

ExxonMobil CCS Deep Dive

August 2021

Data cover: July 2020 to August 2021

Background - ExxonMobil & CCS

This report has consolidated intelligence from real time dashboards provided under Polecat's enterprise license to bring together publicly available stakeholder intelligence in regard to the conversation around ExxonMobil & Carbon Capture & Storage (CCS) captured across both online media and social media sources.

Dashboards can be found at <https://hub.polecat.com>

Data Sources & Taxonomy

- **Sources:** Over 8 million sources are monitored daily across media titles, industry publications and volumes of websites blogs and social media sources belonging to stakeholders including; government; NGO's; investors, companies and think tanks
- **Taxonomy:** A broader look at key energy transition and ESG themes discussed in relation to the conversation around ExxonMobil and Carbon Capture & Storage.
- **Global Stakeholders:** All stakeholders monitored by Polecat

Actionable Intelligence

- Data Period: July 2020 to 07 August July 2021
- English Language Content
- Online media and Social Media sources
- United States focus

Summary

Volume levels of discussion is fairly low with more aged discussion aligned to the recent activist investor activity of Engine No.1 lobbying for more aggressive carbon reductions by ExxonMobil's board.

More recent discussion has been made in proactive company announcements, more recently at July 30th earnings announcement, where CCS projects were discussed (Wyoming, Houston Shipping Canal, Scotland & Netherlands)

NGO interaction still fairly low, Greenpeace most cited in relation to their "expose" of Exxon's work with "shadow groups" (Think Tanks) with a few local groups cited more recently such as the Galveston Bay Foundation.

ExxonMobil & Carbon Capture Discussion (online media & social media)

The below chart analyzes the impact and sentiment of conversation relating to ExxonMobil and discussion relating to CCS over the past year. Sentiment is indicated as; Green (Positive), Yellow (Neutral) and Red (Negative)



- 10/02: The European Commission proposed awarding 102 million euros in funding to the [Porthos project](#) storing some 2.5 megatons of CO2 per year – supplied by the Rotterdam locations of Air Liquide, Air Products, ExxonMobil and Shell
- 12/08: Coverage that ExxonMobil shelves [carbon capture project](#) "using technology that could slow climate change"
- 02/03: Low Carbon Solutions business is set up, pledging \$3 billion investment on green energy and CCS through 2025 to "[commercialize carbon capture tech](#)". The new unit was reported to be evaluating multiple projects in Southeast Texas and Wyoming, alongside Porthos.
- 03/03: **Investor Day:** ExxonMobil announced to investors that a "lower-carbon" future involving both significant [carbon capture and storage \(CCS\) technology and continued fossil fuel use](#) in a plan that failed to fully satisfy environmental critics. Investor activism increases as **Engine No. 1** announced on Twitter "There is little, if any, chance that (carbon capture) will enable ExxonMobil or any other oil major to avoid transforming its business over the long-term if the pace of global decarbonization accelerates in accordance with the Paris climate agreement goals."
- 04/20: Exxon sees Houston as an ideal site for \$100B carbon capture and storage project. Meanwhile financial coverage that "ExxonMobil still has no credible plan to protect value in an energy transition," An 80-page investor presentation in which Engine No 1 excoriated the company's "value destruction" and "refusal to accept that fossil fuel demand may decline".
- Cont'd: The energy company "touts its efforts in areas like carbon capture and biofuels", but those efforts have "delivered more advertising than results", Engine No 1 said.
- 05/11: **Government Investment:** The Dutch government allocates €2bn to develop a carbon capture and storage project under the North Sea. The Royal Dutch Shell and ExxonMobil initiative expects to "reduce emissions in the industrial area surrounding Europe's largest seaport by around 10 percent"
- 06/30: [Greenpeace release interview with lobbyist for ExxonMobil](#) who states that the company supports a carbon tax publicly because the plan to curb climate change would never gain enough political support to be adopted
- 07/01: **Public Citizen** publishes opinion piece in Houston Chronicle stating "Companies such as Exxon Mobil tout carbon capture to appear climate-friendly, but it is not a "green" technology. Nor does it provide relief to those living along the fence lines next to refineries, breathing cancer-causing pollution."
- 07/22: [MOU signed](#) to join Acorn CCS project (Scotland).
- 08/06: With the Democrats introducing a bill seeking \$500 billion in climate damages from Exxon and Chevron [Forbes questions](#) if Exxon has the cash flow and the expertise to invest in remediation or new business models such as carbon capture. Also if a \$100 per ton carbon tax on scope 1, 2 and scope 3 "cripple" Exxon.

Stakeholder View: NGO's

The below charts analyzes NGOs cited in conversation alongside ExxonMobil and CCS discussion across online media and social media from April to August 7th 2021.

Emerging Themes: Carbon Tax, Greenwashing, Shadow Groups, Lobbying, Transparency, Proxy Season, Investor Pressure, Low-Carbon Technology

Smaller Groups Signals: Galveston Bay Foundation – recent concerns around Houston's Ship Canal



Greenpeace: (Political Lobbying/Corporate Donations/Policy/Climate Denial/Carbon Tax/Corporate Governance) Lobbying and Governance concerns heightened around June 30 surrounding an undercover interview with Exxon lobbyist which amongst other things called into question Exxon's relationship with a network of "shadow groups" (think tanks and pressure groups) through which Exxon was reported to fight against "both the science and political action on climate change". The report and subsequent coverage discussed that between 1998 and 2014, the company spent at least \$30 million funding climate denial groups, such as the Heartland Institute, Competitive Enterprise Institute, and Heritage Foundation.

Corporate Accountability International: Across Twitter, the group also picked up on Greenpeace's undercover interview with ExxonMobil Lobbyist calling for "no more plans for use of carbon capture technologies".

Extinction Rebellion: Earlier on June 3rd, @ExtinctionR tweeted "All of the world's existing carbon capture projects can capture less than 0.1% of global emissions" Terrifying because many pathways to keeping Earth habitable rely on carbon capture."

Ceres: (Proxy Season/Lower-carbon Tech/AGM/Investor Pressure) Commenting on 2021's Proxy season and ExxonMobil and Chevron's annual meetings discussion that the companies faced their strongest pushback yet from climate-focused investors urging the oil and gas drillers to "start facing the future" by shifting to lower-carbon technologies and preparing for sharply lower fossil fuel demand. "The oil and gas industry has faced a true reckoning this proxy season," said Andrew Logan, senior director of oil and gas at Ceres. "With this vote, the center of power at ExxonMobil and Chevron has shifted, and oil and gas companies can no longer afford to ignore outside pressure."

Environmental Defense Fund: (Proxy Season/Investor Pressure/Climate Pledges) "Major asset managers stepped up. Credit goes to BlackRock(BLK), Legal and General, CalSTRS and others for aligning their proxy voting with their climate pledges," said Fred Krupp, president of the Environmental Defense Fund.

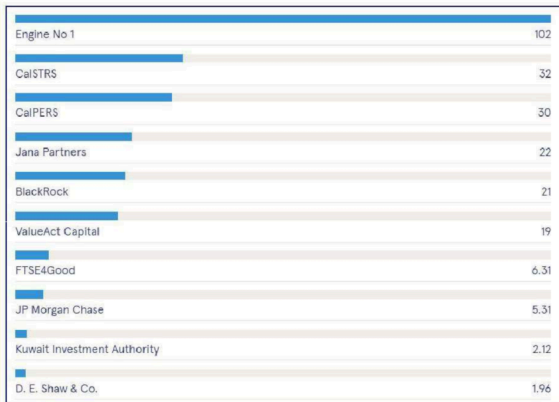
Center for Biological Diversity: On Carbon Tax "self-serving greenwashing" and that "nobody should fall for the oil industry's new PR ploy, which will do nothing to fight the climate emergency."

Kassie Siegel, director of the Center for Biological Diversity's Climate Law Institute.



Stakeholder View: Investors

The below charts analyzes Investors cited in conversation alongside ExxonMobil and CCS discussion across online media and social media from April to August 7th 2021.



Engine No.1: (Proxy Battle/CCS/Technology/Climate Targets/Board Seats/Emissions)

Despite a minority shareholder, Engine No. 1 nominated 4 directors for board seats claiming 3 seats in June after pushing the company and its Directors to be more aggressive with climate targets and pledges. "While we have recognized the importance of legitimate efforts to advance carbon capture technology, it is true that we referred to ExxonMobil's "plan" for a \$100 billion advanced carbon capture project as "vaporware." However, we think this is a fair way to characterize a project that has no funding, relies on a non-existent carbon tax that if enacted would dramatically reduce oil and gas demand and thus runs counter to every business decision made by ExxonMobil in its recent history, and appeared out of thin air during a proxy contest.

CalSTRS / CalPERS: "It's a historic vote that represents a tipping point for companies that are unprepared for the global energy transition," Aisha Mastagni of CalSTRS said about Engine No 1 defeating Exxon in a shareholder battle over the company's climate strategy. "Shareholders have spoken and the message is clear. We need climate competent boards willing and able to drive the energy transition to net zero. This is urgent and unavoidable" says CalPERS

Climate Action 100+:

"INVESTORS ARE NO LONGER STANDING ON THE SIDELINES. THIS IS A DAY OF RECKONING. THE VOTES FOR CHANGE BY CLIMATE ACTION 100+ SIGNATORIES SHOW THE SENSE OF URGENCY ACROSS THE CAPITAL MARKETS. CLIMATE CHANGE IS A FINANCIAL RISK AND AS FIDUCIARIES, WE NEED TO ENSURE THAT BOARDS ARE NOT JUST INDEPENDENT AND DIVERSE, BUT CLIMATE COMPETENT."

— ANNE SIMPSON, CHAIR OF CLIMATE ACTION 100+ STEERING COMMITTEE, CLIMATE ACTION 100+ AND MANAGING INVESTMENT DIRECTOR, BOARD GOVERNANCE & SUSTAINABILITY AT CALPERS



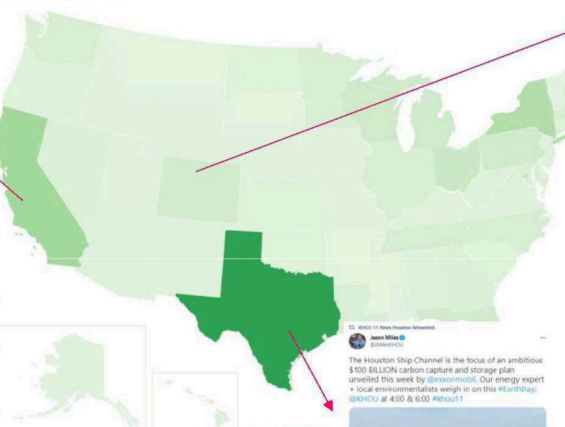
State View: ExxonMobil & CCS discussion (online media & social media)



Wyoming and Texas dominate discussion. California and Houston dominate states publishing discussion alongside more recent financial markets (New York) coverage around Exxon's earnings announcement on 30th July.

30th July Earnings Call:

- ExxonMobil aims to boost Permian output by 40,000 boe/d in Q3
- CEO outlined decarbonization plans after climate pushback but projects will take time
- Woods said a \$100 billion proposal to capture and store CO₂ emissions from heavy industries around the Houston Ship Channel was "gaining industry and third-party support," without giving more details.
- The company aims to increase production for low-emission fuels by 40,000 b/d by 2025 through several projects to repurpose existing refinery units and through co-processing biofeeds and purchase agreements, Woods said.
- "In markets where low-carbon fuels policies incentivize the development of lower emission fuels like California and Canada, scale opportunities exist," he said



Wyoming: Earnings call July 30 - Exxon's plans "will reflect the continued development and deployment of needed technologies," Woods said. The intentions to work on "developing lower-emission fuels" and to cut emissions from methane leaks in the Permian Basin — a large oil and gas producing region in Texas and New Mexico. Woods also promised to expand Exxon's carbon capture facilities in Wyoming and to invest in a new carbon storage facility in Scotland. *The Hill* reported "Exxon mirrors actions taken by other majors, such as Chevron, which the Financial Times reported was setting up a "new energies" line for fuels like hydrogen, and Shell, which told investors that any future spending increases above its current planned \$22 billion a year "will go mostly towards low-carbon businesses," according to Reuters.

Houston is the "perfect place" for a giant, \$100 billion project to capture carbon dioxide emissions from the city's industrial area along the Ship Channel.





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