

ExxonMobil

Detailed assessment of ExxonMobil’s corporate industry association review

August 2022

This document outlines a detailed breakdown of InfluenceMap's assessment of the company's corporate disclosure on industry association climate policy engagement, using the traffic-light assessment framework summarized below. Further detail on the assessment methodology is available in the Appendix, and on our CA100+ Investor Hub [here](#).

Key	Explanation
■	Has broadly met investor expectations in this area.
■	Has made some progress on investor expectations in this area, but with significant deficiencies.
■	Has fallen short of investor expectations in this area.

A summary of ExxonMobil’s disclosures on industry associations is shown below. ExxonMobil has undertaken one review of its industry associations to date. The Review Score represents InfluenceMap’s overall assessment of the quality of the company’s industry association review process, where 100 would indicate that a company has met investor expectations for all criteria related to the review process.

Date of Review	Review Score
April 2022	36 / 100

This assessment focuses solely on ExxonMobil’s disclosure on industry associations and climate policy engagement, which can be [found here](#). This assessment does not include an analysis of the company's direct climate policy engagement, which can be found on InfluenceMap's online profile of ExxonMobil [here](#).

Applying the traffic-light framework outlined above, the table below summarizes the company’s performance under the seven indicators which form InfluenceMap’s assessment. A more detailed breakdown, along with examples of best practice evidenced by other companies to date, can be found on the following page.

Disclosure & Transparency	Policy Alignment Process
■ Corporate climate positions	■ Identify & Assess
■ Industry group climate positions	■ Monitor & Review
■ Alignment assessment method	■ Act
■ Framework for misalignment	

ExxonMobil's Company Scorecard

The tables below highlight, for each indicator, the criteria for companies to meet investor expectations, ExxonMobil's assessment, and examples of better practice by companies to date.

While InfluenceMap did not find an example of best practice across the entire industry association review process, some companies have demonstrated better practice under specific metrics under the 'Disclosure & Transparency' and 'Policy Alignment Process' assessments.

Disclosure & Transparency

Corporate climate policy positions and influencing activities	
<p>To meet investor expectations under this indicator: The company has to disclose a detailed and clearly referenced breakdown of its own climate policy positions and influencing activities beyond 'top-line' climate statements. This includes descriptions of the company's positions and policy engagement activities on specific items of regulation and legislation which are material to the company's operations, business sector, and/or the region(s) in which it operates.</p>	
ExxonMobil	<p>ExxonMobil's disclosure on its climate-related policy positions in its Climate Lobbying Report is limited to top-line statements, without reference to specific items of regulation and legislation. The only exception to this is Exxon's position and lobbying on high-level commitments, including the U.S. and European Union's Global Methane Pledge. Furthermore, while ExxonMobil's Climate Lobbying Report does contain a link to the company's 2020 Lobbying Report for further detail on its policy positions, the disclosures in the report are limited. Most statements are limited to top-line positions, and while the company does provide a breakdown of its lobbying activities on some climate-related policies, its specific positions on these policies are not clear.</p> <p>Exxon does not appear to disclose a full and accurate account of its engagement on specific items of regulation and legislation which are material to the company's operations. For example, in a March 2022 WAtoday article, the company appeared to pre-emptively <i>oppose</i> government targets to reduce fossil gas consumption. Exxon also appeared to <i>oppose</i> the New York City building sector gas ban in a December 2021 NYS Focus article, and <i>advocated</i> for weaker greenhouse gas standards for light duty vehicles in the U.S. in a November 2021 response to an Environmental Protection Agency consultation. Furthermore, the company did not disclose its position on the <i>Netherlands carbon tax</i>, or on <i>new oil and gas developments</i> in the U.S.</p>
Best Practice	<p><i>Shell</i> has disclosed case studies of its direct climate policy engagement in the EU and US. These case studies include Shell's positions on, and engagement with, specific items of EU and US regulation and legislation. The 2022 review also includes clear references to additional resources on Shell's corporate website, including advocacy updates on specific government policy consultations and links to public submissions via the EU Transparency Register and the US Lobbying Disclosure Act.</p>

Industry association climate policy positions and influencing activities

To meet investor expectations under this indicator: The company has to disclose a detailed and accurate account of the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, including descriptions of positions and policy engagement activities on specific items of regulation and legislation beyond ‘top-line’ statements.

ExxonMobil	ExxonMobil does not disclose a detailed and accurate account of the climate policy positions and influencing activities of its industry associations. The company has provided an account of the top-line policy positions of the industry associations it found to be partially aligned (Louisiana Mid-Continent Oil and Gas Association (LMOGA), Texas Oil and Gas Association (TXOGA)), and misaligned (<i>American Fuel and Petrochemical Manufacturers (AFPM)</i> , <i>Independent Petroleum Association of America (IPAA)</i>). However, Exxon does not disclose their positions on specific climate-related policies and therefore overlooks evidence of detailed negative lobbying. Exxon does not disclose any information on the lobbying activities of its ‘aligned’ industry associations.
Best Practice	No companies have met investor expectations in this area, although <i>BASF</i> and <i>Shell</i> exhibit current leading practice. Both companies have disclosed a detailed account of all key industry associations’ climate policy positions, and a summary of their influencing activities. However, they appear to overlook detailed negative lobbying by a number of industry associations identified by InfluenceMap’s database.

Alignment assessment method

To meet investor expectations under this indicator: The company has to: (1) disclose a clear and detailed framework for assessing alignment with its industry associations across all relevant areas of policy engagement; (2) consistently apply this framework across *all* industry associations; and (3) provide a clear and detailed explanation behind each evaluation.

ExxonMobil	<p>ExxonMobil has disclosed a clear and detailed framework for assessing alignment with its industry associations based on four criteria: assessing public policy positions and their alignment with the Paris Agreement; reviewing statements and policy principles to determine the associations’ positions on limiting warming to well-below 2°C; reviewing principles and policy positions on incentivizing emissions reductions; and assessing their advocacy on specific climate-related policies and their internal discussions on both current and prospective policy positions.</p> <p>While Exxon has provided explanations behind the evaluations of its partially aligned and misaligned industry associations, the company has not provided explanations for the industry associations that it found to be aligned. The company also does not provide a clear explanation of what constitutes a finding of alignment, partial alignment, or misalignment.</p>
Best Practice	<i>BASF</i> has also disclosed a clear explanation of its alignment assessment method along with a clear and detailed explanation of how it has been applied to each industry association. The company also provided specific alignment indicators for EU climate policy such as the EU ETS to assess the alignment of key European industry associations.

Framework for addressing misalignment

To meet investor expectations under this indicator: The company must disclose a clear and detailed framework for addressing misalignments with its industry associations including escalation steps and clear deadlines for industry associations which do not amend misaligned practices.

<p>ExxonMobil</p>	<p>ExxonMobil disclosed its framework for addressing partial alignment and misalignment in its industry association review, which included clear escalation steps: engaging with the industry association to understand its basis and rationale for areas of misalignment, to try to enhance alignment; ensuring Exxon’s position is fully understood; and maintaining engagement to identify aligned advocacy and policy development opportunities. Exxon also stated that where it fails to see sufficient alignment, the company may choose to cease its membership to misaligned industry associations. However, Exxon does not disclose clear deadlines for industry associations that do not amend misaligned practices.</p>
<p>Best Practice</p>	<p><i>BHP</i> has disclosed clear and detailed steps for addressing potential misalignment, including an escalation strategy and clear timelines attached. The company states it will communicate material differences, request that the industry association develop a position or refrain from advocacy in certain areas, and review the membership if there has been no action within 12 months.</p>

Policy Alignment Process

Identify & Assess	
<p>To meet investor expectations under this indicator: The company has to identify all cases of misalignment with its industry associations and the Paris Agreement in line with InfluenceMap’s <i>database</i> on corporate lobbying.</p>	
<p>ExxonMobil</p>	<p>ExxonMobil identified 47 cases of alignment, two cases of partial alignment, and two cases of misalignment. The Louisiana Mid-Continent Oil and Gas Association (LMOGA) and the Texas Oil and Gas Association (TXOGA) were found to be partially aligned, while the <i>American Fuel and Petrochemical Manufacturers (AFPM)</i> and the <i>Independent Petroleum Association of America (IPAA)</i> were found to be misaligned. InfluenceMap’s database does not currently assess LMOGA and TXOGA.</p> <p>InfluenceMap analysis indicates that the company likely has 18 memberships to industry associations with climate policy engagement misaligned with the Paris Agreement (<i>American Fuel & Petrochemical Manufacturers, American Petroleum Institute (API), Consumer Energy Alliance, BusinessEurope, US Chamber of Commerce, Canadian Association of Petroleum Producers, Western States Petroleum Association, Australian Institute of Petroleum, APPEA, International Air Transport Association, German Association of the Automotive Industry (VDA), National Petroleum Council, Natural Gas Supply Association, Verband der Chemischen Industrie (VCI), Australian Industry Greenhouse Network, International Association of Oil & Gas Producers, FuelsEurope, National Association of Manufacturers</i>), and 9 memberships to industry associations with climate policy engagement potentially misaligned with the Paris Agreement (<i>Offshore Energies UK (OEUK), Business Roundtable, Australian Pipelines and Gas Association, Japan Chemical Industry Association, International Gas Union, Cefic, American Chemistry Council, Federation of Indian Petroleum Industry, VNO-NCW</i>). InfluenceMap analysis finds that ExxonMobil’s industry associations have lobbied negatively on climate-related policies, for example:</p> <ul style="list-style-type: none"> ■ <i>US Chamber of Commerce</i>: In a March 2022 Amicus Brief submission, the US Chamber <i>supported</i> the Line 5 pipeline and the continued role of oil in the energy mix. The US Chamber also <i>contested</i> the US Environmental Protection Agency’s (EPA) authority to regulate methane emissions, and supported major exceptions to standards on domestic gas production, in comments submitted to the EPA in January 2022. ■ <i>Business Europe</i>: In a May 2022 press release, Business Europe Director General Markus J. Beyrer was <i>unsupportive</i> of the speed-up of the phase out of free allowance in the EU Emissions Trading Scheme (ETS), and did not support reforms to make free allowances conditional on decarbonization efforts. Business Europe was also <i>unsupportive</i> of the EU Commission’s proposal for a Carbon Border Adjustment Mechanism (CBAM) in a March 2022 letter to the French Minister of the Economy, Finance and Recovery Bruno Le Maire. ■ <i>American Petroleum Institute (API)</i>: In a February 2022 letter to President Biden, API <i>directly advocated</i> to support fossil gas infrastructure and supported federal policy to facilitate fossil gas expansion. API also <i>opposed</i> medium- and heavy-duty vehicle emission standards in a March 2022 letter to the Connecticut Joint Committee on Environment, and <i>attempted to weaken</i> multiple parts of the EPA’s methane regulation in comments in February 2022. <p>Additionally, Exxon noted that, in the event that an industry association opposed climate-related legislation due to a disagreement on a specific element of the policy approach, rather than a disagreement on the fundamental need to address climate change, that Exxon will not consider this as necessarily misaligned. This suggests that Exxon has further missed cases of misalignment with its industry associations.</p>
<p>Best Practice</p>	<p><i>Enel</i> is the only company to meet investor expectations in this area, identifying all cases of misalignment with its industry associations and the Paris Agreement in line with InfluenceMap’s database, although the company does not disclose additional details of why they are not fully aligned. InfluenceMap analysis indicates that most companies have missed key cases of misalignment with industry associations lobbying counter to the goals of the Paris Agreement.</p>

Monitor & Review

To meet investor expectations under this indicator: The company has to publish a review of industry associations on an annual basis, commit to do so at least once a year, or commit to disclose regular updates on its review and alignment process. Updates should accurately report on relevant material and on-going lobbying activities of potentially misaligned industry associations, as well as the company’s alignment and engagement with the industry association concerning these activities.

ExxonMobil	ExxonMobil has committed to annually reviewing and reporting the “alignment classifications” of its industry associations. The company has stated that it will disclose when an organization is no longer aligned and any action taken, and that it will continue to monitor associations to assess their commitment to constructive engagement on climate policy.
Best Practice	<i>Shell</i> has published full industry association reviews in 2019 and 2021. In April 2020, Shell also published an update on the nine associations with some misalignment found in 2019 including actions taken within each association, key changes to the associations’ climate positions and detailed next steps. Shell has committed to publish its next update in 2022.

Act

To meet investor expectations under this indicator: The company has to show evidence of action to address all cases of misalignment with its industry associations and the Paris Agreement, in line with InfluenceMap’s *database* on corporate lobbying. The investor expectations outlined by *PRI*, *IIGCC* and *Ceres* include several steps companies can take to address misalignment. Steps should include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.

ExxonMobil	<p>ExxonMobil has shown some evidence of action to address misalignments. Exxon withdrew its membership to the <i>American Legislative Exchange Council (ALEC)</i> in 2018 due to the organization no longer being a “constructive participant in the development and advancement of effective climate policy”. In regard to the industry associations it found to be misaligned, the company states that it will reassess its ongoing membership informed by progress of the associations’ policy positions, and will encourage the associations to support climate-related policies. However, there are limited details on the specific outcomes sought in these engagements.</p> <p>Furthermore, ExxonMobil does not appear to have addressed key cases of material and potential misalignment with the Paris Agreement identified by InfluenceMap’s database (see Identify & Assess).</p>
Best Practice	No companies have met investor expectations in this area by showing evidence of action to address all cases of misalignment identified by InfluenceMap’s database, although some companies have made more progress. <i>Total</i> announced in January 2021 that it had decided not to renew its membership to the American Petroleum Institute due to divergences on climate positions. <i>BHP</i> suspended its membership to Queensland Resources Council in 2020 following its ‘Vote Greens Last’ advertising campaign and outlined detailed actions to be taken at four “partly aligned” industry associations. <i>Chevron</i> has not left any industry associations but has disclosed its engagement on specific climate change policy issues with seven industry associations, including details of the results of this engagement. Similarly, <i>General Motors</i> has disclosed that it has not financially contributed to advocacy campaigns against the Build Back Better Act by the Business Roundtable and US Chamber, and has publicly advocated a supportive position to ensure its stance is differentiated from them.

Appendix A: Methodologies for Assessment

Scoring Disclosures and Policy-Alignment

Key	Explanation
	Has broadly met investor expectations in this area.
	Has made some progress on investor expectations in this area, but with significant deficiencies.
	Has fallen short of investor expectations in this area.

Assessing Disclosures

Since BHP’s 2017 industry association review, around 60 major global corporates have delivered similar, specific disclosures on their industry association links in response to investor pressure. This positive momentum is undermined, however, if the resulting disclosures are of poor quality.

In its *‘Investor Expectations on Corporate Climate Lobbying’* report, the PRI highlights the need for disclosure on the company’s positions and activities on climate change policy engagement, as well as the positions and activities of the industry groups it supports. The PRI further requests information on the governance processes and actions taken to ensure alignment between these activities and the company’s stated climate goals. *IIGCC* and *Ceres* articulate similar expectations, also requiring companies to disclose a material impact assessment of lobbying by an organization that opposes their public position. InfluenceMap uses the following assessment criteria to test the clarity, accuracy and scope of information provided by companies against four key issues.

Disclosure Item	Score	InfluenceMap’s Assessment Criteria
Corporate climate policy positions and influencing activities		The company has disclosed a detailed and clearly referenced breakdown of its own climate policy positions and influencing activities beyond ‘top-line’ climate statements. This includes descriptions of the company’s positions and policy engagement activities on specific items of regulation and legislation which are material to the company’s operations, business sector, and/or the region(s) in which it operates.
		The company has disclosed a breakdown of its own climate policy positions and influencing activities. However, the company’s description of its positions and policy engagement activities on specific items of regulation and legislation lacks detail, and/or the company has not disclosed its position and engagement activities on key items of regulation and legislation which are material to its operations, business sector, and/or the region(s) in which it operates.

		The company has made no attempt to disclose its climate policy positions and influencing activities, or the company’s disclosure is limited to a brief overview of its ‘top-line’ climate statements and operational commitments without reference to specific items of regulation and legislation.
Industry association climate policy positions and influencing activities		The company has disclosed a detailed and accurate account of the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, including descriptions of positions and policy engagement activities on specific items of regulation and legislation beyond ‘top-line’ statements.
		The company has disclosed an account of the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, beyond ‘top-line’ statements. However, the disclosure lacks detail on positions and policy engagement activities on specific items of regulation and legislation, and/or does not disclose evidence of negative climate lobbying by one or more of its industry associations.
		The company has not disclosed the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, and/or the company’s disclosure is limited to a brief overview of ‘top-line’ climate statements without reference to specific items of regulation and legislation.
Alignment assessment method		The company has: (1) disclosed a clear and detailed framework for assessing alignment with its industry associations across all relevant areas of policy engagement; (2) consistently applied this framework across <i>all</i> industry associations; and (3) provided a clear and detailed explanation behind each evaluation.
		The company has disclosed a framework for assessing alignment with its industry associations but the disclosure lacks detail regarding <i>one</i> of the above steps (1-3).
		The company has not disclosed a framework for assessing alignment with industry associations, or it has disclosed a framework but the disclosure lacks detail regarding <i>more than one</i> of the above steps (1-3).
Framework for addressing misalignment		The company has disclosed a clear and detailed framework for addressing misalignments with its industry associations including escalation steps and clear deadlines for industry associations which do not amend misaligned practices.
		The company has disclosed a clear and detailed framework for addressing misalignments with its industry associations including escalation steps, but there is no clear deadlines for industry associations which do not amend misaligned practices
		The company has not disclosed a framework for addressing misalignments with its industry associations, or the company has disclosed a framework but the steps are ambiguous and lack sufficient detail.

Assessing Policy Alignment Process

As well as transparent disclosures on industry group links and lobbying activities, the investor expectations communicated by IIGCC, CERES and the UN PRI also set out the need for robust processes to ensure alignment between the company’s stated policy positions and the positions and lobbying activities of their industry groups. These processes consist of the following three elements:

Alignment Process	Score	InfluenceMap's Assessment Criteria
Identify & Assess	Green	The company has identified all cases of misalignment with its industry associations and the Paris Agreement in line with InfluenceMap's <i>database</i> on corporate lobbying.
	Yellow	The company has not identified key cases of misalignment with the Paris Agreement in line with InfluenceMap's <i>database</i> on corporate lobbying. Companies are scored in this category if they miss up to three cases of "potential" misalignment (industry associations with Organization Scores 51-75 in InfluenceMap's database).
	Red	The company has not identified key cases of misalignment with the Paris Agreement in line with InfluenceMap's <i>database</i> on corporate lobbying. Companies are scored in this category if they miss one case of misalignment (industry associations with Organization Scores 0-50) or more than three cases of "potential" misalignment (industry associations with Organization Scores 51-75 in InfluenceMap's database).
Monitor & Review	Green	The company has published a review of industry associations on an annual basis, has committed to do so at least once a year, or is/has committed to disclose regular updates on its review and alignment process. Updates should accurately report on relevant material and on-going lobbying activities of potentially misaligned industry associations, as well as the company's alignment and engagement with the industry association concerning these activities.
	Yellow	The company has committed to publish an update to its review of industry associations but not an annual basis or not specified a timeframe.
	Red	The company has not committed to any follow-up processes as part of its review of industry associations.
Act	Green	The company has shown evidence of action to address all cases of misalignment with its industry associations and the Paris Agreement, in line with InfluenceMap's <i>database</i> on corporate lobbying. The investor expectations outlined by <i>PRI</i> , <i>IIGCC</i> and <i>Ceres</i> include several steps companies can take to address misalignment. Steps should include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.
	Yellow	The company has shown some evidence of action to address cases of misalignment with its industry associations and the Paris Agreement, but has not addressed key cases of misalignment or "potential" misalignment identified by InfluenceMap's <i>database</i> on corporate lobbying, i.e. industry associations with Organization Scores 0-75 in InfluenceMap's database. The investor expectations outlined by <i>PRI</i> , <i>IIGCC</i> and <i>Ceres</i> include several steps companies can take to address misalignment. Steps should include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.
	Red	The company has shown no or limited evidence of action to address cases of misalignment with its industry associations and the Paris Agreement, missing key cases of misalignment or potential misalignment identified in InfluenceMap's <i>database</i> on corporate lobbying, i.e. industry associations with Organization Scores 0-75. The investor expectations outlined by <i>PRI</i> , <i>IIGCC</i> and <i>Ceres</i> include several steps companies can take to address misalignment. Action will be scored under this category if it does not include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.

To assist this assessment, InfluenceMap will be applying its database on corporate and industry group climate change lobbying. This tracks in real-time the detailed climate policy lobbying of around 400 companies and 175 industry associations globally, allowing like-for-like comparisons of organizations' positions on climate policy that are compared to a benchmark of Paris-aligned climate policy. This system can track the evolution of corporate and industry group climate lobbying positions over time.