme heat events are and will continue to be felt disproportionately by environmental justice communities in San Francisco. Factors such as race, 20 income, and age influence vulnerability to extreme heat. Due to historic discrimination in housing 21 22 markets and urban planning, people of color are more likely to live in neighborhoods with little 23 greenspace that experience the "urban heat island effect," such as the Bayview and the Mission. Older adults are among the most vulnerable to the health impacts of extreme heat due in large part 24

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<sup>249</sup> The Heat and Air Quality Resilience Plan (2023), supra note 12, at 17.
 <sup>250</sup> Id. at 16.
 <sup>251</sup> Id. at 18.
 <sup>252</sup> Ibid

to chronic physical or cognitive health conditions.<sup>253</sup> Members of San Francisco's environmental justice communities also tend to work in occupations with increased exposure to extreme heat, such as construction and delivery industries.

185. Extreme heat and warming temperatures make trees more susceptible to disease and pathogens.<sup>254</sup> In San Francisco, extreme heat and warming temperatures have increased and will continue to increase the prevalence of tree diseases, leading to increased costs for tree maintenance, removal, and re-planting.

8 186. San Francisco's air quality is also expected to worsen as extreme heat events increase
9 in frequency and intensity. Air quality is closely associated with public health. Exposure to
10 pollutants increases rates of allergies, bronchitis, asthma attacks and other respiratory illnesses,
11 heart disease and other cardiovascular illnesses, and is an environmental risk factor connected to
12 premature birth and low birth weight, mental health conditions, and many cancers.

13 187. Heat accelerates the development of ground-level ozone.<sup>255</sup> Ground-level ozone, the
14 main ingredient of smog, is created through a chemical reaction between sunlight, nitrogen oxide,
15 and volatile organic compounds (VOCs).<sup>256</sup> Smog is a harmful air pollutant because of its effects
16 on people and the environment. Smog is most likely to reach unhealthy levels on hot sunny days in
17 urban environments and can be transported long distances by wind.<sup>257</sup>

18 188. Both the severity and intensity of wildfires in California are increasing as a result of
climate change. California's wildfire season is beginning earlier in the year and ending later.<sup>258</sup>
Since 2015, California has experienced 12 of the 20 largest, 7 of the 20 deadliest, and 15 of the 20

<sup>253</sup> Ibid.

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<sup>258</sup> The Heat and Air Quality Resilience Plan (2023), supra note 12, at 19–20.

 <sup>&</sup>lt;sup>254</sup> CA Office of Environmental Health Hazard Assessment, *Forest Tree Mortality* (Aug. 23, 2023), https://oehha.ca.gov/climate-change/epic-2022/impacts-vegetation-and-wildlife/forest-tree-mortality; M. Valdes, *As Climate Change Progresses, Trees in Cities Struggle*, L.A. Times (Nov. 16, 2022), https://www.latimes.com/world-nation/story/2022-11-16/as-climate-change-progresses-trees-in-cities-struggle.

<sup>&</sup>lt;sup>255</sup> SF.GOV, Extreme Heat and Health (May 17, 2023).

<sup>&</sup>lt;sup>256</sup> 2020 Hazards and Climate Resilience Plan, *supra* note 226.

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 &</sup>lt;sup>257</sup> EPA, *Ground-level Ozone Basics*, https://www.epa.gov/ground-level-ozonepollution/ground-level-ozone-basics.

most destructive wildfires in the state's history.<sup>259</sup> Although San Francisco is less likely to have a 1 wildfire than communities in the urban wildland interface, Plaintiffs suffer the effects of wildfire 2 smoke from fires across the state. In 2018, for example, the smoke from the Butte County Camp 3 Fire was funneled south and west to the San Francisco Bay Area. San Francisco's Air Quality Index 4 was over 150, "unhealthy," for 12 consecutive days, peaking at 250.<sup>260</sup> Wildfire smoke events are 5 disruptive and often force schools, businesses, and services to reduce operations or close.<sup>261</sup> 6

189. Wildfire smoke is comprised of both gaseous and hazardous pollutants, water vapor, and particulate matter that is particularly harmful if inhaled. Short-term health impacts from smoke 8 inhalation include cough, headaches, eye and skin irritation, and aggravation of respiratory and 9 cardiovascular illnesses, and long-term impacts include adverse birth outcomes, cognitive 10 conditions, and asthma.<sup>262</sup> People experiencing homelessness and populations with pre-existing conditions are especially vulnerable to these impacts. 12

13 190. Worsening air quality and the increased frequency and severity of extreme heat events in San Francisco has caused, and will continue to cause, impacts to City-owned property and 14 infrastructure, including SFO. For example, SFO is expected to have hotter runways, roadways, and 15 buildings, which will result in increased cooling costs and loads and increased employee absences 16 and discomfort.<sup>263</sup> To abate these impacts, SFO is completing a Smart Surfaces Study to identify 17 alternative paving, plant cover and roof materials that can reduce SFO's heat gain and improve 18 worker health and experience. SFO continues to plan for other resilience efforts that will mitigate 19 vulnerabilities and improve the condition and response of SFO's critical assets. 20

191. Plaintiffs have incurred and will continue to incur higher energy costs due to climate 21 change-induced extreme heat, costs related to building electrification and other upgrades and 22

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<sup>262</sup> *Id.* at 19.

<sup>&</sup>lt;sup>259</sup> *Id.* at 19.

<sup>&</sup>lt;sup>260</sup> F.K. Chow et al., *High-Resolution Smoke Forecasting for the 2018 Camp Fire in California*, 103 Bulletin of the American Meteorological Society 1531 (June 24, 2022), https://doi.org/10.1175/BAMS-D-20-0329.1.

 $<sup>^{261}</sup>$  Id. at 20–21.

<sup>&</sup>lt;sup>263</sup> SFO Infrastructure Resilience Framework (Sept. 2022), at 21, 28 https://www.flysfo.com/sites/default/files/2023-10/IRF%20Report%20v6-web.pdf.

retrofits to make its infrastructure more energy efficient, and costs related to installation of advanced
 filtration systems to protect indoor air quality from particulate matter and other harmful air
 pollution.

192. In May 2023, the City published its Heat and Air Quality Resilience Plan, which 4 5 establishes a framework to address current local extreme heat and wildfire smoke events while preparing for future ones. The report identifies numerous adaptation strategies for San Francisco, 6 7 including: (a) adapt buildings and exterior built and natural environments to reduce exposure to 8 extreme heat and poor air quality; (b) adapt exterior built and natural environments to reduce 9 exposure to extreme heat and poor air quality; (c) implement equitable emergency preparedness, 10 response, and resilience actions—including respite and cooling centers—to make San Francisco more resilient to extreme heat and wildfire smoke; and (d) develop services that can predict and 11 adapt to these climate change-related stressors. 12

VI.

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# 193. The People re-allege and incorporate by reference the allegations in §§ I–V as though fully set forth herein.

**CAUSES OF ACTION** 

FIRST CAUSE OF ACTION

(Public Nuisance on Behalf of the People of the State of California)

(Against All Defendants)

19 194. The People of the State of California, acting by and through the San Francisco City
20 Attorney, bring this claim seeking abatement pursuant to California public nuisance law, including
21 section 731 of the California Code of Civil Procedure, and sections 3479, 3480, 3491, and 3494 of
22 the California Civil Code.

195. Defendants, individually and in concert with each other, by their affirmative acts and
omissions described in more detail below, have caused, created, assisted in the creation of,
contributed to, and/or maintained, and continue to cause, create, assist in the creation of, contribute
to, and/or maintain harmful climate change-related conditions, including sea level rise, more frequent
and extreme precipitation events, coastal and inland flooding, more frequent and extreme heat events,
and reduced air quality, with compounding effects in San Francisco's environmental justice

communities. These climate change-related harms are injurious to health, indecent and offensive to
 the senses, and obstruct the free use of property, so as to interfere with the comfortable enjoyment
 of life and property, and therefore constitute a nuisance.

196. Defendants, and each of them, created, caused, contributed to, and assisted in the 4 5 creation of these and other climate change-related harms in San Francisco by, among other things, affirmatively and deceptively promoting the sale and use of fossil fuel products which Defendants 6 7 knew or should have known would cause or exacerbate climate change and its impacts in San 8 Francisco, including without limitation sea level rise, more frequent and extreme precipitation 9 events, coastal and inland flooding, more frequent and extreme heat events, and reduced air quality. 10 The affirmative misconduct also includes disseminating and funding the dissemination of information intended to mislead consumers and the public regarding the known and foreseeable risks 11 of climate change and its consequences. It also includes engaging in other conduct to manipulate and 12 13 induce the public into using fossil fuels in a way that causes climate change harms and not using or delaying the shift to renewable energy. 14

197. Defendants' nuisance-creating conduct included egregiously making untruthful, 15 deceptive, and/or misleading environmental marketing claims, explicit and implied, in violation of 16 17 Cal. Bus. & Prof. Code section 17580.5. The People are within the class of persons that statute seeks 18 to protect. Defendants' misleading environmental marketing claims include, but are not limited to, deceptively marketing fossil fuel products claimed to be "low carbon," "emissions-reducing," 19 "clean" and/or "green," or otherwise environmentally beneficial or benign when in reality those 20 21 products contribute to climate change and are harmful to the health of the planet and its people; and deceptively marketing their companies and their products as contributing to solutions to climate 22 23 change when in reality their investments in clean energy and alternative fuels pale in comparison to 24 their investments in expanding fossil fuel production.

198. The climate change-related harms that Defendants created, caused, contributed to,
and assisted in the creation of, constitute a substantial and unreasonable interference with and
obstruction of public rights and property, including, *inter alia*, the public rights to health, safety,
welfare, peace, comfort, and convenience of San Francisco residents and other citizens. These

interferences with public rights, which Defendants knew or should have known their affirmative
 wrongful promotion would cause or exacerbate, include without limitation:

i. Sea level rise, coastal inundation and flooding, and groundwater changes,
which obstruct the free passage and use of roads and property, impair water quality in groundwater
aquifers, damage critical public infrastructure, and lead to unprecedented and dangerous storm surges
that can cause injury or even deaths;

7 ii. More frequent and extreme precipitation events, including atmospheric rivers,
8 which cause flooding that can damage public infrastructure, obstructing the free passage and use of
9 property;

10 iii. More frequent and extreme heat events, which increase the risk of injury or
11 death from dehydration, heat stroke, heart attack, and respiratory problems; and

iv. Reduced air quality from smoke and dangerous pollutants caused by more
frequent and intense wildfires across California, which exacerbates existing health conditions, causes
lung damage, and increases rates of childhood asthma, respiratory and heart disease, and death, and
which reduces visibility and obstructs scenic views.

16 199. The harms caused by Defendants' nuisance-creating conduct far outweigh the social
17 utility of that conduct, are severe, and are greater than the People should be required to bear without
18 compensation.

200. The climate change-related harms that Defendants created, caused, contributed to,
and assisted in the creation of are present throughout San Francisco, and therefore affect a
considerable number of persons in San Francisco.

22 201. As a direct and proximate result of Defendants' acts and omissions, the People will
23 be required to expend significant public resources to mitigate the impacts of climate change-related
24 harms throughout San Francisco.

25 202. The People's injuries and threatened injuries from each Defendant's affirmative acts
26 or omissions are indivisible injuries. Each Defendant's past and ongoing conduct is a direct and
27 proximate cause of, and a substantial factor in causing, the People's injuries and threatened injuries.

203. Defendants are jointly and severally liable to the People for committing a public
 nuisance.

204. The People seek an order of abatement requiring Defendants, and each of them jointly and severally, to abate the nuisance, including by making payments into an abatement fund in an amount to be determined at trial to address the public nuisance.<sup>264</sup>

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## SECOND CAUSE OF ACTION

#### (Public Nuisance on Behalf of the City and County of San Francisco)

#### (Against All Defendants)

9 205. The City re-alleges and incorporates by reference the allegations in §§ I–V as though
10 fully set forth herein.

206. Defendants, individually and in concert with each other, by their affirmative acts and 11 omissions described in more detail below, have caused, created, assisted in the creation of, 12 13 contributed to, and/or maintained, and continue to cause, create, assist in the creation of, contribute to, and/or maintain harmful climate change-related conditions, including sea level rise, more frequent 14 and extreme precipitation events, coastal and inland flooding, more frequent and extreme heat events, 15 and reduced air quality, with compounding effects in San Francisco's environmental justice 16 17 communities. These climate change-related harms are injurious to health, indecent and offensive to 18 the senses, and obstruct the free use of property, so as to interfere with the comfortable enjoyment 19 of life and property, and therefore constitute a nuisance.

20 207. Defendants, and each of them, created, caused, contributed to, and assisted in the 21 creation of these and other climate change-related harms in San Francisco by, among other things, 22 affirmatively and deceptively promoting the sale and use of fossil fuel products in San Francisco 23 which Defendants knew or should have known would cause or exacerbate climate change and its 24 impacts in the City, including without limitation sea level rise, more frequent and extreme 25 precipitation events, coastal and inland flooding, more frequent and extreme heat events, and reduced 26 air quality.

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<sup>264</sup> The People do not seek abatement with respect to any federal land.

1 208. The climate change-related harms that Defendants created, caused, contributed to, 2 and assisted in the creation of, constitute a substantial and unreasonable interference with and 3 obstruction of public rights and property, including, *inter alia*, the public rights to health, safety, 4 welfare, peace, comfort, and convenience of San Francisco residents and other citizens. These 5 interferences with public rights, which Defendants knew or should have known their affirmative 6 wrongful promotion would cause or exacerbate, include without limitation:

i. Sea level rise, coastal inundation and flooding, and groundwater changes,
which obstruct the free passage and use of roads and property, impair water quality in groundwater
aquifers, damage critical public infrastructure, and lead to unprecedented and dangerous storm surges
that can cause injury or even deaths;

ii. More frequent and extreme precipitation events, including atmospheric rivers,
which cause flooding that can damage public infrastructure, obstructing the free passage and use of
property;

14 iii. More frequent and extreme heat events, which increase the risk of injury or
15 death from dehydration, heat stroke, heart attack, and respiratory problems; and

iv. Reduced air quality from smoke and dangerous pollutants caused by more
frequent and intense wildfires across California, which exacerbates existing health conditions, causes
lung damage and increases rates of childhood asthma, respiratory and heart disease, and death, and
which reduces visibility and obstructs scenic views.

20 209. The harms caused by Defendants' nuisance-creating conduct far outweigh the social
21 utility of that conduct, are severe, and are greater than the City should be required to bear without
22 compensation.

23 210. The climate change-related harms that Defendants created, caused, contributed to,
24 and assisted in the creation of are present throughout San Francisco, and therefore affect a
25 considerable number of persons in San Francisco.

26 211. In addition to the harms suffered by the public at large, the City has suffered special
27 injuries different in kind. The climate change-related harms that Defendants created, caused,
28 contributed to, and assisted in the creation of have and will continue to injure public property and

structures owned and managed by the City of San Francisco. Defendants have inflicted and continue
 to inflict injuries upon the City that require the City to incur extensive costs to protect public and
 private property, against increased sea level rise, inundation, storm surges, flooding, more frequent
 and extreme precipitation and heat events, and reduced air quality.

5 212. Defendants are jointly and severally liable to the City for committing a public
6 nuisance.

7 213. The City's injuries and threatened injuries from each Defendant's affirmative acts or 8 omissions are indivisible injuries. Each Defendant's past and ongoing conduct is a direct and 9 proximate cause of, and a substantial factor in causing, the City's injuries and threatened injuries. As 10 a direct and proximate result of Defendants' acts and omissions as alleged herein, the City has 11 suffered monetary losses and damages in amounts to be proven at trial.

12 214. Defendants' wrongful conduct was oppressive, malicious, and fraudulent, in that their 13 conduct was willful, intentional, and in conscious disregard for the rights of others. Defendants' 14 conduct was so vile, base, and contemptible that it would be looked down upon and despised by 15 reasonable people, justifying an award of punitive and exemplary damages in an amount subject to 16 proof at trial, and justifying equitable disgorgement of all profits Defendants obtained through their 17 unlawful and outrageous conduct.

18 215. The City seeks an order of abatement requiring Defendants, and each of them jointly
19 and severally, to abate the nuisance, including by making payments into an abatement fund in an
20 amount to be determined at trial to address the public nuisance.<sup>265</sup>

**THIRD CAUSE OF ACTION** 

(Private Nuisance on Behalf of the City and County of San Francisco)

(Against All Defendants)

The City re-alleges and incorporates by reference the allegations in §§ I–V as though

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fully set forth herein. 217. The City owns, leases, controls, and/or manages extensive property, both within and

27 outside San Francisco's physical boundaries, including property located at SFO, that has been injured

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<sup>265</sup> The City does not seek abatement with respect to any federal land.

SECOND AMENDED COMPLAINT

216.

and will be injured by rising sea levels, more frequent and extreme precipitation and heat events, and
 poor air quality.

# 218. Defendants, and each of them, by their acts and omissions described in more detail below, have intentionally and unreasonably created a condition on the City's property, and permitted that condition to persist, which constitutes a nuisance by increasing sea level, increasing the frequency and intensity of storms, increasing the frequency and intensity of heat events, and decreasing air quality.

8 219. The condition created by Defendants substantially and negatively affects the City's
9 interest in its own real property. In particular, higher sea level, increased storm frequency and
10 intensity, increased frequency and intensity of heat events, and poor air quality are:

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i.

Harmful and dangerous to human health;

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ii. Indecent and offensive to the senses of ordinary person;

13 iii. Threatening to obstruct the free use of the City's property and property owned
14 by the City's residents and citizens, so as to interfere with the comfortable enjoyment of life and
15 property; and

iv. Threatening to obstruct the free passage and use of navigable lakes, rivers,
bays, streams, canals, basins, public parks, squares, streets, and/or highways within the City's
communities.

19 220. The condition described above created by Defendants' conduct substantially
20 interferes with the City's use and quiet enjoyment of its properties.

21 221. The City has not consented to Defendants' conduct in creating the condition that has
22 led to sea level rise, more frequent and extreme precipitation and heat events, and poor air quality.

23 222. The ordinary person, and the ordinary city or county in the City's position, would be 24 reasonably annoyed and disturbed by Defendants' conduct and the condition created thereby, 25 because, *inter alia*, it infringes on the City's ability to provide public space to residents and visitors, 26 and has forced the City to plan for and provide additional emergency and other public services in 27 response to impacts from sea level rise, more frequent and extreme precipitation and heat events, and 28 poor air quality on property owned by the City. 223. The harms caused by Defendants' nuisance-creating conduct far outweigh the social
 utility of that conduct, are severe, and are greater than the City should be required to bear without
 compensation.

4 224. Defendants' conduct was a direct and proximate cause of the City's injuries, and a
5 substantial factor in the harms suffered by the City as described herein.

6 225. Defendants are jointly and severally liable to the City for committing a private
7 nuisance.

8 226. Defendants' acts and omissions as alleged herein are indivisible causes of the City's 9 injuries as alleged herein. Each Defendant's past and ongoing conduct is a direct and proximate cause 10 of the City's injuries and threatened injuries. As a direct and proximate result of Defendants' acts 11 and omissions as alleged herein, the City has suffered monetary losses and damages in amounts to 12 be proven at trial.

13 227. Defendants' wrongful conduct was oppressive, malicious, and fraudulent, in that their 14 conduct was willful, intentional, and in conscious disregard for the rights of others. Defendants' 15 conduct was so vile, base, and contemptible that it would be looked down upon and despised by 16 reasonable people, justifying an award of punitive and exemplary damages in an amount subject to 17 proof at trial, and justifying equitable disgorgement of all profits Defendants obtained through their 18 unlawful and outrageous conduct.

19 228. The City seeks an order of abatement requiring Defendants, and each of them jointly
20 and severally, to abate the nuisance, including by making payments into an abatement fund in an
21 amount to be proven at trial to address the private nuisance.<sup>266</sup>

FOURTH CAUSE OF ACTION

(Trespass on Behalf of the City and County of San Francisco)

(Against All Defendants)

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229. The City re-alleges and incorporates by reference the allegations in §§ I–V as though fully set forth herein.

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<sup>266</sup> The City does not seek abatement with respect to any federal land.

SECOND AMENDED COMPLAINT

230. The City owns, leases, controls, and/or manages extensive property, both within and outside San Francisco's physical boundaries, including property located at SFO.

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231. Defendants, and each of them, have intentionally, recklessly, or negligently caused ocean waters, flood waters, precipitation, and airborne pollutants including smog and wildfire smoke to enter the City's property, by advertising, promoting, marketing, and/or selling fossil fuel products, knowing those products in their normal operation and use or foreseeable misuse would cause global and local sea levels to rise, cause flooding and storm surges to become more frequent and more intense, cause precipitation and heat events to become more frequent and more intense, and cause worsening air quality.

10 232. The City did not give permission for Defendants, or any of them, to cause ocean water,
11 flood water, precipitation, or airborne pollutants to enter its property.

12 233. The City has been and continues to be actually injured and continues to suffer 13 damages as a result of Defendants and each of their having caused ocean water, flood water, 14 precipitation, and airborne pollutants to enter its real property, by *inter alia* permanently submerging 15 real property owned by the City, causing flooding and storm surges, extreme precipitation, and 16 airborne pollution, which have invaded and threaten to invade real property owned by the City and 17 have rendered it unusable.

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234. Defendants' conduct was a direct and proximate cause of the City's injuries, and a substantial factor in the harms suffered by the City as described herein.

235. Defendants' and each Defendant's decades-long campaign of deception, which had 20 21 the purpose and effect of inflating and sustaining the market for fossil fuels, drove up greenhouse 22 gas emissions, accelerated global warming, delayed the energy economy's transition to a lower-23 carbon future, and brought about devastating climate change impacts to San Francisco, was a substantial factor in causing the injuries and damages to the City's public and private real property. 24 Defendants' acts and omissions as alleged herein are indivisible causes of the City's injuries and 25 damage as alleged herein. Each Defendant's past and ongoing conduct is a direct and proximate 26 27 cause of the City's injuries and threatened injuries.

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236. Defendants are jointly and severally liable to the City for trespassing.

237. As a direct and proximate result of Defendants' acts and omissions as alleged herein,
 the City has suffered monetary losses and damages in amounts to be proven at trial.

238. Defendants' wrongful conduct was oppressive, malicious, and fraudulent, in that their conduct was willful, intentional, and in conscious disregard for the rights of others. Defendants' conduct was so vile, base, and contemptible that it would be looked down upon and despised by reasonable people, justifying an award of punitive and exemplary damages in an amount subject to proof at trial, and justifying equitable disgorgement of all profits Defendants obtained through their unlawful and outrageous conduct.

9 239. The City seeks an order of abatement requiring Defendants, and each of them jointly
10 and severally, to abate the trespass, including by making payments into an abatement fund in an
11 amount to be proven at trial.

12	FIFTH CAUSE OF ACTION		
13	(Strict Products Liability—Failure to Warn		
14	on Behalf of the City and County of San Francisco)		
15	(Against All Defendants)		
16	240. The City re-alleges and incorporates by reference the allegations in §§ I–V as though		
17	fully set forth herein.		
18	241. At all relevant times Defendants, and each of them, were engaged in the business of		
19	advertising, promoting, and/or selling fossil fuel products and their derivatives. Defendants placed		
20	these fossil fuel products into the stream of commerce.		
21	242. Defendants, and each of them, manufactured, heavily marketed, promoted,		
22	advertised, and/or sold fossil fuel products and their derivatives, which were sold or used by their		
23	respective affiliates and subsidiaries. Defendants received direct financial benefit from the sale of		
24	their fossil fuel products, and the products of their affiliates and subsidiaries. Defendants' roles as		
25	promoters and marketers were integral to their respective businesses and a necessary factor in		
26	bringing fossil fuel products and their derivatives to the consumer market, such that Defendants had		
27	control over, and a substantial ability to influence, the manufacturing and distribution processes of		
28	their affiliates and subsidiaries.		

243. As manufacturers, advertisers, promoters, and/or sellers of fossil fuel products and their derivatives, Defendants had a duty to warn consumers, the public, and the City of reasonably foreseeable environmental and health risks posed by those products and derivatives.

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244. Throughout the times at issue, Defendants individually and collectively knew or 4 5 should have known—based on information passed to them from their internal research divisions and affiliates, trade associations and entities, and/or from the international scientific community—that 6 7 fossil fuel products and their derivatives, whether used as intended or used in a foreseeable manner, 8 release greenhouse gases into the atmosphere, causing global warming, sea level rise, more frequent 9 and extreme precipitation events and flooding, more frequent and severe heat waves and extreme 10 temperatures, reduced air quality, and the consequences and injuries associated with those physical and environmental changes, which result in risks to human health and safety, damage to property 11 and infrastructure, and loss of use of City services in San Francisco. 12

13 245. Throughout the times at issue and continuing today, Defendants' fossil fuel products
14 and their derivatives were used, distributed, and sold in a manner in which they were reasonably
15 foreseeably intended to be used, distributed, and sold, including but not limited to being combusted
16 for energy, combusted to power automobiles, refined into petrochemicals, and refined and/or
17 incorporated into petrochemical products including, but not limited to, fuels and plastics.

18 246. Defendants and their affiliates and subsidiaries knew, or should have known, that
19 these fossil fuel products and their derivatives would be used by the City, its residents, and others
20 within the City's limits, amongst others, in the manner reasonably foreseeably intended.

21 247. Defendants knew, or should have known, based on information passed to them from 22 their internal research divisions and affiliates, from trade associations and entities, and/or from the 23 international scientific community, that the climate change-related harms described herein rendered 24 their fossil fuel products and their derivatives dangerous, or likely to be dangerous, when used in the 25 manner reasonably foreseeably intended.

26 248. The fossil fuel products and derivatives that Defendants refined, formulated,
27 designed, manufactured, merchandised, advertised, promoted, and/or sold—whether used as

intended or used in a reasonably foreseeable manner—were not reasonably safe at the time they left
 Defendants' control because they lacked adequate warnings and instructions.

3 249. The fossil fuel products and their derivatives reached consumers and the environment
4 substantially unchanged from that in which they left Defendants' control.

5 250. Without adequate warnings, Defendants' fossil fuel products and their derivatives
6 were unsafe to an extent beyond that which would be contemplated by an ordinary person.

7 251. Defendants knew that by failing to warn consumers, the City, and the public of the
8 risks posed by fossil fuels, their products would be purchased, transported, stored, handled, and used
9 without users and consumers being aware of the hazards fossil fuels pose to human health and the
10 environment.

252. At the time of manufacture, merchandising, advertising, promotion, or sale,
Defendants could have provided warnings or instructions regarding the full and complete risks fossil
fuel products and their derivatives posed because they knew, and/or should have known, of the
unreasonable risks of harm associated with the use of these products, as described herein.

15 253. Despite Defendants' superior and unequal knowledge of the risks posed by fossil fuel 16 products and their derivatives, Defendants failed to adequately warn consumers, the City, and the 17 public of the known and foreseeable risks of climate change, climate change-related harms as 18 described herein, and other dangers that would inevitably follow from the intended or reasonably 19 foreseeable use of these products.

20 254. Not only did Defendants fail to adequately warn, Defendants represented, asserted,
21 claimed, and warranted that their fossil fuel products and derivatives were safe for their intended and
22 foreseeable uses.

23 255. Any warnings Defendants may have issued as to the risks of their fossil fuel products
24 and their derivatives were rendered ineffective and inadequate by Defendants' false and misleading
25 public relations campaigns and statements about fossil fuel products, and their decades-long efforts
26 to conceal and misrepresent the dangers that follow from the intended or reasonably foreseeable use
27 of such products.

1 256. Defendants individually and in concert widely disseminated misleading marketing 2 materials, attempted to refute scientific knowledge generally accepted at the time concerning climate 3 change, advanced and promoted pseudo-scientific theories of their own, and developed public 4 relations materials that prevented reasonable consumers from recognizing or discovering the latent 5 risk that Defendants' fossil fuel products and their derivatives would cause grave climate changes, 6 undermining and rendering ineffective any warnings that Defendants may have also disseminated.

7 257. Accordingly, throughout the times at issue, the ordinary consumer would not
8 recognize that the use of fossil fuel products and their derivatives causes global and localized changes
9 in climate, and consequent injuries to San Francisco and its communities, as described herein.

10 258. Defendants breached their duty to warn by unreasonably failing to provide the City, 11 the public, consumers, and users of fossil fuel products and their derivatives with warnings regarding 12 the potential and/or actual threat to human health and the environment caused by pollution released 13 from the manufacturing and consumption of fossil fuels, despite Defendants' vast amounts of 14 knowledge and research demonstrating fossil fuels and their derivatives presented threats to human 15 health and the environment.

16 259. Had Defendants provided adequate warnings and not waged a deceptive campaign
17 against climate science, their fossil fuel products and their derivatives would not have had
18 widespread acceptance in the marketplace, and alternatives to fossil fuel products could have been
19 developed faster, investment in fossil fuel alternatives would be greater, and/or fossil fuel alternatives
20 would be used in greater amounts.

21 260. Moreover, had Defendants provided adequate warnings about the adverse impacts to 22 public health and the environment that results from the intended and reasonably foreseeable use of 23 fossil fuel products and their derivatives, the City and its residents would have taken measures to 24 decrease fossil fuel dependency in order to avoid or lessen the climate change-related harms 25 described herein and property damage that would inevitably follow.

26 261. As a direct and proximate result of Defendants' failure to warn about the unreasonably
27 dangerous conditions of their fossil fuel products and derivatives, the City has incurred and will

continue to incur costs and damages related to City property, City infrastructure, public safety, and
 public health.

3 262. As a result of Defendants' failure to warn about the unreasonably dangerous
4 conditions of their fossil fuel products and their derivatives, Defendants are strictly liable to the City.

5 263. Defendants' wrongful conduct was oppressive, malicious, and fraudulent, in that their 6 conduct was willful, intentional, and in conscious disregard for the rights of others. Defendants' 7 conduct was so vile, base, and contemptible that it would be looked down upon and despised by 8 reasonable people, justifying an award of punitive and exemplary damages, in an amount subject to 9 proof, and justifying equitable disgorgement of all profits Defendants obtained through their 10 unlawful and outrageous conduct.

264. Defendants' acts and omissions as alleged herein are indivisible causes of the City's
injuries as alleged herein. Each Defendant's past and ongoing conduct is a direct and proximate cause
of the City's injuries and threatened injuries, and a substantial factor in causing the City's injuries
described herein.

15 265. As a direct and proximate result of Defendants' acts and omissions as alleged herein,
16 the City and its residents have suffered monetary losses and damages in amounts to be proven at
17 trial.

SIXTH CAUSE OF ACTION 18 (Negligent Products Liability—Failure to Warn 19 on Behalf of the City and County of San Francisco) 2021 (Against All Defendants) 266. The City re-alleges and incorporates by reference the allegations in §§ I–V as though 22 23 fully set forth herein. 24 267. At all relevant times, Defendants and their affiliates and subsidiaries were engaged in the business of manufacturing, advertising, promoting, and/or selling fossil fuel products and their 25 derivatives. 26 27 268. Defendants, and each of them, manufactured, heavily marketed, promoted, advertised, and/or sold fossil fuel products and their derivatives, which were sold or used by their 28

respective affiliates and subsidiaries. Defendants received direct financial benefit from the sale of their fossil fuel products, and the products of their affiliates and subsidiaries. Defendants' roles as promoters and marketers were integral to their respective businesses and a necessary factor in bringing fossil fuel products and their derivatives to the consumer market, such that Defendants had control over, and a substantial ability to influence, the manufacturing and distribution processes of their affiliates and subsidiaries.

7 269. As manufacturers, advertisers, promoters, and/or sellers of fossil fuel products and
8 their derivatives, Defendants had a duty to warn the public, consumers, and users of such products,
9 including the City, of the reasonably foreseeable environmental and health risks posed by those
10 products and derivatives.

11 270. Throughout the times at issue, Defendants individually and collectively knew or 12 should have known that fossil fuel products, whether used as intended or in a foreseeable manner, 13 release greenhouse gases into the atmosphere, inevitably causing, among other things, global 14 warming, sea level rise, more frequent and extreme precipitation and heat events, reduced air quality, 15 and the associated consequences of those physical and environmental changes.

271. Throughout the times at issue, Defendants individually and collectively knew or 16 17 should have known—based on information passed to them from their internal research divisions and 18 affiliates, trade associations and entities, and/or from the international scientific community-that 19 fossil fuel products and their derivatives, whether used as intended or used in a foreseeable manner, release greenhouse gases into the atmosphere, causing global warming, sea level rise, more frequent 20 21 and extreme precipitation events and flooding, more frequent and severe heat waves and extreme temperatures, reduced air quality, and the consequences and injuries associated with those physical 22 23 and environmental changes, which result in risks to human health and safety, damage to property 24 and infrastructure, and loss of use of City services in San Francisco.

25 272. Throughout the times at issue and continuing today, Defendants' fossil fuel products
26 and their derivatives were used, distributed, and sold in a manner in which they were reasonably
27 foreseeably intended to be used, distributed, and sold, including but not limited to being combusted

for energy, combusted to power automobiles, refined into petrochemicals, and refined and/or
 incorporated into petrochemical products including, but not limited to, fuels and plastics.

273. Defendants and their affiliates and subsidiaries knew, or should have known, that
these fossil fuel products and their derivatives would be used by the City, its residents, and others
within the City's limits, amongst others, in the manner reasonably foreseeably intended.

6 274. Defendants knew, or should have known, based on information passed to them from 7 their internal research divisions and affiliates, from trade associations and entities, and/or from the 8 international scientific community, that the climate change-related harms described herein rendered 9 their fossil fuel products and their derivatives dangerous, or likely to be dangerous, when used in an 10 intended or reasonably foreseeably manner.

275. Defendants knew that by failing to warn the City, the public, consumers, and users of
fossil fuels and their derivatives of the risks posed by fossil fuels, their products would be purchased,
transported, stored, handled, and used without users and consumers being aware of the hazards fossil
fuels pose to human health and the environment.

15 276. At the time of manufacture, merchandising, advertising, promotion, or sale,
16 Defendants could have provided warnings or instructions regarding the full and complete risks fossil
17 fuel products and their derivatives posed because they knew, and/or should have known, of the
18 unreasonable risks of harm associated with the use of these products, as described herein.

19 277. Given the grave dangers caused by normal or foreseeable use of fossil fuel products
20 as described herein, a reasonable manufacturer, advertiser, promoter, and/or seller of fossil fuel
21 products and their derivatives, would have warned of those known and inevitable climate effects.

22 278. Despite Defendants' superior and unequal knowledge of the risks posed by fossil fuel 23 products and their derivatives, Defendants failed to adequately warn consumers, the City, and the 24 general public of the known and foreseeable risks of climate change, climate change-related harms 25 including sea level rise, more frequent and intense precipitation and heat events, reduced air quality, 26 and other dangers that would inevitably follow from the intended or reasonably foreseeable use of 27 these products.

279. Not only did Defendants fail to adequately warn consumers, Defendants represented,
 asserted, claimed, and warranted that their fossil fuel products and derivatives were safe for their
 intended and foreseeable uses.

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280. Any warnings Defendants may have issued as to the risks of their fossil fuel products and their derivatives were rendered ineffective and inadequate by Defendants' false and misleading public relations campaigns and statements about fossil fuel products and their derivatives, and their decades-long efforts to conceal and misrepresent the dangers that follow from the intended or reasonably foreseeable use of such products.

9 281. Defendants individually and in concert widely disseminated misleading marketing 10 materials, attempted to refute scientific knowledge generally accepted at the time concerning climate 11 change, advanced and promoted pseudo-scientific theories of their own, and developed public 12 relations materials that prevented reasonable consumers from recognizing or discovering the latent 13 risk that Defendants' fossil fuel products and their derivatives would cause grave climate changes, 14 undermining and rendering ineffective any warnings that Defendants may have also disseminated.

15 282. Accordingly, throughout the times at issue, the ordinary consumer would not
16 recognize that the use of fossil fuel products and their derivatives causes global and localized changes
17 in climate, and consequent injuries to San Francisco and its communities, as described herein.

283. Defendants breached their duty to warn by unreasonably failing to provide the City,
the public, consumers, and users of fossil fuel products and their derivatives with warnings regarding
the potential and/or actual threat to human health and the environment caused by pollution released
from the manufacturing and consumption of fossil fuels, despite Defendants' extensive knowledge
and research demonstrating fossil fuels and their derivatives presented threats to human health and
the environment.

24 284. Defendants further breached their duty of care by making untruthful, deceptive,
and/or misleading environmental marketing claims, explicit and implied, in violation of Cal. Bus. &
Prof. Code section17580.5. By violating the greenwashing statute, Defendants are presumed to have
breached their duty per se under Evidence Code section 669.

i. Defendants violated section 17580.5 with such conduct including deceptively
 marketing fossil fuel products claimed to be "low carbon," "emissions-reducing," "clean" and/or
 "green," or otherwise environmentally beneficial or benign when in reality those products contribute
 to climate change and are harmful to the health of the planet and its people; and deceptively
 marketing their companies and their products as contributing to solutions to climate change when in
 reality their investments in clean energy and alternative fuels pale in comparison to their investments
 in expanding fossil fuel production.

8 ii. This conduct was the proximate cause of Plaintiffs' climate change-related
9 injuries.

10 iii. Plaintiffs' injuries resulted from an occurrence of the nature which the
11 greenwashing statute was designed to prevent.

iv. Plaintiffs are among the class of persons for whose protection thegreenwashing statute was adopted.

14 285. Had Defendants provided adequate warnings and not waged a deceptive campaign
15 against climate science, their fossil fuel products and their derivatives would not have earned
16 widespread acceptance in the marketplace.

17 286. Had Defendants provided adequate warnings and not waged a deceptive campaign
18 against climate science, fossil fuel alternatives could have been developed faster, investment in fossil
19 fuel alternatives would be greater, and/or fossil fuel alternatives would be used in greater amounts.

20 287. Moreover, had Defendants provided adequate warnings about the adverse impacts to 21 public health and the environment that results from the intended and reasonably foreseeable use of 22 fossil fuel products and their derivatives, the City and its residents would have taken measures to 23 decrease fossil fuel dependency in order to avoid or lessen the climate change-related harms 24 described herein and property damage that would inevitably follow.

25 288. As a direct and proximate result of Defendants' negligent failure to warn about the
26 unreasonably dangerous conditions of their fossil fuel products and derivatives, the City has incurred
27 and will continue to incur costs and damages related to City property, City infrastructure, public
28 safety, and public health.

289. Defendants' wrongful conduct was oppressive, malicious, and fraudulent, in that their 1 conduct was willful, intentional, and in conscious disregard for the rights of others. Defendants' 2 3 conduct was so vile, base, and contemptible that it would be looked down upon and despised by reasonable people, justifying an award of punitive and exemplary damages, in an amount subject to 4 5 proof. 290. Defendants' acts and omissions as alleged herein are indivisible causes and were a 6 7 substantial factor in causing the City's injuries as alleged herein. Each Defendant's past and ongoing 8 conduct is a direct and proximate cause of the City's injuries and threatened injuries. 9 291. Defendants are jointly and severally liable to the City for their failures to warn. 292. 10 As a direct and proximate result of Defendants' acts and omissions as alleged herein, the City and its residents have suffered monetary losses and damages in amounts to be proven at 11 trial. 12 13 SEVENTH CAUSE OF ACTION (Negligence on Behalf of the City and County of San Francisco) 14 (Against All Defendants) 15 293. The City re-alleges and incorporates by reference the allegations in §§ I–V as though 16 fully set forth herein. 17 18 294. For decades, Defendants possessed knowledge-based on information passed to 19 them from their internal research divisions and affiliates, from trade associations and industry groups, and from the international scientific community-that fossil fuels are the primary cause of 20 climate change and that, if sustained, climate change would cause climate change-related harms, 21 including but not limited to: sea level rise, more frequent and extreme precipitation events, increased 22 23 frequency and severity of heat waves and extreme temperatures, reduced air quality, and other 24 adverse environmental changes, and the associated consequences of those physical and environmental changes in San Francisco and elsewhere, with compounding effects in environmental 25 justice communities. Defendants possessed knowledge that these climate change-related harms 26 27 would result in risks to human health and safety, damage to property and infrastructure, and loss of 28 use of City services in the City.

295. Given the scientific evidence available to and conducted by Defendants, as referenced
 herein, such injury was likely and reasonably foreseeable.

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296. Under California law, including Civil Code section 1714, each Defendant had a duty to the City and its residents to exercise reasonable care in the marketing, promoting, sale, and/or labeling of their fossil fuel products and to act reasonably for the protection of the City and its residents to avoid inflicting the injuries described herein. All Defendants had a duty to exercise reasonable care in the production and dissemination of information regarding the climate impacts of fossil fuel products to users of those products and to the public.

9 297. Defendants had superior knowledge of the risk posed by fossil fuel products at all
10 times relevant to this Complaint.

298. Defendants breached their duty of care when they advertised, promoted, and/or sold
fossil fuel products and their derivatives, while failing to include warnings of the risk of harm
associated with fossil fuel products and their derivatives, in a manner that they knew or should have
known would result in injury to human health and safety, damage to City property and infrastructure,
loss of use of City services, and other damages to the City.

16 299. Defendants further breached their duty of care by waging a decades-long deceptive
17 marketing and public relations campaign to discredit climate science.

300. Any warnings provided by Defendants were rendered ineffective by the years-long
deceptive marketing practices and public relations campaign which promulgated false and
misleading statements, casted doubt on the consensus of climate scientists, and advanced pseudoscientific theories.

301. Defendants individually and in concert widely disseminated marketing materials,
refuted the scientific knowledge generally accepted at the time, advanced and promoted pseudoscientific theories of their own, and developed public relations materials that prevented reasonable
consumers from recognizing or discovering the latent risk that fossil fuel products and derivatives
would cause grave climate changes, undermining and rendering ineffective any warnings that
Defendants may have also disseminated.

302. A company acting with reasonable or ordinary care would not engage in a decades long deceptive marketing and public relations campaign to promulgate such false and misleading
 statements, would not manufacture or distribute fossil fuel products and their derivatives without
 warning, would warn of these products' hazardous properties, and/or would take steps to enhance
 the safety and/or reduce the risk of the products.

303. As a direct and proximate result of Defendants' negligence, the City has incurred and
will continue to incur costs and damages related to City property, City infrastructure, public safety,
and public health.

304. Defendants' conduct was willful, intentional, and in conscious disregard for the rights
of others. Defendants' conduct was so vile, base, and contemptible that it would be looked down
upon and despised by reasonable people, justifying an award of punitive and exemplary damages in
an amount subject to proof at trial, and justifying equitable disgorgement of all profits Defendants
obtained through their unlawful and outrageous conduct.

305. The City's injuries and threatened injuries from each Defendant's affirmative acts or
omissions are indivisible injuries. Each Defendant's past and ongoing conduct is a direct and
proximate cause of the City's injuries and threatened injuries, and a substantial factor in causing the
harms alleged herein.

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306. Defendants are jointly and severally liable to the City for their negligence.

307. As a direct and proximate result of Defendants' acts and omissions as alleged herein,
the City and its residents have suffered monetary losses and damages in amounts to be proven at
trial.

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#### VII. RELIEF REQUESTED

WHEREFORE, Plaintiffs pray for judgment and an order against each Defendant, jointly
 and severally, as follows:

- Finding Defendants jointly and severally liable for causing, creating, assisting in the
   creation of, contributing to, and/or maintaining a public nuisance;
  - 2. Equitable relief to abate the nuisances complained of herein;
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1	3.	Ordering an abatement fund remedy to be paid for by Defendants to provide for			
2	infrastructure in San Francisco necessary for San Francisco to abate the nuisances				
3		complained of herein;			
4	4.	Ordering compensatory damages in an amount according to proof;			
5	5.	Ordering punitive damages;			
6	6.	Ordering disgorgement of profits;			
7	7.	Awarding attorneys' fees as permitted by law;			
8	8.	Awarding costs and expenses as permitted by law;			
9	9.	Awarding pre- and post-judgment interest as permitted by law; and			
10	10.	10. Awarding such other relief as this Court deems just and proper.			
11	VIII. JURY DEMAND				
12	Plaintiff the City and County of San Francisco demands a jury trial on all issues so triable.				
13					
14	Dated: June 10, 2024				
15	By: <u>/s/ Ronald H. Lee</u> DAVID CHIU, City Attorney				
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19		David Chiu, and City and County of San Francisco, a municipal corporation
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