CAROLYN B. MALONEY, NEW YORK
CHAIRWOMAN

ONE HUNDRED SEVENTEENTH CONGRESS

JAMES COMER, KENTUCKY
RANKING MINORITY MEMBER

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MEMORANDUM

September 14, 2022

To: Members of the Committee on Oversight and Reform

Fr: Chairwoman Carolyn B. Maloney and Chairman Ro Khanna

Re: Investigation of Fossil Fuel Industry Disinformation

This memorandum provides Committee Members with an update on the Committee's investigation into the fossil fuel industry's decades-long campaign to mislead the American people about the industry's role in climate change.

Fossil fuel companies have known since the late 1970s that their products contribute to climate change. From 1979 to 1983, fossil fuel companies and the American Petroleum Institute (API) participated in a task force that privately shared climate science research and discussed possible ways to reduce emissions.[1] Despite knowing the truth about climate change, fossil fuel companies continued to contradict prevailing scientific knowledge and inject confusion into the public debate over climate change. During the 1990s, ExxonMobil, Chevron, BP, Shell, API, and the U.S. Chamber of Commerce joined the Global Climate Coalition, which vigorously fought potential climate change regulations and lobbied the U.S. government to derail international climate action to reduce carbon pollution emissions.[2]

At the Committee's historic hearing in October 2021, fossil fuel executives finally admitted under oath that climate change is real, that burning fossil fuels contributes to it, and that this is an existential threat to the planet. Yet none of them would pledge to end their financial support for efforts to block meaningful action on climate change.

The Committee's investigation has shown that, rather than outright deny global warming, the fossil fuel industry has "greenwashed" its record through deceptive advertising and climate

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[1] *Exxon's Oil Industry Peers Knew About Climate Dangers in the 1970s, Too*, Inside Climate News (Dec. 22, 2015) (online at https://insideclimatenews.org/news/22122015/exxon-mobil-oil-industry-peers-knew-about-climate-change-dangers-1970s-american-petroleum-institute-api-shell-chevron-texaco).

[2] *How the Oil Industry Made Us Doubt Climate Change*, BBC News (Sept. 20, 2020) (online at www.bbc.com/news/stories-53640382); Climate Files, *1989 GCC Membership* (online at www.climatefiles.com/denial-groups/global-climate-coalition-collection/1989-membership) (accessed Sept. 13, 2022).

pledges—without meaningfully reducing emissions. Documents obtained by the Committee show:

- **Contrary to what their pledges imply, fossil fuel companies have not organized their businesses around becoming low-emissions, renewable energy companies. They are devoted to a long-term fossil fuel future.**

    - Despite **BP** previously rebranding itself as "Beyond Petroleum," internal documents highlighted how carbon capture and storage (CCS), one of the energy technologies touted by the company, could "enable the full use of fossil fuels across the energy transition and beyond."

    - An internal **Shell** email discussing carbon capture, utilization, and storage (CCUS) warned an executive, "We want to be careful to not talk about CCUS as prolonging the life of oil, gas or fossil fuels writ large."

    - **Chevron** pays lip service to a "just transition" to cleaner fuels but provided talking points to an executive asserting that "[o]il and gas" are the "lower carbon solutions that ensures a just transition."

- **Big Oil's climate pledges and green advertising focus on unproven technologies the companies have privately admitted are decades away from implementation.**

    - Although **Exxon** spent at least $68 million advertising its research into algae-based biofuels, notes from an investor presentation obtained by the Committee show this technology is "[s]till decades away from the scale we need."

    - One **Exxon** public affairs manager warned that implying in an advertisement that algae can be deployed on a mass scale would be misleading, and "might create some angst with the research folks who know that."

- **Oil and gas companies have tried to create the impression that they are taking ambitious steps to reduce emissions—without actually doing so.**

    - Internal documents show that **Exxon** and **Chevron** sought to water down statements by the industry-led Oil and Gas Climate Initiative (OGCI) to "remove language that potentially commits members to enhanced climate-related governance, strategy, risk management, and performance metrics and targets" and to avoid any "explicit commitment for OGCI companies to align their advocacy with their climate related positions"—including advocacy for the Paris Agreement.

- **Shell** has touted its "Sky scenario" as an ambitious path to achieve net-zero emissions, but internal emails emphasize this is "not a Shell business plan" and has "nothing to do with our business plans."

- Internal **Shell** messaging guidance—which was developed to "insulate Shell" from lawsuits about "greenwashing" and "misleading investors" on climate change—calls on employees to emphasize that net-zero emissions is "a collective ambition for the world" rather than a "Shell goal or target." The guidance urges Shell employees, "Please do not give the impression that Shell is willing to reduce carbon dioxide emissions to levels that do not make business sense."

- **Big Oil relies on accounting gimmicks, tricky language, and delay tactics to claim the mantle of climate leadership while continuing to be a primary cause of an ongoing climate catastrophe.**

  - Internal documents show that in 2019, **Exxon** scrubbed a public statement about an executive's speech at a private conference to remove a reference to a plan to increase production in the Permian basin by "1000% within 5 years."

  - After **Shell** posted on Twitter asking others what they would do to reduce emissions, a communications executive wrote privately that he agreed this could be seen as "gaslighting" the public, explaining: "We are, after all, in a tweet like this implying others need to sacrifice without focusing on ourselves."

I. THE COMMITTEE'S INVESTIGATION

One year ago, on September 16, 2021, the Committee launched an investigation into the fossil fuel industry's decades-long climate disinformation and greenwashing campaign.[3] On October 28, 2021, the Committee held a hearing with executives from six major fossil fuel

[3] Letter from Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform, and Chairman Ro Khanna, Subcommittee on Environment, to Darren Woods, Chief Executive Officer, ExxonMobil (Sept. 16, 2021) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/2021-09-16.CBM%20Khanna%20to%20Woods-ExxonMobil%20re%20Disinformation%20FINAL%20PDF%20v2.pdf); Letter from Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform, and Chairman Ro Khanna, Subcommittee on Environment, to Gretchen Watkins, President, Shell Oil Company (Sept. 16, 2021) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/2021-09-16.CBM%20Khanna%20to%20Watkins-Shell%20re%20Disinformation%20FINAL%20PDF%20v2.pdf); Letter from Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform, and Chairman Ro Khanna, Subcommittee on Environment, to Michael K. Wirth, Chief Executive Officer, Chevron (Sept. 16, 2021) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/2021-09-16.CBM%20Khanna%20to%20Wirth-Chevron%20re%20Disinformation%20FINAL%20v2.pdf); Letter from Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform, and Chairman Ro Khanna, Subcommittee on Environment, to David Lawler, Chief Executive Officer, BP America Inc. (Sept. 16, 2021) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/2021-09-16.CBM%20Khanna%20to%20Lawler-BP%20re%20Disinformation%20FINAL%20PDF%20v2.pdf).

entities. At the hearing, executives acknowledged the dire threat to humanity posed by climate change and the central role played by burning fossil fuels, but they refused to pledge meaningful actions to avert the ongoing climate catastrophe.[4]

On the day of the hearing, the Committee released a staff analysis showing that the fossil fuel industry's public rhetoric in support of the historic Paris Agreement was not matched by meaningful lobbying efforts on the measure.[5] This analysis confirmed the admissions of then-Exxon lobbyist Keith McCoy, who explained on video his view that a carbon tax "is not going to happen" but that "it gives us a talking point that we can say, well what is ExxonMobil for? Well, we're for a carbon tax."[6]

At the Committee's October 2021 hearing, Chairwoman Maloney announced her intent to issue subpoenas to the six fossil fuel entities in the Committee's investigation, each of which had failed to comply with the Committee's voluntary requests for documents.[7]

The Committee held another hearing on fossil fuel company pledges on February 8, 2022. Members of the boards of Exxon, Chevron, Shell, and BP were invited to testify at this hearing, along with climate scientists and advocates, but they declined to appear.[8] Board

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[4] Committee on Oversight and Reform, *Hearing on Fueling the Climate Crisis: Exposing Big Oil's Disinformation Campaign to Prevent Climate Action* (Oct. 28, 2021) (online at https://oversight.house.gov/legislation/hearings/fueling-the-climate-crisis-exposing-big-oil-s-disinformation-campaign-to).

[5] Memorandum from Majority Staff to Members, Committee on Oversight and Reform (Oct. 28, 2021) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/Analysis%20of%20the%20Fossil%20Fuel%20Industrys%20Legislative%20Lobbying%20and%20Capital%20Expenditures%20Related%20to%20Climate%20Change%20-%20Staff%20Memo%20%2810.28.21%29.pdf).

[6] *Inside Exxon's Playbook: How America's Biggest Oil Company Continues to Oppose Action on Climate Change*, Unearthed (June 30, 2021) (online at https://unearthed.greenpeace.org/2021/06/30/exxon-climate-change-undercover/).

[7] Committee on Oversight and Reform, *Press Release: Chairwoman Maloney Subpoenas Top Fossil Fuel Entities for Key Documents* (Nov. 2, 2021) (online at https://oversight.house.gov/news/press-releases/chairwoman-maloney-subpoenas-top-fossil-fuel-entities-for-key-documents).

[8] Letter from Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform, to Dr. Susan Avery, ExxonMobil Board of Directors (Jan. 20, 2022) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/2022-02-02%20CBM%20Khanna%20to%20Avery-Exxon%20re%20Witness%20Invitation.pdf); Letter from Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform, to Enrique Hernandez, Chevron Board of Directors (Jan. 20, 2022) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/2022-02-02.CBM%20Khanna%20to%20Hernandez-Chevron%20re%20Witness%20Invitation.pdf); Letter from Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform, to Alexander Karsner, ExxonMobil Board of Directors (Jan. 20, 2022) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/2022-02-02.CBM%20Khanna%20to%20Karsner-Exxon%20re%20Witness%20Invitation.pdf); Letter from Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform, to Jane Holl Lute, Shell Oil Company Board of Directors (Jan. 20, 2022) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/2022-02-02.CBM%20Khanna%20to%20Lute-Shell%20re%20Witness%20Invitation.pdf); Letter from Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform, to Melody Meyer, BP America Board of Directors (Jan. 20,

members were again invited to testify at a rescheduled Committee hearing on September 15, 2022, but they again declined to appear on the requested date.

Not only did all of the fossil fuel companies fail to meet the subpoena deadline, they have continued to withhold documents at the heart of this investigation—including board materials, detailed advertising budgets, and internal communications regarding the industry's advocacy efforts. For example, Exxon improperly redacted and withheld materials prepared for its Board of Directors. Chevron refused to produce more than 8,000 pages of responsive materials, including board materials, instead placing versions in an electronic reading room the company controlled, and redacting portions of those documents. Shell, BP, the Chamber of Commerce, and API also all redacted and withheld documents. Some of these documents were withheld based on assertions that they are "confidential" or "sensitive" or subject to "First-Amendment" or attorney-client privileges—none of which provide a valid basis to withhold responsive information in response to the Committee's subpoenas.

Although the companies produced a large number of other documents over the course of more than ten months, these included hundreds of thousands of pages of news clippings and other ancillary materials. The Committee continues to seek complete production of responsive documents that were improperly withheld.

II. INTERNAL DOCUMENTS SHOW THAT BIG OIL HAS BEEN MISLEADING THE PUBLIC

The fossil fuel companies under Committee investigation all publicly claim to support the Paris Agreement and have made climate pledges they claim are consistent with the Agreement.[9] Exxon, Chevron, BP, and Shell have all publicly pledged to have "net zero" greenhouse gas emissions from their operations by 2050. Yet these companies have not pledged to comprehensively reduce "scope 3" emissions, which are the emissions from the burning of the fossil fuels they sell—and account for roughly 90% of the industry's emissions.[10]

2022) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/2022-02-02.CBM%20Khanna%20to%20Meyer-BP%20re%20Witness%20Invitation.pdf).

[9] ExxonMobil, *Press Release: ExxonMobil Announces Ambition for Net Zero Greenhouse Gas Emissions by 2050* (Jan. 18, 2022) (online at https://corporate.exxonmobil.com/News/Newsroom/News-releases/2022/0118_ExxonMobil-announces-ambition-for-net-zero-greenhouse-gas-emissions-by-2050); Chevron, *Climate Change Resilience: Advancing a Lower Carbon Future* (Oct. 2021) (online at www.chevron.com/-/media/chevron/sustainability/documents/2021-climate-change-resilience-report.pdf); Royal Dutch Shell PLC, *Shell Sets New Target to Halve Scope 1 And 2 Absolute Emissions, Complementing Existing Climate Goals* (Oct. 28, 2021) (online at https://shell.gcs-web.com/news-releases/news-release-details/shell-sets-new-target-halve-scope-1-and-2-absolute-emissions); BP, *From International Oil Company to Integrated Energy Company: BP Sets Out Strategy for Decade of Delivery Towards Net Zero Ambition* (Aug. 4, 2020) (online at www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/news-and-insights/press-releases/from-international-oil-company-to-integrated-energy-company.pdf); BP, *BP Sustainability Report 2020* (Mar. 26, 2021) (online at www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/sustainability/group-reports/bp-sustainability-report-2020.pdf).

[10] CDP, *The Carbon Majors Database: CDP Carbon Majors Report 2017* (June 2017) (online at https://climateaccountability.org/pdf/CarbonMajorsRpt2017%20Jul17.pdf).

Respected scientific bodies have laid out clear steps the fossil fuel industry must take if the world is to reach net-zero carbon emissions by 2050 and limit warming to acceptable levels. These include ceasing new exploration and immediately deploying zero-emission renewable energy resources to replace coal, oil, and gas.[11] None of the fossil fuel companies in the Committee's investigation have made pledges that come close to meeting these requirements.

Instead, fossil fuel companies have pledged to decrease a small percentage of emissions from their own operations and to decrease the so-called "carbon intensity" of their operations—a deceptive measure of carbon emissions that allows the company's total emissions to rise along with production of fossil fuels.[12] The companies' climate promises also rely heavily on the anticipated future success of still-unproven technologies such as algae biofuel, "clean" hydrogen (a derivative of natural gas), and CCUS to achieve these emissions goals.[13]

Fossil fuel companies' investments in clean energy make up only a small fraction of the companies' capital expenditures. Experts agree that the companies' climate pledges are woefully insufficient to reach the goals of the Paris Agreement. At the Committee's February 8, 2022, hearing, an expert testified that she believed the corporate pledges were meant to mislead the American public, and that the goal was to "cause people to believe one thing while the company is doing the exact opposite."[14]

Fossil fuel companies deploy carefully crafted advertisements and public pledges to paint the industry's image as clean and allied with those concerned about climate change—a tactic known as greenwashing. However, internal documents obtained by the Committee show that

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[11] International Energy Agency, *Net Zero by 2050: A Roadmap for the Global Energy Sector* (Oct. 2021) (online at https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroby2050-ARoadmapfortheGlobalEnergySector_CORR.pdf).

[12] *See, e.g.*, ExxonMobil, *Press Release: ExxonMobil Announces Corporate Plans to 2027 – Supports Approximately Doubling Earnings and Cash Flow Potential, Reducing Emissions* (Dec. 1, 2021) (online at https://corporate.exxonmobil.com/News/Newsroom/News-releases/2021/1201_ExxonMobil-announces-plans-to-2027-doubling-earnings-and-cash-flow-potential-reducing-emissions); Royal Dutch Shell PLC, *Shell Sets New Target to Halve Scope 1 And 2 Absolute Emissions, Complementing Existing Climate Goals* (Oct. 28, 2021) (online at https://shell.gcs-web.com/news-releases/news-release-details/shell-sets-new-target-halve-scope-1-and-2-absolute-emissions); BP, *From International Oil Company to Integrated Energy Company: BP Sets Out Strategy for Decade of Delivery Towards Net Zero Ambition* (Aug. 4, 2020) (online at www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/news-and-insights/press-releases/from-international-oil-company-to-integrated-energy-company.pdf); Chevron, *Climate Change Resilience: Advancing a Lower Carbon Future* (Oct. 2021) (online at www.chevron.com/-/media/chevron/sustainability/documents/2021-climate-change-resilience-report.pdf). See also *What Does Net Zero Emissions Mean for Big Oil? Not What You'd Think*, Inside Climate News (July 16, 2020) (online at https://insideclimatenews.org/news/16072020/oil-gas-climate-pledges-bp-shell-exxon/).

[13] ExxonMobil, *ExxonMobil Announces Ambition for Net Zero Greenhouse Gas Emissions by 2050* (Jan. 18, 2022) (online at https://corporate.exxonmobil.com/News/Newsroom/News-releases/2022/0118_ExxonMobil-announces-ambition-for-net-zero-greenhouse-gas-emissions-by-2050); Chevron, *Press Release: Chevron Accelerates Lower Carbon Ambitions* (Sept. 14, 2021) (online at www.chevron.com/stories/chevron-accelerates-lower-carbon-ambitions).

[14] Committee on Oversight and Reform, *Hearing on Fueling the Climate Crisis: Examining Big Oil's Climate Pledges* (Feb. 8, 2022) (online at https://oversight.house.gov/legislation/hearings/fueling-the-climate-crisis-examining-big-oils-climate-pledges).

companies' pledges rely on unproven technologies and are not aligned with their own operations and plans to expand production.

A. Climate Pledges Rely on Selling Higher-Emission Assets to Other Fossil Fuel Companies

Some companies claim that sales of carbon-intensive assets are advancing their net-zero pledges—even though these same assets are almost certain to be exploited by the fossil fuel companies that buy them.[15] One study found that the top eight oil companies plan to divest $111 billion worth of assets this decade to meet their climate goals.[16] Divestment does not reduce greenhouse gas emissions—it simply moves those emissions from one company's balance sheet to another's.

Internal documents show that Shell is employing such a strategy. In May 2021, Steve Lesher, Shell's U.S. West Coast Manager of Government Relations, wrote in an email to Gavin McHugh, Principal at the lobbying firm McHugh Koepke & Associates, that "the company is divesting of most of the really energy intensive carbon emitters." However, he explained this was primarily being done in areas where there is political pressure to reduce greenhouse gas emissions, or GHGs. He explained:

> No one in the company has said this, mind you, but the pattern is pretty clear: If you're a major greenhouse gas emitter, and particularly if you operate in a GHG-sensitive area like CA, WA, or CAN, your days in the Shell Family are probably numbered."[17]

Mr. Lesher noted that the company was retaining carbon-intensive projects in areas where there is less pressure to reduce emissions, explaining:

> The other pattern to notice is where we DO own high GHG intensive things, it's in areas where they aren't that politically sensitive about such matters: China, Singapore, Malaysia, Louisiana…."[18]

Documents show that, like other companies, Shell divests carbon-intensive assets by selling them to other fossil fuel companies "to enhance our operations' average energy intensity...[but] has no immediate plans to move to a net-zero emissions portfolio."[19]

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[15] S&P Global, *Climate Goals Help Drive Shell's Permian Oil Basin Exit* (Sept. 21, 2021) (online at www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/climate-goals-help-drive-shell-s-permian-oil-basin-exit-66712472); *Exclusive: BP Poised to Sell "Stranded Assets" Even if Oil Prices Rally*, Reuters (Aug. 7, 2020) (online at www.reuters.com/article/us-bp-assets-transition-exclusive/exclusive-bp-poised-to-sell-stranded-assets-even-if-oil-prices-rally-idUSKCN2530GY).

[16] *Tracking Carbon Emissions Becomes Harder When Big Oil Isn't Involved*, Bloomberg (Apr. 15, 2021) (online at www.bloomberg.com/graphics/2021-tracking-carbon-emissions-BP-hilcorp/).

[17] Email from Steve Lesher, Shell Oil Company, to Gavin McHugh, McHugh Koepke & Associates (May 25, 2021) (SOC-HCOR-227017).

[18] *Id.*

[19] Shell, *Let's Talk Energy Transitions: The Essentials* (SOC-HCOR-085198- SOC-HCOR-085216).

B. Climate Pledges and Advertising Center Around Unproven Technologies and Methods

Fossil fuel companies' advertising and climate pledges are heavily focused on unproven technologies whose future success and commercialization are not assured.[20] Climate pledges that rely on these methods for a substantial portion of a company's emission reductions are misleading because there is no guarantee these strategies will be viable.

Exxon's Algae Biofuel Technology

Exxon's climate advertisements have focused heavily on algae biofuel and CCS.[21] Exxon touts algae biofuel as a breakthrough technology and has a stated goal to produce algae biofuels equivalent to 10,000 barrels of oil per day by 2025—amounting to approximately 0.3% of the company's current daily fossil fuel production.[22]

However, internal Exxon documents reveal tension between the company's public aspirations and actual technological capabilities. In one email exchange in April 2016, Exxon public affairs employees discussed a planned television advertising campaign touting Exxon's algae research. Exxon employees debated referring to "abundant algae" versus "finding the algae that will make abundant and cheap biofuels." One Exxon public affairs manager expressed concern with using the phrase "abundant algae," noting that "even though they are abundant, it will take a ton of them to make biofuels so that might create some angst with the research folks who know that."[23]

Between April 17, 2017, and July 12, 2017, Exxon ran a television advertising campaign called "Energy Farmer," centered around Exxon's research into algae biofuels. The advertisement garnered nearly 675 million impressions.[24] The ad featured an electric guitar rendition of the children's song, "The Farmer in the Dell," with shots of sprawling vats of green

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[20] *Chevron's Carbon Capture Struggle Shows Big Oil's Climate Hurdle*, Bloomberg (July 18, 2021) (online at www.bloomberg.com/news/articles/2021-07-19/chevron-s-carbon-capture-struggle-shows-big-oil-s-climate-hurdle); *Exxon Sees Green Gold in Algae-Based Fuels. Skeptics See Greenwashing*, Wall Street Journal (Oct. 3, 2021) (online at www.wsj.com/articles/exxon-sees-green-gold-in-algae-based-fuels-skeptics-see-greenwashing-11633258802); Oil Change International, *Big Oil Reality Check: Assessing Oil and Gas Company Climate Plans* (Sept. 2020) (online at http://priceofoil.org/content/uploads/2020/09/OCI-Big-Oil-Reality-Check-vF.pdf).

[21] ExxonMobil, *ExxonMobil Announces Ambition for Net Zero Greenhouse Gas Emissions by 2050* (Jan. 18, 2022) (online at https://corporate.exxonmobil.com/News/Newsroom/News-releases/2022/0118_ExxonMobil-announces-ambition-for-net-zero-greenhouse-gas-emissions-by-2050).

[22] ExxonMobil, *Advanced Biofuels and Algae Research: Targeting the Technical Capability to Produce 10,000 Barrels Per Day by 2025* (Sept. 17, 2018) (online at https://corporate.exxonmobil.com/Climate-solutions/Advanced-biofuels/Advanced-biofuels-and-algae-research); ExxonMobil, *2021 Annual Report: Upstream* (Mar. 16, 2021) (online at https://corporate.exxonmobil.com/Investors/Annual-Report/Upstream).

[23] Email from Neely Nelson, ExxonMobil, to Tahmid Mizan, ExxonMobil, et al. (Apr. 29, 2016) (EM-HOR3-00436352).

[24] iSpot.tv, *Exxon Mobil TV Spot, "Energy Farmer"* (online at www.ispot.tv/ad/wYtd/exxon-mobil-energy-farmer) (accessed Sept. 12, 2022).

liquid, and scientists examining algae in tubes and under microscopes. A December 2016 mockup for the advertisement obtained by the Committee states:

> We move through an ExxonMobil algae facility, but everything we see feels more akin to farming than science. We see algae ponds that resemble fields, geometric patches of different kinds of algae that resemble Midwestern farmland from above, and a grow room that looks more like a greenhouse than a lab.[25]

Meanwhile, onscreen text reads, "Algae. A renewable source of energy. ExxonMobil is researching it. To revolutionize biofuels. For more energy. And fewer emissions. In the future."[26] An Exxon scientist appears on screen wearing a t-shirt that reads, "I [heart symbol] Single-Celled Organisms," standing against a background of bubbling, floating bags of green algae. She says to the camera, "I'm Dr. Kelsey McNeely, and someday, you may be calling me an energy farmer. Energy lives here."[27] An earlier mockup of the ad from December 2016 had a slightly different a script, with Dr. McNeely saying, "I like to consider myself an energy farmer."[28]

The Committee has obtained internal discussions between Exxon representatives and employees of the advertising agency BBDO Worldwide before the "Energy Farmer" advertisement went live, suggesting Exxon was concerned that the advertisements as prepared may have implied the technology being promoted was currently viable. One November 2016 email exchange on several algae advertisements under consideration noted that Exxon representatives had asked BBDO to "replace any lines that imply the technology is live today," and instead emphasize "the solution is more future focused (e.g. this could be a biofuel in the future.)." BBDO further noted, "[N]eed to add more science to underscore point that this is in the research phase."[29]

In another exchange in November 2016, BBDO notes Exxon asked to revise the text of the Energy Farmer advertisement, emphasizing that Exxon "is researching" algae rather than "cultivating it," and that algae biofuel is "for a potential future," rather than "for a future."[30] The

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[25] ExxonMobil, *Algae as a Source of Renewable Biofuels, "Energy Farmer"* (Dec. 13, 2016) (EM-HCOR3-00452828).

[26] iSpot.tv, *Exxon Mobil TV Spot, "Energy Farmer"* (online at www.ispot.tv/ad/wYtd/exxon-mobil-energy-farmer) (accessed Sept. 12, 2022).

[27] *Id*.

[28] Email from Angela Snow, ExxonMobil, to Todd Onderdonk, ExxonMobil, et al. (Dec. 13, 2016) (EM-HCOR3-00452847); iSpot.tv, *Exxon Mobil TV Spot, "Energy Farmer"* (online at www.ispot.tv/ad/wYtd/exxon-mobil-energy-farmer) (accessed Sept. 12, 2022).

[29] Email from Angela Snow, ExxonMobil, to Gantt Walton, ExxonMobil, et al. (Nov. 18, 2016) (EM-HCOR3-00133998 – EM-HCOR3-00133999) (discussing changes to advertisements, including the need to replace the words "figured out" in an advertisement about algae biofuels with something that would make it sound more "future-focused").

[30] Email from Abigail Rodgers, ExxonMobil, to Gantt Walton, ExxonMobil, et al. (Nov. 20, 2016) (EM-HCOR3-00134000 – EM-HCOR3-00134006).

final advertisement that ran on television used, "in the future."[31] Although Exxon employees appear to have carefully crafted the language in this advertisement, the images in the advertisement showing test tubes and vast pools of algae clearly evoke scaled production of biofuels and give the impression of clean, abundant algae biofuel.[32] This focus on advertising unproven technologies that may not scale for decades, if at all, suggests that these advertisements served to distract the public from Exxon's continued fossil fuel business.

Three Exxon advertisements focused on algae in 2017 through 2019, aired more than 10,000 times, garnered over 3.7 billion impressions and are estimated to have cost Exxon $68 million to air.[33] In contrast, Exxon has spent a little over $300 million on algae research since 2009—a little more than four times its advertising budget, less than 3% of its annual research budget, and an even smaller fraction of its overall capital expenditures, which reached over $391 billion in that period, mostly on oil and gas development.[34]

Scientists have raised doubts about the practicality of algae biofuel, in particular the cost and the amount of land required for harvesting. At best, experts predict it will take decades to gather enough investment in algae to be economically viable, long past the time when electric vehicles are currently expected to dominate the transportation market.[35]

The Committee obtained a September 2018 draft Exxon presentation for investors by T.J Wojnar, Exxon's Vice President of Corporate Strategic Planning, entitled "2018 Outlook for Energy: A View to 2040." The presentation lists different biofuels research and development projects that Exxon was pursuing in the transportation fuels sector, including algae. Although optimistic in tone, notes accompanying the presentation acknowledged that research into biofuels was "still decades away from the scale we need," which is consistent with other Exxon statements on the topic.[36]

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[31] iSpot.tv, *ExxonMobil TV Spot, "Energy Farmer"* (online at www.ispot.tv/ad/wYtd/exxon-mobil-energy-farmer) (accessed Sept. 6, 2022).

[32] *Id.*

[33] iSpot.tv, *ExxonMobil TV Spot, "Energy Farmer"* (online at www.ispot.tv/ad/wYtd/exxon-mobil-energy-farmer) (accessed Sept. 6, 2022); iSpot.tv, *ExxonMobil TV Spot, "The Tiny Organism"* (online at www.ispot.tv/ad/wKh3/exxon-mobil-the-tiny-organism-song-by-dan-graham) (accessed Sept. 6, 2022); iSpot.tv, *ExxonMobil TV Spot, "Algae Potential"* (online at www.ispot.tv/ad/ovGn/exxon-mobil-algae-potential) (accessed Sept. 6, 2022).

[34] *Exxon Sees Green Gold in Algae-Based Fuels. Skeptics See Greenwashing.*, Wall Street Journal (Oct. 3, 2021) (online at www.wsj.com/articles/exxon-sees-green-gold-in-algae-based-fuels-skeptics-see-greenwashing-11633258802); ExxonMobil, *Investor Publications* (online at https://corporate.exxonmobil.com/Investors/Investor-relations/Investor-relations-publications-archive#FinancialandOperatingDataandReviews) (accessed Sept. 13, 2022).

[35] *Exxon's Climate Fix Is Algae. Experts Say It Won't Work*, E&E News (Nov. 2, 2020) (online at www.eenews.net/articles/exxons-climate-fix-is-algae-experts-say-it-wont-work/).

[36] ExxonMobil, *2018 Outlook for Energy: A View to 2040* (EM-HCOR3-00451122); ExxonMobil, *Algae Is Heading to the Farm* (Apr. 2018) (online at www.youtube.com/watch?v=HFWdq_1LXvQ).

Carbon Capture Technology

Fossil fuel companies have similarly relied on the potential of carbon capture technology to reach net-zero goals. "Carbon capture" describes a set of technologies that remove carbon dioxide from either an industrial waste stream or directly from the atmosphere. The carbon dioxide can then either be utilized for industrial processes or stored in underground deposits.[37] The four fossil fuel companies in the Committee's investigation have made investments in developing and deploying carbon capture and have lobbied in support of government aid to support the technology.[38] Fossil fuel companies publicly tout carbon capture technology as key to transitioning away from fossil fuels.[39] However, internal documents obtained by the Committee suggest the companies view this technology as a social license to continue producing fossil fuels for decades to come.

BP's website highlights that "CCUS plays a vital role in the transition to a low-carbon energy system."[40] However, an internal document prepared to brief BP leadership on Princeton's Carbon Mitigation Initiative focuses on carbon capture as a way to "enable the full use of fossil fuels across the energy transition and beyond."[41]

Similarly, in January 2018, BP's Head of Carbon Capture, Use and Storage and BP's Director of Climate Change and Sustainability Technology prepared an internal paper on CCUS for BP employees. The paper provided public messaging points on carbon capture, but the paper itself was "not for external distribution."

Under "Key Messages" the paper emphasizes, "Carbon capture use and storage (CCUS) is a critical tool for meeting the Paris Climate Agreement goals at lowest cost" and asserts,

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[37] Department of Energy, *Carbon Capture, Utilization & Storage* (online at www.energy.gov/carbon-capture-utilization-storage) (accessed Sept. 12, 2022).

[38] ExxonMobil, *Climate Solutions: Carbon Capture and Storage* (online at https://corporate.exxonmobil.com/Climate-solutions/Carbon-capture-and-storage) (accessed Sept. 6, 2022); Shell, *Carbon Capture and Storage* (online at www.shell.com/energy-and-innovation/carbon-capture-and-storage.html) (accessed Sept. 12, 2022); BP, *Carbon Capture and Storage* (online at www.bp.com/en_au/australia/home/who-we-are/sustainability/low-carbon-projects/carbon-capture-and-storage.html) (accessed Sept. 11, 2022); ProPublica, *Lobbying by BP America, Inc* (online at https://projects.propublica.org/represent/lobbying/300934347) (accessed Sept. 12, 2022); Chevron, *Explainer: What Is Carbon Capture, Utilization, and Storage?* (online at www.chevron.com/newsroom/2022/q2/what-is-carbon-capture-utilization-and-storage) (accessed Sept. 12, 2022); OpenSecrets, *Chevron* (online at www.opensecrets.org/orgs/chevron/lobbying?id=D000000015) (accessed Sept. 11, 2022).

[39] Carbon capture, utilization, and storage (CCUS) is a process that captures carbon dioxide emissions and either reuses them or stores them so they will not enter the atmosphere. Carbon capture and storage (CCS) refers to the same process, but the carbon is immediately stored or sequestered, usually underground, rather than reused for an industrial purpose. *See* National Grid, *Energy Explained* (online at www.nationalgrid.com/stories/energy-explained/what-is-ccs-how-does-it-work) (accessed Sept. 13, 2022).

[40] BP, *Carbon Mitigation and Removals* (online at www.bp.com/en/global/corporate/energy-economics/energy-outlook/carbon-mitigation-and-removals.html) (accessed Sept. 12, 2022).

[41] BP, *Princeton Carbon Mitigation Initiative (CMI)* (Apr. 2016), (BPA-HCOR-00041107).

"CCUS technologies are proven, reliable, and ready – but **scale-up needs to be accelerated**."[42] However, the paper also points out how CCUS enables the continued use of fossil fuels. For example, it highlights the use of CCUS in "energy-intensive industries that rely on the use of fossil fuels" and notes, "Long-term growth of gas is partially enabled by CCUS on gas power and heat." The paper lists among the "Challenges" for CCUS the "[s]ocietal concerns with CCUS extending the use of fossil fuels." The paper also notes that captured carbon can be used "to enhance oil recovery"—meaning to make oil fields more productive—which undermines the emission reductions from sequestration.[43]

Shell has also pointed to its CCS and CCUS technologies in discussing its net-zero aspirations, but documents obtained by the Committee show that in private discussions, Shell executives raised concerns about publicly sharing specifics of Shell's use of CCS technology to reach net zero. In an October 2019 email exchange, Jan Sherman, Shell's then-General Manager for U.S. Carbon Capture and Storage, asked colleagues for advice on what "not to say" to environmental groups at an upcoming event in Washington, D.C. Helen O'Connor, Shell's Manager for U.S. Stakeholder Relations, suggested that Ms. Sherman should "be cagey about project specifics" and avoid "traversing far from the CCUS topic regarding Shell and climate change." She further noted that one environmental group in attendance, the Natural Resource Defense Council, "are not friends" of Shell and is "likely closely aligned with those working hard to litigate against us." Ms. O'Connor also reminded Ms. Sherman that Shell's "Sky scenario" for reaching net-zero emissions—which relies in part on widespread implementation of CCS—is "not a Shell business plan, but a technically possible, although challenging scenario for how global society might meet the goals of the Paris agreement."[44]

Currently, Exxon only operates one carbon capture facility, in Schute Creek, Wyoming, and serves as a partner in a facility in Australia and one in Qatar.[45] Over its lifetime, Schute Creek has only captured and stored 3% of its carbon dioxide underground, either venting or selling the rest to be injected underground into depleted oil reservoirs, thereby enhancing oil recovery and generating more emissions.[46] The Australia project has repeatedly failed to meet its storage target by about 50%.[47] A recent report surveying 13 flagship carbon capture projects around the world, including the Wyoming and Australian facilities, found that ten either

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[42] BP, *Carbon Capture, Use and Storage (CCUS)* (Jan. 30, 2018) (BPA-HCOR-00017720) (emphasis in original).

[43] *Id.* (BPA-HCOR-00017720- BPA-HCOR-00017721).

[44] Email from Helen O'Connor, Shell Oil Company, to Jan Sherman, Shell Oil Company (Oct. 23, 2019) (SOC-HCOR-308016-308020).

[45] ExxonMobil, *Climate Solutions: CCS in Action* (online at https://corporate.exxonmobil.com/Climate-solutions/CCS-in-action) (accessed Sept. 6, 2022).

[46] *ExxonMobil to Store CO2 on BLM Lands in Wyoming*, Oil City News (Aug. 31, 2022) (online at https://oilcity.news/community/2022/08/31/exxonmobil-to-store-co2-on-blm-lands-in-wyoming/).

[47] Institute for Energy Economics and Financial Analysis, *Gorgon Carbon Capture and Storage: The Sting in the Tail* (Apr. 2022) (online at https://ieefa.org/wp-content/uploads/2022/03/Gorgon-Carbon-Capture-and-Storage_The-Sting-in-the-Tail_April-2022.pdf).

underperformed or failed.[48] Exxon recently announced ten potential new facilities around the world.[49]

Exxon spent $86 million in 2010 to expand its carbon capture facility in Wyoming and plans to spend another $400 million on a further expansion of the facility.[50] Exxon claimed $240 million in carbon capture tax credits over the last decade of the facility's use. However, experts estimate that Exxon may only be capturing less than 1% of its total emissions through carbon capture technology.[51]

In a May 2018 email exchange, Exxon CEO Darren Woods and Exxon's Vice President of Corporate Strategic Planning, Mr. Wojnar, discussed "emissions avoided" through carbon capture technology. Mr. Wojnar wrote to Mr. Woods that he was "[c]oming back on your question on GHG emissions avoided," including through carbon capture technology, and provided "options for how to respond to a query" on this topic. Mr. Wojnar suggested that Mr. Woods say that "over the last decade, ExxonMobil has taken action to reduce GHG emissions by approximately 75 million tons."[52] In reality, nearly all the carbon dioxide Exxon has captured through CCS has been sold to other fossil fuel companies to inject into their depleted oil fields to help extract even more oil. As a result, the carbon captured by Exxon through CCS technology likely has not meaningfully reduced total carbon emissions.[53]

Exxon has heavily advertised its efforts to develop carbon capture technology. Three carbon capture television ads from 2016 through 2019 aired 9,058 times nationally, generated 4.1 billion impressions, and are estimated to have cost Exxon over $68 million to run.[54] Draft

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[48] Institute for Energy Economics and Financial Analysis, *The Carbon Capture Crux: Lessons Learned* (Sept. 1, 2022) (online at https://ieefa.org/resources/carbon-capture-crux-lessons-learned).

[49] ExxonMobil, *Climate Solutions: CCS in Action* (online at https://corporate.exxonmobil.com/Climate-solutions/CCS-in-action) (accessed Sept. 6, 2022).

[50] *Exxon Expands Carbon Capture Plant*, Arkansas Democrat Gazette (Dec. 10, 2010) (online at www.arkansasonline.com/news/2010/dec/10/exxon-expands-carbon-capture-plant/); *ExxonMobil Invests $400M in Wyoming Carbon Capture, Storage*, Business Facilities (Mar. 1, 2022) (online at https://businessfacilities.com/2022/03/exxonmobil-invests-400m-in-wyoming-carbon-capture-storage/).

[51] *ExxonMobil's Climate Pitch to Biden: A $100B Carbon Project that Greens Hate*, Politico (Apr. 19. 2021) (online at www.politico.com/news/2021/04/19/exxonmobils-carbon-project-biden-483253); *Exxon Touts Carbon Capture as a Climate Fix, but Uses It to Maximize Profit and Keep Oil Flowing*, Inside Climate News (Sept. 27. 2020) (online at https://insideclimatenews.org/news/27092020/exxon-carbon-capture/); *Investors Want Exxon Mobil to Pivot. Here's the Oil Giant's New Playbook*, CNBC (Nov. 9, 2021) (online at www.cnbc.com/2021/11/09/exxon-mobils-climate-plan-carbon-capture-flaring-and-disclosures.html).

[52] Email from T.J. Wojnar, ExxonMobil, to Darren Woods, Chief Executive Officer, ExxonMobil (May, 29, 2018) (EM-HCOR3-00313350)

[53] *Exxon Touts Carbon Capture as a Climate Fix, but Uses It to Maximize Profit and Keep Oil Flowing*, Inside Climate News (Sept. 27, 2020) (online at https://insideclimatenews.org/news/27092020/exxon-carbon-capture/).

[54] iSpot.tv, *Exxon Mobil TV Spot, "Carbon Capture Technology"* (online at www.ispot.tv/ad/ARR0/exxon-mobil-carbon-capture-technology) (accessed Sept. 6, 2022); iSpot.tv, *Exxon Mobil TV Spot, "A New Way to Capture Carbon"* (online at www.ispot.tv/ad/wKjY/exxon-mobil-a-new-way-to-capture-carbon) (accessed Sept. 6, 2022);

advertisements prepared by BBDO in 2018 targeted at a New Jersey audience described "carbon capture at mass scale" as one of "the technologies being developed right here in Jersey at ExxonMobil's Research and Engineering facilities."[55]

Private discussions between Exxon and BBDO acknowledge the limitations of Exxon's CCS projects. In 2018, BBDO noted that after conversations with Exxon about draft CCS-related advertisements, they would "replace any lines that imply the technology is live today, and more the solution more future focused (e.g. we're building a plant to test this…)."[56]

C. Pledges Not Aligned with Companies' Own Operations

The Committee has uncovered evidence suggesting that fossil fuel companies' climate pledges are not supported by their own operations and future production plans.

Exxon Operations in Permian Basin

In December 2021, Exxon pledged that it would reach "net zero" carbon emissions in its Permian Basin operations in New Mexico and West Texas by 2030. This pledge is misleading, because it only covers leaks, flaring, and other operational emissions of CO_2, and excludes the vast majority of emissions from burning the oil and gas products Exxon extracts in the region.[57] Indeed, in February 2022, Exxon announced plans to boost oil output in the Permian Basin by 25% in 2022.[58] Exxon has pledged to continue increasing its Permian production to one million barrels of oil equivalent a day in 2024, up from 460,000 barrels per day in 2021, and 140,000 barrels per day in 2017.[59]

Internal documents show that Exxon has made efforts to obscure the magnitude of its production, and resulting carbon emissions, in the Permian Basin. In September 2019 emails, a communications representative from Schlumberger, a global energy services provider that has

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iSpot.tv, *Exxon Mobil TV Spot, "Carbon Capture"* (online at www.ispot.tv/ad/IW6P/exxon-mobil-carbon-capture) (accessed Sept. 6, 2022).

[55] Email from Kenneth Freeman. ExxonMobil, to Andrew Sinclair. ExxonMobil (May 7, 2018) (EM-HCOR3-0322306); Mock-ups for ExxonMobil "Energy Lives Here" advertising campaign (EM-HCOR3-0322307, EM-HCOR3-00322308).

[56] Emails between ExxonMobil and BBDO (Nov. 18, 2016) (EM-HCOR3-00133998).

[57] ExxonMobil, *ExxonMobil Plans for Net Zero Emissions in Permian Basin Operations by 2030* (Dec. 6, 2021) (online at https://corporate.exxonmobil.com/News/Newsroom/News-releases/2021/1206_ExxonMobil-plans-for-net-zero-emissions-in-Permian-Basin-operations-by-2030).

[58] *Exxon and Chevron Plan Permian Oil Surge as Peers Preach Caution*, Bloomberg (Feb. 2, 2022) (online at www.bloomberg.com/news/articles/2022-02-01/exxon-joins-chevron-in-permian-oil-surge-as-peers-preach-caution#xj4y7vzkg).

[59] ExxonMobil, *ExxonMobil to Increase, Accelerate Permian Output to 1 Million Barrels Per Day by 2024* (Mar. 5, 2019) (online at https://corporate.exxonmobil.com/News/Newsroom/News-releases/2019/0305_ExxonMobil-to-increase-accelerate-Permian-output-to-1-million-barrels-per-day-by-2024); *Exxon and Chevron Plan Permian Oil Surge as Peers Preach Caution*, Bloomberg (Feb. 2, 2022) (online at www.bloomberg.com/news/articles/2022-02-01/exxon-joins-chevron-in-permian-oil-surge-as-peers-preach-caution#xj4y7vzkg).

partnered with Exxon, reached out to ask if the company could post on its website a quote and summary of a speech given by Exxon executive Liam Mallon. According to the email, Mr. Mallon had spoken at a conference and "stressed the importance of transitioning to a different way of partnering to speed up the adoption of technology and achieve ambitious production goals (1000% within 5 years in the Permian!), while lowering flare, reducing methane, cutting waste."[60]

In discussing the request internally, Exxon officials expressed concern about making the production goal public. Exxon Public Affairs manager Neely Nelson asked her colleagues whether the quote and summary was meant for the public, writing, "If so, I edited below to remove the 1000% as we don't want that written where it can be taken out of context."[61] She later wrote, "I will operate under the premise it is not [only for attendees] just to be safe."[62] Exxon representatives later circulated an edited version of the quote that replaced the 1,000% increase with "1M BOED within 5 years in the Permian."[63] "1M BOED" is industry jargon for 1 million barrels of oil equivalent per day, which was around ten times what Exxon historically produced in the Permian.

Shell's "Sky Scenario"

In 2018, Shell announced its "Sky scenario," a global energy-system model the company describes on its website as "what we believe to be a technologically, industrially, and economically possible route forward, consistent with limiting the global average temperature rise to well below 2°C from pre-industrial levels."[64] Sky follows previous Shell energy scenarios, including "Mountains" and "Oceans."[65] The Sky scenario report, which includes images evoking nature and societal progress, is accompanied by the following fine-print legal disclaimer:

[60] Email from Neely Nelson, ExxonMobil, to Pinar Yilmaz, ExxonMobil (Sept. 18, 2019) (EM-HCOR3-00020084).

[61] Email from Neely Nelson, ExxonMobil, to Pinar Yilmaz, ExxonMobil (Sept. 18, 2019) (EM-HCOR3-00020085); Email from Neely Nelson, ExxonMobil, to Pinar Yilmaz, ExxonMobil (Sept. 18, 2019) (EM-HCOR3-00020087).

[62] Email from Neely Nelson, ExxonMobil, to Pinar Yilmaz, ExxonMobil (Sept. 18, 2019) (EM-HCOR3-00020087).

[63] Email from Neely Nelson, ExxonMobil (Sept. 19, 2019) (EM-HCOR3-00020090); Email from Neely Nelson, ExxonMobil, to Pinar Yilmaz, ExxonMobil (Sept. 18, 2019) (EM-HCOR3-00020099).

[64] Shell, *Sky Scenario* (online at www.shell.com/energy-and-innovation/the-energy-future/scenarios/shell-scenario-sky.html) (accessed Sept. 12, 2022).

[65] *Id.*

While we seek to enhance our operations' average energy intensity through both the development of new projects and divestments, ***we have no immediate plans to move to a net-zero emissions portfolio over our investment horizon of 10-20 years.*** *Although, we have no immediate plans to move to a net-zero emissions portfolio, in November of 2017, we announced our ambition to reduce our net carbon footprint in accordance with society's implementation of the Paris Agreement's goal of holding global average temperature to well below 2°C above pre-industrial levels.*[66]

As this disclaimer makes clear, Shell does not plan to move its own operations to net zero in the next two decades, and the Sky scenario is a theoretical outcome Shell has no serious plans to execute. Nevertheless, top executives—including Shell CEO Gretchen Watkins—strategized about how to use the Sky scenario to benefit Shell when interacting with government officials.

On June 14, 2019, Jason Klein, Chief of Staff and Vice President, Energy Transition Strategy at Shell Oil Company, shared with Ms. Watkins and other executives U.S. data underlying the Sky scenario. Some of the assumptions included "close to zero emissions from passenger cars in 2050," "zero natural gas power by 2070," and "zero coal fired power by 2050." Ms. Watkins responded, "If we can start using this publicly it might be useful." She added Krista Johnson, Head of Shell Government Relations, to the email chain, noting, "I think some of our stakeholders that might use this are in DC." Ms. Johnson responded, noting that she expected to get asked how Shell plans to meet the assumptions in the Sky scenario. Mr. Klein responded:

> And, of course, this is not intended to drive policy necessarily, but rather to show ONE scenario in the US that is part of a larger global scenario that could deliver on the Paris goals. It doesn't necessarily represent how we recommend the U.S. go forward, but I think it will be very useful to demonstrate the scale of the challenge and the key levers that policymakers should be trying to pull.[67]

Internal messaging guidance obtained by the Committee underscores Shell's efforts to keep the Sky scenario and the company's climate pledges vague and to avoid making

[66] *Id.* (emphasis added).

[67] Email from Jason Klein, Shell Oil Company, to Krista Johnson and Gretchen Watkins, Shell Oil Company (June 18, 2019) (SOC-HCOR-089844).

commitments to reduce emissions. For example, in a January 2020 email to Ms. Johnson and senior members of Shell's government relations team, Patricia Tamez, an employee in the same group, suggested presenting a prepared slide deck with "approved messages" on the company's "Energy Transition" so Shell lobbyists and other employees know how to discuss the pledges.[68]

The messaging guidance suggests that in discussing scenarios, employees should make sure they acknowledge that "the future is uncertain." It further advises, "[P]lease refrain from the use of 'will' unless explicitly linked to "in this scenario or under these conditions, X will." The guide suggests employees who wish to speak about climate matters "start from, and work with, the growing library of latest messaging and materials in the Energy Transition communications toolkit," and "clear all new or adapted content" with "minimum two weeks' lead time." The slide deck explains that lobbyists and employees must take care not to conflate Shell's net-zero pledges with its hypothetical net-zero scenarios as doing so may make Shell vulnerable to litigation for failing to act aggressively enough on climate:

> As you should be aware, we are seeing a rising number of legal cases including active litigation specifically against Shell and other oil companies related to climate change and its impacts.
>
> Discipline, consistency and heightened awareness of the sensitivities in our communications regarding energy transitions is therefore paramount, as what we are saying has the potential to either expose or insulate Shell to/from the legitimacy of further claims-from greenwashing to misleading investors.

The presentation painstakingly walks through "repurposing messaging" strategies to use to avoid stating that the company plans to reduce emissions. It characterizes net-zero emissions "as a goal for society" and a "collective ambition for the world," but implores Shell employees to never "imply, suggest, or leave it open for possible misinterpretation that NZE is a Shell goal or target." Rather, *if* "society aligns itself with the Paris Agreement's goals," the global market would likely result in Shell:

> Reduc[ing] our Net Carbon Footprint, which includes not only our direct and indirect carbon emissions associated with producing the energy products we sell, but also our customers' emissions from their use of the energy products that we sell, by around 20% in 2035 and by around 50% in 2050[69]

This presentation suggests that Shell did not plan to take meaningful independent action to spur on this net-zero future. Shell anticipated that its scope 3 emissions would decline by about 50% by mid-century only if society writ large achieved the Paris Agreement's goals. The company did not plan to lead the way, given that Shell had "no immediate plans to move to a

[68] Email from Patricia Tamez, Shell Oil Company, to Krista Johnson, Shell Oil Company, et al. (Jan. 31, 2020) (SOC-HCOR-085197).

[69] Shell, *Let's Talk Energy* Transitions (SOC-HCOR-085198-085216).

net-zero emissions portfolio over our investment horizon of 10-20 years."[70]

Despite the legal disclaimers accompanying Shell's scenarios, even Shell employees appeared to mix up the scenarios with Shell's climate plan. On an October 2020 email chain, Helen O'Connor, U.S. Stakeholder Relations Manager, noted she was working on a communications plan on scenarios, and asked Marti Powers, U.S. External Relations Manager, whether their team should prepare additional materials on scenarios for Ms. Watkins to use at a speaking event. Ms. Powers replied that other colleagues were already preparing material for the rollout of Shell's "Net Zero Emissions ambition"—in other words, Shell's climate plan. Ms. O'Connor explained in response:

> [T]he brand campaign focused on Shell's climate ambition is a different topic to the U.S. Net Zero Emissions 2050 thought-leadership material … . I don't think I want to link the two in the same post or article because one impacts Shell's business portfolio and one is a scenario and so nothing to do with our business plans, but if we're not careful we could easily confuse external stakeholders if we start ta[l]king about both together."[71]

Chevron's "Lower Carbon Businesses" Are More Fossil Fuels[72]

Internal documents also reveal the intentional paucity of meaning in Chevron's September 2021 announcement that it would increase its low carbon investments by two orders of magnitude.[73] In an internal March 2021 email discussing how to talk about Chevron's "just transition" with the public, Michael Rubio, Chevron's General Manager for ESG and Sustainability, urged Bruce Niemeyer, Vice President of Strategy and Sustainability, to say that "[o]il and natural gas have a vital role to play in any global transition of energy" and provide "lower carbon solutions that ensures a just transition."

Continued use of oil and gas while reducing their "carbon intensity," Mr. Rubio asserted, "represents a tremendous opportunity to make progress toward the global net zero ambitions of the Paris Agreement."[74] Chevron's senior officers for sustainability do not mention any non-emitting alternatives as part of Chevron's strategy to become net zero, and indeed, Chevron's September 2021 announcement made during its "Energy Transition Spotlight" celebrated only investments in combustion fuels.[75]

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[70] *Id.* (SOC-HCOR-085213).

[71] Email from Marti Powers to Helen O'Connor (Oct. 25, 2020) (SOC-HCOR-012379-012381).

[72] Chevron, *Press Release: Chevron Accelerates Lower Carbon Ambitions* (Sept. 14, 2021) (online at www.chevron.com/stories/chevron-accelerates-lower-carbon-ambitions).

[73] *Id.*; Dario Kenner and Richard Heede, *White Knights, or Horsemen of the Apocalypse? Prospects for Big Oil to Align Emissions with a 1.5°C Pathway*, Energy Research and Social Science (Sept. 2021) (online at www.sciencedirect.com/science/article/pii/S2214629621001420#b0365).

[74] Email from Michael Rubio, Chevron, to Bruce Niemeyer, Chevron (Mar. 24, 2021) (CHEV-117HCOR-0039365).

[75] *Id*; Chevron, *Press Release: Chevron Accelerates Lower Carbon Ambitions* (Sept. 14, 2021) (online at www.chevron.com/stories/chevron-accelerates-lower-carbon-ambitions).

Chevron's and Exxon's Attempt to Use OGCI to Greenwash Big Oil

The Oil and Gas Climate Initiative (OGCI) is a voluntary organization co-led by members from the oil and gas industry and environmental groups. Its stated intent is "to deliver tangible, transparent and integrated contributions to climate change solutions."[76]

Documents obtained by the Committee show that in 2019, employees from Exxon and Chevron edited a messaging document from OGCI ahead of the annual Conference of Parties to the United Nations Framework Convention on Climate Change. The document was meant to "serve as the basis for communication & press release as well as talking points for the CEO event." The documents suggest that despite several attempts to weaken the language, OGCI pushed back, saying that Exxon's and Chevron's CEOs already committed to the stronger language. The edits from Exxon and Chevron attempted to weaken OGCI's ambition on targets for achieving net-zero emissions, methane emissions, carbon intensity, carbon capture implementation, among other things.[77]

In particular, a memorandum from Peter Trelenberg, Exxon's Manager of Environmental Policy & Planning, to CEO Darren Woods highlighted "critical edits" proposed by Exxon and noted that "Chevron has expressed that they are generally aligned with these edits." Among other issues, the memo to Exxon's CEO addresses the following:

- *Avoiding a commitment to advocate for the Paris Agreement.* Regarding OGCI's "Statement on responding to the climate challenge," Mr. Trelenberg wrote: "Need to remove reference to Paris Agreement as support for the Paris Agreement goals and member company advocacy are separate concepts and not directly related. Creating a tie between our advocacy/engagements and the Paris Agreement could create a potential commitment to advocate on the Paris Agreement goals."

- *Avoiding a commitment to advocate for climate policies that Exxon and Chevron claim to support.* The memo raised a concern that one OGCI annual report "includes explicit commitment for OGCI companies to align their advocacy with their climate related positions. We have raised concerns with this linkage through previous comments."

- *Refusing to commit to enhanced climate-related governance.* The memo continued, "Need to remove language that potentially commits members to enhanced climate-related governance, strategy, risk management, and performance metrics and targets."

- *Concern about a commitment to reduce downstream emissions.* Discussing an OGCI "September Announcement package," the memo states: "The carbon

[76] Oil and Gas Climate Initiative, *About Us* (online at www.ogci.com/about-us/) (accessed Sept. 12, 2022).

[77] Memorandum from Peter Trelenberg, ExxonMobil, to Darren Woods, Chief Executive Officer, ExxonMobil (Aug. 20, 2019) (EM-HCOR3-00064980-EM-HCOR3-00064998).

intensity narrative also mentions expanding scope to include the downstream which could imply that we will commit to a target for downstream. Members are not yet aligned on including downstream in the intensity targets."[78]

D. Some Fossil Fuel Employees Are Skeptical of Their Companies' Approach on Climate

Despite publicly touting their companies' pledges, internal documents show that fossil fuel executives and employees do not always believe that the pledges will achieve Paris Agreement goals.

Exxon states that it is "advancing effective solutions to address climate change," and publicly supports the Paris Agreement.[79] Internally, however, Exxon executives have expressed doubt about the technological and operational feasibility of reaching the Paris goals. On May 25, 2017, Mr. Trelenberg sent an email to CEO Darren Woods summarizing "key takeaways" from various "scenarios" related to climate change, including those analyzed by the Intergovernmental Panel on Climate Change. He noted that "2 deg C scenarios would require unprecedented gains in efficiency" and warned, "We do not currently see a policy framework, finance flows, or affordable tech [text unclear] supportive of this rapid, unprecedented transformation of the energy system."[80]

In November 2020, Shell put out a poll on Twitter asking, "What are you willing to change to help reduce emissions?" When climate leaders and members of the public responded negatively to the Twitter poll, executives, including Ms. Watkins, deliberated responses over email. Marti Powers, Shell's External Relations Manager for USA and Global Shales remarked, "[I]ts these examples and the internal reaction that beg the question of if we are ready to be as bold as we say."[81] In a separate email exchange between Brian Butcher, Senior Adviser for International at Shell, and Stephen Lesher, Shell's Manager of Communications and Sustainable Development, Mr. Lesher appeared to agree with critics' characterization of the tweet as "gaslighting." After explaining that the term means "manipulating a person's emotions, causing them to quest[i]on themselves instead of you," he stated:

> It is, frankly, a criticism not totally without merit in this case though I would never say that in mixed company. We are, after all, in a tweet like this implying others need to

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[78] *Id.*

[79] Email from Peter Trelenberg, ExxonMobil, to Darren Woods, Chief Executive Officer, ExxonMobil (May 25, 2017) (EM-HCOR3-00192279); ExxonMobil, *Environmental Protection: Climate Change* (online at https://corporate.exxonmobil.com/Sustainability/Environmental-protection/Climate-change) (accessed Sept. 6, 2022).

[80] Email from Peter Trelenberg, ExxonMobil, to Darren Woods, Chief Executive Officer, ExxonMobil (May 25, 2017) (EM-HCOR3-00192279).

[81] Email from Marti Powers, Shell Oil Company, to Gretchen Watkins, President, Shell Oil Company (Nov. 4, 2020) (SOC_HCOR_343847).

sacrifice without focusing on ourselves. We do, focus on ourselves, of course, but I can see where someone looking to take a shot would see this tweet as one such opportunity.[82]

E. Mocking Climate Science and Activists

Documents obtained by the Committee also show employees mocking warnings about climate change and disrespecting climate activists. In one email exchange from August 2017, senior executives at BP mocked news of record-breaking global temperatures and sea level rise. Joe Ellis, BP's Vice President and Head of U.S. Government Affairs wrote, "I'll buy the first round Monday night before we say our goodbyes." Bob Stout, Vice President and Head of Regulatory Affairs, responded: "A 'hot toddy' maybe?"[83]

In a July 2019 email exchange, Shell officials discussed composing a statement to respond to news reports that the company disinvited a climate scientist from a speaking event after he prepared slides that discussed Shell's historic disinformation and whether "fossil fuels cause harm."[84] David Hone, Chief Climate Change Advisor at Shell acknowledged that the report was "not a very flattering account," and Curtis Smith, a Media Manager, described their draft public statement as "clean up on [a]isle 5 because of this shit show."[85]

In March 2019, a Shell employee sent a link regarding a campaign by a youth climate activist group, the Sunrise Movement, called the "Road to the Green New Deal." Krista Johnson, Head of U.S. Government Relations, replied, "FYI – 100 town hall meetings in a month. Having enjoyed some rich experiences on the 50 City Tour, I wish them the very best." Mr. Smith quipped, "…and bedbugs."[86]

In September of 2017, BP attorney William Noble suggested that the Sierra Club's Beyond Dirty Fuels campaign was a "rip-off" of BP's slogan Beyond Petroleum. He wrote to his colleague Robert Stout asking,

> Is that a shameless rip-off of BP's 'Beyond Petroleum' slogan or, more likely, ironical humor – a sort of historical reference to a corporate campaign that would have been called Beyond Dirty Fuels if it had only been courageous / honest enough and intended to deliver the promise of the slogan. Next time you call on the Sierra Club for a policy discussion, you should ask.

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[82] Email from Stephen Lesher, Shell Oil Company, to Brian Butcher, Shell Oil Company (Nov. 4, 2020) (SOC-HCOR-095991).

[83] Email from Joe Ellis, BP, to Ray C. Dempsey, BP; Robert Stout, BP; and Mary Streett, BP (Aug. 10, 2017) (BPA_HCOR_00110419); Email from Bob Stout, BP, to Joe Ellis, BP (Aug. 10, 2017) (BPA_HCOR_00110419).

[84] *The PowerPoint that Got a Climate Scientist Disinvited from a Shell Conference*, The Intercept (July 5, 2019) (online at https://theintercept.com/2019/07/05/shell-conference-climate-change/).

[85] Email from David Hone, Shell Oil Company, to Darci Sinclair, Shell Oil Company (July 9, 2019) (SOC-HCOR-044588).

[86] Email from Marti Powers, Shell Oil Company, to Curtis Smith, Shell Oil Company (Mar. 12, 2019) (SOC-HCOR-172250).

Mr. Stout replied, "Ha! Sierra Club is on[e] place I would not go for policy discussion!"[87]

In an internal email in November 2019, BP's Tom Wolf, Director, Communications and External Affairs, discussed an opinion piece by environmentalist Bill McKibben. Mr. Wolf downplayed the concerns of frontline communities fighting pollution and climate emissions from new pipelines, writing:

> I'm sorry, I live on earth so I don't get what planet this guy lives on. We all know his diatribe has many holes in it…but his biggest one is the infrastructure piece. Americans are fighting pipelines, but they are also fighting transmission lines that would bring wind energy and solar energy to market. … Simply put, Americans have a Dire Straits mentality. They want their money for nothin' and their chicks for free.[88]

[87] Email from Robert Stout, BP, to Noble William, BP (Sept. 25, 2017) (BPA_HCOR_00147227).

[88] Email from Tom Wolf, BP, to Robert Stout, BP (Nov. 4, 2016) (BPA_HCOR_00022985).