Comparison of 2019, 2018 ExxonMobil Energy and Carbon Summary Report

Updated on 2/7/2019

<table>
<tr><th></th><th>2019 Report</th><th>2018 Report</th></tr>
<tr><td rowspan="2">Projected Demand</td><td colspan="2">All energy-related assumptions in this report are unchanged from the 2018 report, as they both rely on the 2018 Outlook for Energy. Although the outlook has previously been updated annually, ExxonMobil has now published two climate risk reports based on the same data. The quotes from both years are below.</td></tr>
<tr><td>"Over the period to 2040, the world population is expected to reach 9.2 billion people, while global GDP likely will double. Billions of people are expected to join the middle class. Energy demand is likely to rise about 25 percent over the period to 2040, while efficiency gains and a shift in the energy mix – including rising penetration of wind and solar – are likely to enable nearly a 45 percent fall in the carbon intensity of global GDP."</td><td>"Energy efficiency improvements will help curb the growth in global energy demand to about 25 percent over the period to 2040."</td></tr>
<tr><td>2C Pathways - Energy Outlook graph</td><td>ExxonMobil included the same problematic graph in this report, but without the false claim that it parallels an IPCC scenario that results in
a global temperature increase of approximately 2.4C.</td><td>ExxonMobil doesn’t include a projected temperature increase. It claims that its trajectory for the energy sector, which ends in 2040, closely parallels an IPCC scenario that results in a 2.4C increase by 2100—but the XOM curve never actually bends down, it just goes up on the same angle through 2040. So, it’s a false claim. If ExxonMobil’s projection went to 2100 there’s every reason to believe it would go much higher than 2.4C.</td></tr>
</table>

Alignment with the Paris climate agreement	The company makes it clear, in its final statement of both the 2018 and 2019 reports, that it firmly believes the world will fail to meet the Paris climate agreement's global temperature goals, and thus ExxonMobil will be unconstrained in its business of extracting, producing, and marketing fossil fuels.	
	"Existing policy frameworks (including the Paris NDCs), financial flows, and the availability of cost-effective technologies indicate that society is not currently on a 2°C pathway. Should society choose to more aggressively pursue a 2°C pathway, we will be positioned to contribute through our engagement on policy, development of needed technologies, improved operations, and customer solutions."	*"Existing policy frameworks (including the Paris NDCs), financial flows, and the availability of cost-effective technologies indicate that society is not currently on a 2°C pathway. Should society choose to more aggressively pursue a 2°C pathway, we will be positioned to contribute through our engagement on policy, development of needed technologies, improved operations, and customer solutions."*
Paris climate agreement v. Nationally Determined Contributions	This year, the company has decided to pit the Nationally Determined Contributions against the Paris Climate Agreement itself and use that to emphasize uncertainty.	
	"As recognized by the United Nations Framework Convention on Climate Change, the estimated aggregate annual global emissions levels resulting from the implementation of intended NDCs do not fall within least-cost 2°C scenarios. Differences in these scenarios help put in perspective the uncertainty in the pace and breadth of changes in the global energy landscape."	
The Problem of Being an Oil and Gas Company	This is the first year that ExxonMobil has admitted, in its climate risk report,	

	that its fossil fuel products are inherently part of the problem of climate change.	
	"Our commitment to mitigating emissions from our operations is unwavering. That said, it is important to understand that while ExxonMobil continues to strive to mitigate emissions, our absolute emission levels are impacted by the size and composition of our asset portfolio."	
Greenhouse Gas Reduction Commitments? Or Reduction Measures?	Even within this report itself, there are inconsistencies. In the Chairman's letter, Darren Woods refers to its methane reduction efforts as "commitments", whereas every other mention has steadfastly refused to use concrete language, referring to it as "reduction measures that are expected to lead to considerable improvement in emissions"	
	Darren Woods letter: "We have committed to reducing methane emissions from our operations by 15 percent and flaring by 25 percent by 2020 (when compared to 2016), as well as reducing the GHG intensity at our operated Canadian oil sands facilities by 10 percent by 2030"	Report text (p. 25): "In 2018 we announced GHG reduction measures that are expected to lead to considerable improvement in emissions when compared to 2016 levels."
Risk of Stranded Assets	Although it has removed a numerical estimate, the company appears to be reducing its expectation of how much of its proven reserves can be profitably extracted.	
	"With the potential 2040 imbalance (absent future investment), ***the substantial majority*** *of our proved reserves that are projected to be produced by 2040 are clearly supported by ample demand, and therefore face little risk related to the 2°C scenarios average."*	*ExxonMobil anticipates that* ***over 90 percent of*** *its year-end 2016 proved reserves will have been produced by 2040 and believes "these reserves face little risk."*

EPA's Methane Rollback Comments	ExxonMobil also appears to be patting itself on the back for its double-sided comments to the EPA on the Methane Rule Rollback. Yes, ExxonMobil did say it supported "cost-effective" monitoring, but it also firmly supported comments filed by the API, which led to the rule being opened for commentary in the first place.	
	"ExxonMobil submitted a letter to the EPA rulemaking docket indicating support for reasonable, cost-effective regulations to manage methane emissions from new and existing sources."	
Low Carbon R&D	ExxonMobil is doubling down on technological improvements to get us to 2C, but also doesn't seem to have a lot of faith that they'll work.	ExxonMobil mentions areas of investment in low-carbon technology research but does not provide a breakdown of specific low-carbon investments (mentions CCS "participating in more than 1/5 of the world's CCS capacity"; biofuels, algae research, ag waste into fuel)...ExxonMobil reports spending more than $8 billion since 2000 to develop and deploy higher-efficiency and lower-emission energy solutions across its operations—less than 2 percent of its capital and exploration expenditures during the same timeframe.

	Since 2000, $9 billion in facilities and research to develop and deploy lower-emissions energy solutions like cogeneration, algae biofuels, and carbon capture and storage (CCS). Technology advances are expected to play a major role in accelerating progress toward a 2°C pathway. However, the International Energy Agency in 2018 estimated in its Tracking Clean Energy Progress analysis that only four of 37 technologies are on track to help enable reaching the Paris Agreement climate goals.	*ExxonMobil is a leader in existing CCS, participating in more than one-fifth of the world's CCS capacity. ExxonMobil spent more than $8 billion to develop higher-efficiency and lower-emission energy solutions*
Climate Policy and Industry Groups	In terms of climate policy, ExxonMobil continues to focus on its membership in the Climate Leadership Council to the exclusion of its support for trade associations and other industry groups that spread climate disinformation, and without mentioning the immunity from liability for climate damages built into the CLC carbon tax plan.	
	- *"ExxonMobil is also a founding member of the Climate Leadership Council (CLC)."* - *"ExxonMobil has also provided financial support for the 501(c)(4) organization Americans for Carbon Dividends, a national education and advocacy campaign launched in 2018 to promote the policy pillars of the CLC."* - *"ExxonMobil is part of the Oil and Gas Climate Initiative*	*"ExxonMobil is proud to be among the Founding Members of the Climate Leadership Council. Our support is anchored in a proposal put forth by former U.S. Secretaries of State George P. Shultz and James A. Baker, III. These statesmen argued for a carbon tax that calls for a gradually rising price on carbon."*

	(OGCI), a voluntary initiative representing 13 of the world's largest oil and gas producers working collaboratively toward solutions to mitigate the risks of climate change."	