

ExxonMobil Director Votes



ExxonMobil (NYSE:XOM)

XOM is the largest U.S. based oil producer (measured by barrels of oil per day).¹ The company estimates that Scope 3 emissions associated with its petroleum products sales in 2019 totalled 730 million tons.²

Majority Action urges investors to vote against directors at companies failing to implement plans consistent with limiting global warming to 1.5°C.

| Targets | |
|---|---|
| Net-zero by 2050 commitment that covers all material Scopes and business segments, in particular Scope 3 emissions from the burning of products sold, and on a full equity share basis. | Exxon has not set a net-zero target. The company's most recent statement on GHG targets says that it expects "intensity of upstream emissions to drop by 15%-20%; methane intensity by 40-50%; flaring intensity by 35-35%" by 2025. ³ Critics at the shareholder activist group Engine #1 criticize the company for excluding from its targeting Scope 3 emissions from burning oil and gas "which account for an estimated 83% of the Company's total emissions." ⁴ According to Climate Action 100+, Exxon meets none of the criteria for net-zero and long-term greenhouse gas reduction target setting, and its targets do not cover the most relevant Scope 3 emissions categories for its sector. ⁵ |
| Limited use of offsets, negative emissions, or unproven or uncommercialized technologies, including CCS, in reaching net-zero targets. | Not applicable. |

| Capital allocation | |
|--|---|
| <p>Plan to eliminate capital spending on expansion of fossil fuel supply in line with net-zero decarbonization commitment.</p> | <p>According to RAN, Exxon is among the world's largest fossil fuel expansion companies. It is projected to produce 11,801 million metric tons of carbon dioxide between 2021-2050, second only to Russia's state-controlled Gazprom.⁶ It has the third largest tar sands reserves⁷ which it wrote off from its books in February 2021, recognizing that production is no longer viable at current market prices.⁸ As of March 2021, Exxon's \$20-\$25 billion per year capex spending plan for 2022-25 prioritizes increased fossil fuel production through investments in Guyana, the U.S. Permian Basin and Brazil.⁹</p> <p>According to Carbon Tracker, 80-90% of Exxon's potential capital expenditures in unsanctioned projects between 2020-2030 exceed the carbon budget for the IEA's "Beyond 2 Degrees" scenario, and therefore fall well outside the 1.5°C carbon budget.¹⁰ Exxon is an investor in one of the largest active projects that fall outside that scenario, the \$10 billion Golden Pass LNG project,¹¹ designed to export 16 million tons of LNG per year from a facility in Texas.¹² According to Climate Action 100+, Exxon does not meet the criteria for capital allocation alignment, and \$10.4bn of its 2019 upstream oil and gas capex is inconsistent with the IEA's "Beyond 2°C" Scenario, let alone a 1.5°C.¹³</p> |
| Policy influence | |
| <p>Alignment of policy influence activities with net-zero target and limiting warming to 1.5°C.</p> | <p>"ExxonMobil appears unsupportive of most forms of climate regulation whilst promoting an energy policy agenda to accelerate fossil fuel development," according to InfluenceMap, and it "retains an extensive network of memberships to industry associations actively opposing climate-related policy globally."¹⁴ According to Climate Action 100+, Exxon does not meet any of the criteria for climate policy engagement alignment, except its disclosure of trade association memberships.¹⁵</p> |

Endnotes

- 1 <https://www.statista.com/statistics/280705/leading-oil-companies-worldwide-based-on-daily-oil-production-2012/>. It is the sixth largest oil producer globally, as of 2018, ranking behind the leading Saudi, Russian, Kuwaiti, Iranian and Chinese firms. <https://www.offshore-technology.com/features/companies-by-oil-production/>
- 2 <https://corporate.exxonmobil.com/-/media/Global/Files/energy-and-carbon-summary/Energy-and-Carbon-Summary.pdf>, at 43.
- 3 https://corporate.exxonmobil.com/News/Newsroom/News-releases/2020/1214_ExxonMobil-announces-2025-emissions-reductions-expects-to-meet-2020-plan
- 4 <https://www.sec.gov/Archives/edgar/data/34088/000090266421001563/p21-0806exhibit2.htm>
- 5 <https://www.climateaction100.org/company/exxon-mobil-corporation/>, at Indicators 1-4
- 6 RAN 2021, p. 73.
- 7 Ibid, p. 77.
- 8 <https://oilnow.gy/featured/in-historic-move-exxon-takes-canadian-oil-sands-off-its-books/>
- 9 https://corporate.exxonmobil.com/News/Newsroom/News-releases/2021/0303_ExxonMobil-outlines-plans-to-grow-long-term-shareholder-value-in-lower-carbon-future
- 10 <https://carbontracker.org/reports/fault-lines-stranded-asset/>, at 7
- 11 <https://carbontracker.org/reports/fault-lines-stranded-asset/>, at 32
- 12 <https://goldenpasslng.com/operations/export-project>
- 13 <https://www.climateaction100.org/company/exxon-mobil-corporation/>, at Indicator 6 and Capital Allocation Supplement 1
- 14 <https://influencemap.org/company/Exxon-Mobil>
- 15 <https://www.climateaction100.org/company/exxon-mobil-corporation/>, at Indicator 7