



Exxon Crushes Progressive Dreams That “Net Zero” Has Any Chance By 2050: It Would Mean Collapse In “Global Standard Of Living”

Description

In a world of suffocating snowflakery, ESG hypocrisy and, well... Tranheuser Busch, a corporation telling the truth without fear of reprisals from the Open Society-funded virtue signaling cabal is rarer than an mRNA-injected, genetically engineered hen’s teeth.

And yet that’s what the company hated by every progressive, Exxon Mobil, did this week when it became the first corporation to denounce the insidious and laughable claims that “net zero” is even a remote possibility by 2050.

The US supermajor pushed back against investors pressing the company to report on the risks to its business from restrictions on greenhouse gas emissions and potential environmental disasters when in a reply to proxy advisor Glass Lewis, Exxon said **the prospect of the world achieving net-zero carbon dioxide emissions by 2050 is remote and should not be further evaluated in its financial statements.**

A shareholder proposal seeking a report on the cost of having to abandon projects faces a shareholder vote on May 31. Glass Lewis backed the initiative, concluding Exxon could face material financial risks from the net-zero scenario.

Exxon disagreed, and said **the world is not on a path to achieve net-zero emissions in 2050 as limiting energy production to levels below consumption demand would lead to a spike in energy prices, as observed in Europe following oil sanctions against Russia over Ukraine.**

Exxon, is of course, correct however that won’t stop the green fanatics from beating the drum that somehow the world can transition to “green” energy (at a cost of some \$150 trillion mind you) in the next 27 years without an energy cataclysm.

At the heart of the issue is the 2050 net-zero emissions (NZE) scenario of the International Energy Agency (IEA) which envisions a path to limit the global temperature rise to 1.5 degrees Celsius. For the NZE scenario to be met, the IEA had hilariously said new oil exploration would have to have stopped in

2021 and nations would have to switch to renewable energy from fossil fuels (good luck with that). Exxon is among the companies heavily investing in new exploration to generate oil and gas for decades to come, and in retrospect, one can thank their deity of choice for Exxon's decision to do so as opposed to sending the world back into the dark ages, an outcome which so many from the World Economic Forum seems to aspire to.

"It is clear that the IEA NZE does not, by the scenario authors' own assessment, meet the level of likelihood required to be considered in our financial statements," Exxon said in a response filed with the U.S. Securities and Exchange Commission on Wednesday.

"It is highly unlikely that society would accept the degradation in global standard of living required to permanently achieve a scenario like the IEA NZE," Exxon said in dismissing the proposal.

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RE: 2023 Glass Lewis Proxy Report Feedback Statement

We appreciate the opportunity to provide transparent and timely information to our shareholders by participating in Glass Lewis' Report Feedback Statement Service. Our ongoing shareholder engagements are vitally important, and the input we receive contributes to ExxonMobil's future disclosures. To facilitate informed voting by our shareholders, we offer the information below regarding some of the proposals in our [2023 Proxy Statement](#).¹

Additional Direct Methane Measurement

ExxonMobil is on the forefront of technology when it comes to monitoring, measuring, and addressing fugitive methane emissions. Our strategy is to implement all reasonable means to avoid methane venting and flaring, and to repair detected leaks at our operated sites. To identify and track methane sources, we use satellites, aircraft, drones, facility-scale, near-continuous monitoring via fixed cameras and sensors, on-the-ground manual leak detection, and a first-of-its-kind stratospheric balloon with hyperspectral sensors.

Currently, there are no standard protocols to incorporate direct measurement into the quantification of methane emissions, and we appreciate Glass Lewis' assessment that our current methane disclosures are relatively commensurate with our peers. Even so, we're deploying detection technologies in nine countries at operated assets that account for more than 80% of our methane emissions, and we're expanding our continuous monitoring program in the Permian Basin to cover about 700 unconventional production sites by 2025. In addition, we were recognized as an industry leader in a [three-year direct measurement study](#) by the Environmental Defense Fund in the Permian Basin.²

Please see our recent [letter to shareholders](#)³ for more information. Given the significant progress we are making to measure and reduce emissions and the comprehensive disclosures we already make available to the public, we recommend a vote AGAINST "Item 8 – Additional Direct Methane Measurement."

Additional Report on Worst-case Spill and Response Plans

Our goal is to reduce environmental incidents to zero everywhere we operate through a process of continuous improvement and superior environmental performance.

Specific to our operations in Guyana,⁴ Glass Lewis has recognized the extensive disclosures we already provide. Our website offers [comprehensive details](#)⁵ on our work in the region, including an overview of the project, our contributions to and collaborations with the local community, and our environmental efforts. To give our stakeholders additional insight and confidence in our processes, this website also features a centralized location for environmental impact assessments of Payara Prosperity and Yellowtail One, as well as the Oil Spill Response Plan for our Guyana operations.

Report on Asset Retirement Obligations Under IEA NZE Scenario

The robust disclosures in our [Advancing Climate Solutions](#) progress report⁶ (ACS) provide shareholders insights into the resiliency of our business. We acknowledge Glass Lewis' conclusion that the additional reporting requested by this proposal is neither required by U.S. GAAP nor current industry practice.

Our 2023 ACS details the potential impact of the International Energy Agency's Net Zero Emissions by 2050 (IEA NZE) scenario on remaining asset lives, asset retirement obligations (AROs), and asset-use optionality. As we have shared, we test our portfolio against a range of scenarios and projections, confirming that our flexible strategy enables us to adapt to the energy transition at the pace society demands.

In the ACS, we modeled our portfolio through 2050 and described our approach to repurposing downstream assets in support of a lower-emission future, including evolving the product slate toward biofuels, chemicals, and basestocks, and converting some of our refineries to terminals. Further, consistent with the request of the proposal, we solicited a Wood Mackenzie audit and published the audit statement in its entirety. Their audit concluded that our modeling accurately reflected the IEA NZE scenario assumptions.

In their analysis, Glass Lewis states that AROs could represent a material financial risk to the company. We are unable to understand how they have arrived at this conclusion. In accordance with GAAP, we do not incorporate into our financial statements those types of risks that are as remote as the IEA NZE path. Glass Lewis apparently believes the likelihood of the IEA NZE scenario is well beyond what the IEA itself contends: that the world is not on the NZE path and that this is a very aggressive scenario. It is clear that the IEA NZE does not, by the scenario authors' own assessment, meet the level of likelihood required to be considered in our financial statements. Likewise, it is highly unlikely that society would accept the degradation in global standard of living required to permanently achieve a scenario like the IEA NZE. We ask shareholders therefore to reject the proponent's conclusion, which was not based on a sound, underlying analysis.

With the robust disclosures we already provide, as guided by shareholder input, our Board recommends a vote AGAINST "Item 12 – Report on Asset Retirement Obligations Under IEA NZE Scenario."

Energy Transition Social Impact Report

Throughout our long history, ExxonMobil has worked to develop our workforce, facilitate local economic growth, mitigate the impact of our operations, and engage with and support the communities in which we work. It is integral to the success of our business that we respect human rights, manage impacts on communities, and make valued social investments. These efforts apply to our leading role in the ongoing energy transition as disclosed on our website in our approach to ["Supporting a Just Transition."](#)⁷

In our [Investing in People](#)⁸ report, we describe our focus on building a diverse workforce and productive work environment where individual and cultural differences are respected, where every employee is challenged to deliver their best and contribute to our success, and where our people have the opportunity for unrivaled personal and professional development. Importantly, the skills and capabilities that allow our workforce to meet the world's energy needs today are the same critical and transferable skills required for ExxonMobil to thoughtfully lead in an ongoing energy transition.

In addition, ExxonMobil chairs the [Just Transition Task Force](#)⁹ within Ipieca, the global oil and natural gas association for advancing environmental and social performance across the energy transition. The task force shares best practices and information to help "support the oil and [natural] gas industry's participation in international collaboration to transition to a lower-carbon world in a way that's just and fair for workforces, communities, and consumers."

For these reasons and because of the disclosures we already provide, our Board recommends a vote AGAINST "Item 16 – Energy Transition Social Impact Report."

We are grateful for the opportunity to discuss these topics with our shareholders, and we welcome engagement from our shareholders and Glass Lewis at any time. We encourage our shareholders to carefully review our proxy statement and vote AGAINST these items at the Annual Meeting of Shareholders on May 31.

Sincerely,

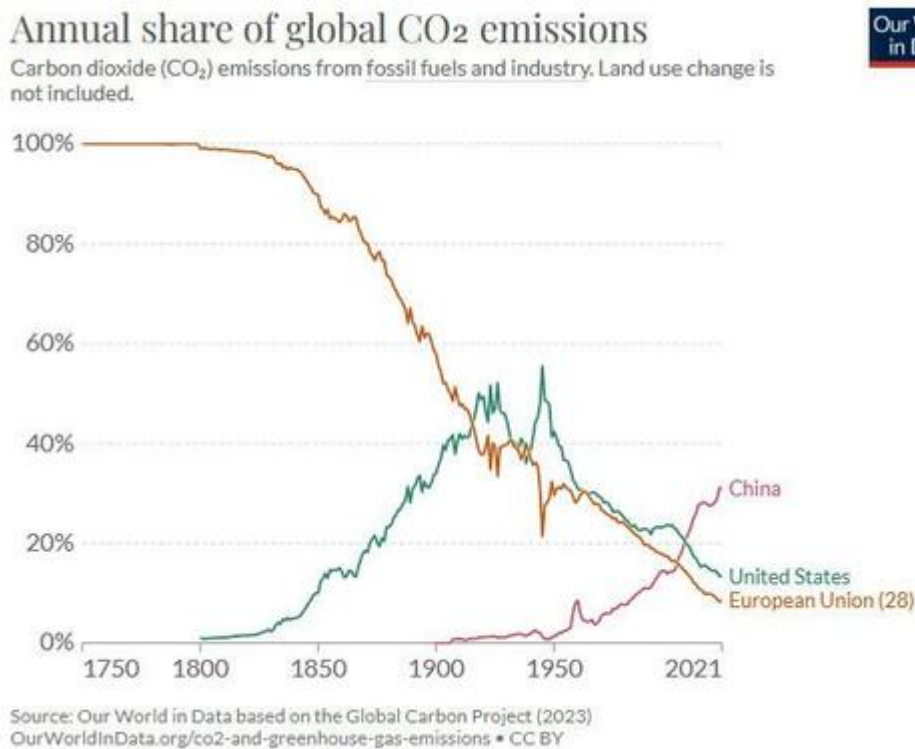


Exxon

Exxon also rebutted the woke proxy firm's recommendation that it evaluate the impacts of a worst-case oil spill at its offshore Guyanese oil platforms. Exxon leads a consortium responsible for all of Guyana's offshore oil production and its board has recommended against the proposal.

"The requested report clearly would not provide new, decision-useful information," Exxon said, adding the shareholder request "ignore(s) the time, additional cost, and resources every report takes for the company to prepare."

As for the IEA, instead of targeting those companies – which despite every effort by the senile US president to drain the US SPR and make the country once again dependent on outside energy sources – are doing everything in their power to retain US energy independence, perhaps it should bring its message to downtown Beijing. We are confident that China will listen to their pimply teenager-inspired "proposals" in a cool, calm and collected manner.



[Source: Our world in data](#)

Category

1. ECO-Climate-Environment
2. Main

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