

The Climate Accountability Scorecard: ExxonMobil

The Union of Concerned Scientists has conducted an in-depth analysis of the climate change-related positions and actions of several major investor-owned fossil fuel companies.

The eight companies—Arch Coal, BP, Chevron, ConocoPhillips, CONSOL Energy, ExxonMobil, Peabody Energy, and Royal Dutch Shell—were assessed on 30 metrics.

The study focused on the period from January 2015 through May 2016 (except in a few cases; see sources in the tables below).

We scored the companies in four areas, which are discussed below. For each area, we placed each company in one of five scoring bands, ranging from “advanced” (which means that the company is demonstrating best practices) to “egregious” (which means that the company is acting very irresponsibly).

While some companies are making more progress than others, no company scored better than its peers in all areas, and several were relative leaders in some areas and relative laggards in others.

- Renouncing disinformation on climate science and policy scores ranged from fair to egregious.
- Planning for a world free from carbon pollution scores ranged from fair to egregious.
- Supporting fair and effective climate policies scores ranged from good to poor.
- Fully disclosing climate risks had the least differentiation, with four companies scoring fair and four companies scoring poor.

Scores and Recommendations for ExxonMobil

HIGHLIGHTS

ExxonMobil publicly describes or makes available:

- A detailed policy governing its political expenditures from corporate funds;
- The types of entities considered to be proper recipients of the company’s political spending;
- Public policy positions that become the basis for its spending decisions with corporate funds;
- A policy requiring senior managers to oversee and have final authority over all of the company’s political spending;

TABLE 1. ExxonMobil Company Overview

ExxonMobil	Global producer, refiner, and marketer of oil and natural gas.
Location of Headquarters	Irving, TX
CEO and Executive Chairman	Rex Tillerson
2015 Annual Revenues	\$268.88B
2015 Annual Profits	\$16.15B

DATA SOURCE: EXXONMOBIL CORPORATION 2016D

- A policy that the board of directors regularly oversees the company’s corporate political activity (CPA 2015).

LOWLIGHTS

- ExxonMobil CEO Rex Tillerson has repeatedly misrepresented basic climate science in public statements by casting doubt on the accuracy and competency of climate models (ExxonMobil Corporation 2016c; ExxonMobil Corporation 2015b).
- US Government Affairs Manager Cynthia Bergman is a member of the American Legislative Exchange Council (ALEC) Private Enterprise Council as of 2016 (ALEC 2016), and the company has not taken any steps to distance itself from climate disinformation spread by the group.
- CEO Rex Tillerson was on the American Petroleum Institute’s (API) board of directors as of 2014 (API 2015), and the company has not taken any steps to distance itself from climate disinformation spread by API.
- Vice President Neil A. Chapman is on the executive committee of the board of directors of the National Association of Manufacturers (NAM) as of 2016 (NAM 2016), and the company has not taken any steps to distance itself from climate disinformation spread by NAM.

- The company is a member of the Western States Petroleum Association (WSPA) as of 2016 (WSPA 2016), and refinery manager Max Ocansey was a member of the WSPA board of directors as of 2014 (Ballotpedia 2015). The company has not taken any steps to distance itself from climate disinformation spread by WSPA.
- ExxonMobil attempted to block climate-related shareholder resolutions regarding emissions reductions and the financial and physical risks of climate change in 2016, and recommended that shareholders vote against all climate-related shareholder resolutions in 2015 and 2016 (see, for example, Goldberg 2016).
- ExxonMobil has no company-wide plan for reducing emissions of heat-trapping gases.

efforts. It should also publicly distance itself from the positions of the US Chamber of Commerce on climate science and policy;

- Lay out a company-wide pathway to align its business model with the new reality established by the international climate agreement reached in Paris in 2015 by:
 - Publicly acknowledging the Paris Climate Agreement’s long-term goal and its implications for the swift transition to global net-zero emissions;
 - Disclosing emissions resulting from the company’s operations and the use of its products;
 - Setting and disclosing initial near-term company-wide targets to reduce emissions from its operations and the use of its products;
 - Developing and publicly communicating a clear plan and timeline to deepen reductions consistent with the agreement’s long-term goal;
- Consistently call for US policy action on climate change, identify specific federal and/or state legislation or regulation that it supports, and advocate publicly and transparently for those policies;
- Meet investor expectations in disclosing physical climate risks by providing details on: the operational segments and/or specific company facilities that might be impacted; the magnitude and time frames of the anticipated impacts (quantified, when feasible); and how the company plans to respond to physical impacts.

RECOMMENDATIONS

EXXONMOBIL SHOULD:

- Stop attempting to discredit and disparage the scientific evidence of climate change by clarifying that much of the range of climate impact projections in climate models has to do with assumptions about society’s energy use—including the projections about the future share of our energy needs to be filled by fossil fuels, a future share over which the company has considerable control;
- Leave ALEC, publicly citing inconsistencies between the group’s positions on climate change and its own. The company should use its leadership roles within API, NAM, and WSPA to demand an end to their disinformation on climate science and policy, and speak publicly about these

DETAILED SCORING

More information on scoring can be found at www.ucsusa.org/climatescorecard

TABLE 2. Renouncing Disinformation on Climate Science and Policy

Metric	Score	Rationale
Accuracy and consistency of public statements on climate science and the consequent need for swift and deep reductions in emissions from the burning of fossil fuels	Egregious	CEO Rex Tillerson has misrepresented climate science in at least one platform by discrediting and disparaging the accuracy of climate models (ExxonMobil Corporation 2016c; ExxonMobil Corporation 2015b).
Affiliations with trade associations and other industry groups that spread climate science disinformation and/or block climate action		

American Legislative Exchange Council (ALEC)	Egregious	US Government Affairs Manager Cynthia Bergman is a member of ALEC's Private Enterprise Council as of 2016 (ALEC 2016), and the company has not taken any steps to distance itself from climate disinformation spread by the group.
American Petroleum Institute (API)	Egregious	CEO Rex Tillerson was on the API board of directors as of 2014 (API 2015), and the company has not taken any steps to distance itself from climate disinformation spread by the group.
National Association of Manufacturers (NAM)	Egregious	Vice President Neil A. Chapman is on the executive committee of the NAM board of directors as of 2016 (NAM 2016), and the company has not taken any steps to distance itself from climate disinformation spread by the group.
US Chamber of Commerce (US Chamber)	Poor	ExxonMobil reported contributing \$1,000,000 to the US Chamber in both 2014 and 2015 (ExxonMobil Corporation 2016f; ExxonMobil Corporation 2015d) and has not taken any steps to distance itself from climate disinformation spread by the group.
Western States Petroleum Association (WSPA)	Egregious	The company was a member of WSPA as of 2016 (WSPA 2016). Refinery manager Max Ocansey was a member of the WSPA board of directors as of 2014 (Ballotpedia 2015). The company has not taken any steps to distance itself from climate disinformation spread by WSPA.
Policy, governance systems, and oversight mechanisms to prevent disinformation	Poor	The company has no policy on record.
Support for climate-related shareholder resolutions	Egregious	ExxonMobil attempted to block climate-related shareholder resolutions regarding emissions reductions and the financial and physical risks of climate change in 2016, and recommended that shareholders vote against all climate-related shareholder resolutions in 2015 and 2016 (see, for example, Goldberg 2016).
Area score	Egregious	

DATA SOURCES: COMPANY WEBSITES, PROXY STATEMENTS, PUBLIC STATEMENTS BY COMPANY REPRESENTATIVES, TRADE ASSOCIATION AND INDUSTRY GROUP WEBSITES, AND THIRD PARTY WATCHDOG GROUP WEBSITES IN THE PERIOD JANUARY 1, 2015, TO MAY 31, 2016; TRADE ASSOCIATION FEDERAL FILINGS FROM 2014

TABLE 3. Planning for a World Free From Carbon Pollution

Metric	Score	Rationale
Support for the Paris Climate Agreement	Poor	ExxonMobil has called the Paris Climate Agreement a "step forward" (McCarron 2016), but has not expressed support for its global temperature goals.
Company-wide commitments and targets to reduce greenhouse gas emissions	Egregious	ExxonMobil has no company-wide plan for reducing greenhouse gas emissions.
Use of an internal price on carbon in investment decisions	Poor	The company has set a price on carbon that is used in investment decisions, requiring an estimate of greenhouse gas-related emissions costs for capital investments. However, it does not disclose that price, only stating that it varies based on geography and may be as much as \$80/ton by 2040. Due to this geographic variation, it is unclear based on current disclosures what aspects of the supply chain must be included in these estimates (ExxonMobil Corporation 2016e).

Commitment and mechanism to measure and reduce carbon intensity of supply chain	Poor	The company has no public commitment to measure and reduce carbon emissions in its own operations.
Disclosure of investments in low-carbon technology research and development	Poor	ExxonMobil describes carbon capture and sequestration operations and research on advanced biofuels, but does not provide an annual breakdown of specific low-carbon investments (ExxonMobil Corporation 2015c).
Disclosure of greenhouse gas emissions reduction plans	Poor	The company does not disclose details of its greenhouse gas emissions reduction plans to shareholders.
Disclosure of how company manages greenhouse gas emissions and associated risks	Fair	The company provides details about energy efficiency improvements, efforts to reduce natural-gas flaring, expanding cogeneration, and increasing investment in natural gas, with data on emissions reductions and total emissions from management activities (ExxonMobil Corporation 2015a; ExxonMobil Corporation 2015c).
Disclosure of greenhouse gas emissions	Fair	The company provides information about direct greenhouse gas emissions from operations as well as indirect greenhouse gas emissions from consumption of purchased electricity, heat, or steam for the current year, and describes the methodology used to calculate emissions. Its disclosure of other indirect emissions, such as purchased goods and services, waste generated in operations, and other transport-related costs, is very limited (ExxonMobil Corporation 2016e; ExxonMobil Corporation 2015c).
Area score	Poor	

DATA SOURCES: 2015 AND 2016 SEC 10-KS OR 20-FS, CDP DISCLOSURES, SUSTAINABILITY REPORTS, AND ANNUAL REPORTS; COMPANY WEBSITES AND COMPANY PRESS RELEASES FOR THE PERIOD JANUARY 1, 2015, TO MAY 31, 2016

TABLE 4. Supporting Fair and Effective Climate Policies

Metric	Score	Rationale
CPA-Zicklin Index of Corporate Political Disclosure and Accountability: Disclosure	Poor	<p>ExxonMobil publicly discloses:</p> <ul style="list-style-type: none"> • Corporate contributions to political candidates, parties, and committees • Payments to 527 groups such as governors associations and super PACS (political action committees) • The positions and/or titles of the company's senior managers who have final authority over ExxonMobil's political spending decisions <p>The company provides partial disclosure or no disclosure of other aspects of political spending (CPA 2015).</p>

CPA-Zicklin Index of Corporate Political Disclosure and Accountability: Policy	Advanced	<p>ExxonMobil publicly describes or makes available:</p> <ul style="list-style-type: none"> • A detailed policy governing its political expenditures from corporate funds • The types of entities considered to be proper recipients of the company's political spending • Public policy positions that become the basis for its spending decisions with corporate funds • A policy requiring senior managers to oversee and have final authority over all of the company's political spending • A policy that the board of directors regularly oversees the company's corporate political activity <p>It has a partial policy or no policy in other areas related to political spending (CPA 2015).</p>
CPA-Zicklin Index of Corporate Political Disclosure and Accountability: Oversight	Fair	<p>ExxonMobil has a specified board committee composed entirely of outside directors that oversees its political activity.</p> <p>The company has a dedicated political disclosure webpage accessible within three mouse-clicks from the homepage and through an internet search.</p> <p>It has partial or no oversight in other areas related to political spending (CPA 2015).</p>
Engagement with Congress on federal climate policies or legislation	Fair	<p>The company supports a revenue-neutral carbon tax, stating that "a properly designed carbon tax can be predictable, transparent, and comparatively simple to understand and implement" (ExxonMobil Corporation 2016a). The company's External Citizenship Advisory Panel has called for "more specificity about the company's support for a carbon tax, as well as its engagement on other policy issues in the United States and internationally" (ExxonMobil Corporation 2016b).</p>
Consistent support for US policy action to reduce emissions	Fair	<p>ExxonMobil did not publicly engage Congress on climate policies during our study period.</p>
Engagement on the EPA Clean Power Plan (EPA-HQ-OAR-2013-0602)	Poor	<p>ExxonMobil is a funder of the Pacific Legal Foundation, which is a plaintiff in a lawsuit against the Environmental Protection Agency regarding the Clean Power Plan (ExxonMobil Corporation 2016f; <i>State of West Virginia et al. v. EPA 2016</i>; ExxonMobil Corporation 2015d).</p>
Engagement on the EPA methane rule (EPA-HQ-OAR-2010-0505-4776)	Fair	<p>The company did not submit comments to the EPA regarding the methane rule.</p>
Company influence through international or national business alliances or initiatives that are supportive of specific climate policies	Fair	<p>The company has not signed on to international or national business alliances or initiatives supportive of specific climate policies.</p>
Area score	Fair	

DATA SOURCES: COMPANY WEBSITES AND MAJOR NEWS SOURCES IN THE PERIOD JANUARY 1, 2014, TO MAY 31, 2016; 2015 CENTER FOR POLITICAL ACCOUNTABILITY-ZICKLIN INDEX AND SCORING GUIDELINES; CONGRESSIONAL TESTIMONY AND COMPANY COMMENTS FILED WITH REGULATIONS.GOV IN THE PERIOD JANUARY 1, 2014, TO MAY 31, 2016

TABLE 5. Fully Disclosing Climate Risks

Metric	Score	Rationale
Disclosure of regulatory risks	Poor	ExxonMobil mentions the general existence of risk associated with current or proposed laws relating to climate change, but does not cite specific laws or regulations (ExxonMobil Corporation 2016e).
Disclosure of physical risks	Fair	The company identifies uncertainties that “climate change and weather events may potentially introduce” as risks to the company, but provides few details about the nature of those risks, their magnitude, or their potential impact on the company. ExxonMobil mentions that design steps are taken to help protect facilities from severe weather events, but this discussion does not specifically mention planning for climate change (ExxonMobil Corporation 2016e).
Disclosure of market and other indirect risks and opportunities	Fair	The company identifies competition from renewable energy, changing consumer preferences, and changing technology as risks that it faces, but provides limited analysis of their potential financial impacts (ExxonMobil Corporation 2016e).
Disclosure of corporate governance on climate-related risks by board and senior management	Egregious	The company provides no disclosure of corporate governance on climate issues.
Area score	Poor	

DATA SOURCES: 2016 SEC 10-KS OR 20-FS AND CDP DISCLOSURES, IF DISCUSSED IN SEC FILINGS

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The Union of Concerned Scientists puts rigorous, independent science to work to solve our planet's most pressing problems. Joining with citizens across the country, we combine technical analysis and effective advocacy to create innovative, practical solutions for a healthy, safe, and sustainable future.

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