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Inside Exxon's Strategy to Downplay Climate Change

Internal documents show what the oil giant said publicly was very different from how it approached the issue privately

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Exxon XOM **-0.89%** ▼ Mobil issued its first public statement that burning fossil fuels contributes to climate change in 2006, following years of denial. In public forums, the company argued that the risk of serious impact on the environment justified global action.

Yet behind closed doors, Exxon took a very different tack: Its executives strategized over how to diminish concerns about warming temperatures, and they sought to muddle scientific findings that might hurt its oil-and-gas business, according to internal Exxon documents reviewed by The Wall Street Journal and interviews with former executives.

Exxon's public acceptance in 2006 of the risks posed by climate change was an early act of Rex Tillerson, an Exxon lifer who became CEO that year. Some viewed him as a moderating force who brought Exxon in line with the scientific consensus.

The documents reviewed by the Journal, which haven't been previously reported, cast Tillerson's decadelong tenure in a different light. They show that Tillerson, as well as some of Exxon's board directors and other top executives, sought to cast doubt on the severity of climate change's impacts. Exxon scientists supported research that questioned the findings of mainstream climate science, even after the company said it would stop funding think tanks and others that promoted climate-change denial.

Exxon is now a defendant in dozens of lawsuits around the U.S. that accuse it and other oil companies of deception over climate change and that aim to collect billions of dollars in damages. Prosecutors and attorneys involved in some of the cases are seeking some of the documents reviewed by the Journal, which were part of a previous investigation by New York's attorney general but never made public.

One of the lawsuits is from Hawaii's Maui County, where wildfires killed more than 100 people in August. The lawsuit, filed in 2020, alleged the island faced increased climate-related risks, including more dangerous wildfires, caused by fossil-fuel companies. Some of the lawsuits may go to trial as soon as next year.



A wildfire destroyed the town of Lahaina, Hawaii, in August. PHOTO: ELYSE BUTLER FOR THE WALL STREET JOURNAL

“I know how this information looks—when taken out of context, it seems bad,” Exxon CEO Darren Woods said in response to the Journal’s inquiry about the documents. “But having worked with some of these colleagues earlier in my career, I have the benefit of knowing they are people of good intent. None of these old emails and notes matter though. All that does is that we’re building an entire business dedicated to reducing emissions—both our own and others—and spending billions of dollars on solutions that have a real, sustainable impact.”

Under Woods, who became CEO in 2017, Exxon has committed to spend \$17 billion over five years on emissions-reducing technologies. Exxon didn’t address detailed questions sent by the Journal.

Tillerson declined to comment through a representative.

Exxon turned millions of pages of documents over to the New York attorney general during that office’s yearslong investigation, announced in 2015, into whether the company misled investors about the impact of climate regulation on its business. The Journal reviewed summaries of the documents that Exxon’s lawyers had determined were the most significant. After the attorney general narrowed the focus of the case, the documents weren’t made public.

The documents summarize emails between top executives, board meetings and Tillerson's edits of speeches, among other things.

After a nearly three-week trial in 2019, Justice Barry Ostrager of the New York State Supreme Court ruled the New York attorney general failed to prove its case.

"Nothing in this opinion is intended to absolve Exxon Mobil from responsibility for contributing to climate change," Ostrager wrote.

Throughout Tillerson's tenure between 2006 and 2016, Exxon executives in their internal communications attempted to push back against the notion that humans needed to curtail oil and gas use to help the planet—despite the company's public statements that action was needed.

In 2012, after the pre-eminent scientific authority on climate change warned of global calamity if carbon emissions continued unabated, Tillerson disagreed and directed Exxon researchers to "influence" the group.

As pressure mounted to stop drilling in the Arctic due to rapid glacial melting and other environmental impacts, Exxon fretted about a key project in Russia's far north and worked to "de-couple climate change and the Arctic."

July 2013

Exxon's [deal to explore the Arctic](#) with Russia's Rosneft came amid growing public concern about melting polar ice caps. In an email discussion with other executives about [how to protect the project](#), a corporate issues adviser wrote:

“As this shapes up, part of the moral argument for leaving the Arctic alone will be based on this notion that it is fundamentally unjust for the people who prompted the ice melt to then profit from development. It's one reason I think [we will need to push back hard- albeit in a nuanced way- against this notion that the whole area is 'pristine'](#) and untouched by the hand of man.”

“The general perception is that Tillerson was softer and stopped funding the bad guys” that were espousing climate change denial, said Lee Wasserman, the director of the Rockefeller Family Fund, a charity that partly focuses on environmental issues. “This is the first X-ray into Tillerson's head and shows he wanted to throw climate mitigation off the rails. It's obituary-changing.”

The fund has issued grants financing litigation and other support for around two dozen cases against Exxon, whose predecessor, Standard Oil, was founded by family patriarch John D. Rockefeller. The fund has invested millions of dollars in a broader campaign against big oil companies.



A polar bear crosses sea ice in the Arctic Ocean. PHOTO: ANGELA OWENS/THE WALL STREET JOURNAL

Seminal warning

A study published earlier this year in the journal *Science* determined Exxon's climate modelers had predicted warming temperatures with precision since the 1970s, in line with the scientific consensus. The study was funded, in part, by a grant from the Rockefeller Family Fund.

In the summer of 1988, NASA scientist James Hansen issued what's now seen as a seminal warning on climate change when he testified before Congress that Earth was warming dangerously and humans were causing it.

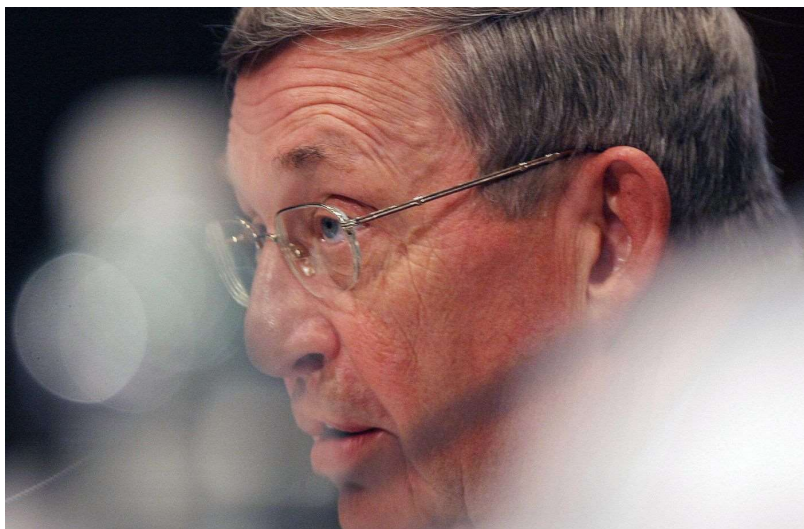
Frank Sprow, then Exxon's head of corporate research, sent a memo to colleagues a few months later articulating what would become a central pillar of Exxon's strategy.

"If a worldwide consensus emerges that action is needed to mitigate against Greenhouse gas effects, substantial negative impacts on Exxon could occur," wrote Sprow. "Any additional R&D efforts within Corporate Research on Greenhouse should have two primary purposes: 1. Protect the value of our resources (oil, gas, coal). 2. Preserve Exxon's business options."

Sprow's memo was adopted by Exxon as policy, he said in a recent interview.

Exxon stopped most internal climate research, instead funding it through university and research organizations, Sprow said. Exxon's corporate research division was redirected from broader scientific study to focus on "science to support our business."

Sprow said he and former Exxon CEO Lee Raymond acknowledged the climate was changing but questioned to what extent human activity was causing it and how serious and rapid the impacts would be. The January study in *Science* said that Exxon's climate modelers mostly attributed the changes to humans.



Lee Raymond in 2005. PHOTO: NICHOLAS KAMM/AGENCE FRANCE-PRESSE/GETTY IMAGES

Martin Hoffert, who worked as a consultant to Exxon on climate science in the 1980s, said Sprow's memo sent another message: "It's an oblique way of saying we're in the oil business and we're not going to get out of the oil business, and we'll do everything we can to make money on the oil business."

By the time Tillerson became CEO in 2006, Exxon's positions on climate change had become a public-relations nightmare, according to Sprow, who retired from the company in 2005.

Public shift

Exxon's public shift on climate change came after the Royal Society, a British scientific academy, criticized the company for spreading "inaccurate and misleading" views on climate science in 2006. Exxon responded in a letter that it recognized "the accumulation of greenhouse gases in the Earth's atmosphere poses risks that may prove significant for society and ecosystems."

An Eagle Scout and a civil engineer by training, Tillerson spent his entire career at Exxon before becoming CEO in 2006. He left in 2017 to become then-President Trump's Secretary of

State.

His views on climate change were influenced by the previous generation of Exxon executives, said former company executives who worked with him. During his tenure, Tillerson took little action to curb the company's emissions and instead believed the onus was on governments to push companies to address climate change, they said.

In 2011, scientists working for the Intergovernmental Panel on Climate Change, convened by the United Nations, warned of global calamity if carbon emissions caused temperatures to rise more than 4 degrees Celsius above preindustrial levels by 2100, its worst-case scenario.

Tillerson told a top Exxon climate researcher the scenario was "not credible," the documents show. Tillerson was "dissatisfied with media coverage," the researcher, Haroon Kheshgi, told colleagues in a 2012 email about the findings. Further, Tillerson wanted to engage with IPCC "to influence [the group], in addition to gathering info."

Chris Field was the co-chair of an IPCC working group during Tillerson's tenure at Exxon. He rejected Tillerson's criticism that the worst-case scenario laid out by the group wasn't credible. Though emissions reductions are preventing the worst case, Field said, the science has held up over time.

"I'm honestly flattered that he thought IPCC was consequential enough to want to influence it," said Field, who is now director of the Stanford Woods Institute for the Environment. He added that the IPCC process is structured to prevent undue influence from individual businesses or other entities and that the Exxon scientists he'd dealt with were professional.

While Tillerson and others played down the risks posed by climate change, Exxon's scientists were themselves modeling alarming increases in carbon emissions without dramatic reductions in fossil-fuel consumption.



Rex Tillerson in 2015. PHOTO: ERIC PIERMONT/AFP/GETTY IMAGES

“It’s almost reluctantly that we address CO2 emissions,” Scott Nauman, a corporate planning manager, wrote in a January 2009 email as the company was preparing its annual energy outlook. “It is not a positive story. Global emissions continue to rise throughout the outlook timeframe – that’s clearly a cause for concern.”

Exxon routinely pushed back against the idea that dramatic curtailment of fossil-fuel consumption was necessary. Instead, it suggested that technological solutions, including making cars and other machines more efficient, were the most effective measure to halt global warming. Fossil fuels are responsible for more than 75% of the world’s greenhouse gas emissions, according to the IPCC.

Before giving a speech at an event hosted by Stanford University’s Global Climate & Energy Project in February 2009, Tillerson appeared to make edits to avoid embracing positions that would hurt Exxon’s business.

In one part of the draft speech he crossed out “oil, natural gas and coal will not meet all of the world’s needs to the year 2030.” Later, he added, “the most cost effective steps we can take to address this energy and environmental challenge is to extend our energy efficiency gains.”

Weeks earlier, Nauman had concluded in his January email that emissions would increase through 2030 despite such gains.

“We would like them to be lower, but given the state of technology, given the need for energy, given the practical choices for energy, emissions rise despite aggressive efficiency gains,” Nauman wrote.

'Skeptic arguments'

In 2008, Exxon announced it would stop funding think tanks and other groups that questioned climate science, saying their positions “could divert attention from the important discussion on how the world will secure the energy required for economic growth in an environmentally responsible manner.”

Exxon researchers continued to support scientific research that cast doubt on climate science and its impacts, documents show.

Later in 2008, Gene Tunison, a manager of global regulatory affairs and research planning, said Exxon should direct a scientist to help the American Petroleum Institute, the industry's influential lobbying group, write a paper about climate science uncertainty.

“I support [Exxon] co-authoring a paper on uncertainty in measuring GHGs,” Tunison wrote in an email.

May 2012

Exxon researchers met regularly about developments in climate science but **continued to discuss doubts about the scientific consensus**. Ahead of a meeting dubbed 'Friday climate overview' among Exxon's top climate scientists, one researcher said:

“Under 'some skeptic arguments disproven' - my question is, **are there any 'skeptic' arguments that we consider to be not yet disproven,** or credible and worthy of further investigation?”

Tillerson also pushed back against some of the dire consequences of rising temperatures predicted by climate scientists. After a 2011 meeting, Tillerson's chief of staff, William Colton, emailed colleagues about the CEO's feedback on a draft disclosure about carbon emissions. Tillerson wanted the words “weather extremes and storms” deleted.

“His view was that even mentioning a possible connection between climate change and weather was possibly giving the notion more credibility than he would like,” Colton wrote.

During a 2012 board meeting about “Developments in Climate Science and Policy,” Exxon board member Peter Brabeck-Letmathe said there was “still uncertainty in predicting future climate changes and impacts.”

“Money and effort spent on climate change is misplaced,” said Brabeck-Letmathe, the former CEO of Nestlé.

In December 2015, Exxon publicly stated its support of the just-signed Paris climate agreement, a nonbinding United Nations treaty that commits countries to work to limit global warming to well below 2 degrees Celsius. Climate scientists have warned that if Earth warms more than 2 degrees it could cross irreversible climate tipping points. During his Senate confirmation hearing to become Secretary of State in 2017, Tillerson said he supported staying in the agreement.

Months before the treaty was signed, Tillerson had expressed skepticism about its aims.

Following a presentation on climate science to Exxon's board of directors in April 2015, Tillerson called the 2 degrees target “something magical,” according to a summary of the meeting.

“Who is to say 2.5 is not good enough,” said Tillerson, noting that it was “very expensive” to cut the emissions needed to meet such a target.

June 2015

Tillerson received regular updates on climate science from Exxon's chief researchers and in some instances **asked about uncertainty in climate-change modeling**. An Exxon executive wrote Kheshgi:

“ Rex called this afternoon with a couple of pretty detailed questions on climate science: [1] Do climate scientists understand and **are they able to quantify the radiative forcing/GHG/climate impacts of events like volcanos and forest fires**. If so, how and how well? Is there differentiation between major events like Mt Pinatubo and other much smaller events? [2] Does the climate modeling community include these events and effects in their climate models and projections of future temperatures and impacts? If so, how and how well? **Are these types of events/impacts a major or minor source of uncertainty?**”

“When people like Tillerson argue that 2 degrees is magical, it's in the context of how you try,” said Field, the former IPCC co-chair. “Two degrees can be affordable with the right costs and benefits globally, even if it is not the right costs and benefits for Exxon.”

Last week, the United Nations warned countries are far from meeting the Paris agreement's goals. Exxon said in August that the world isn't currently on track to reach the targets of the

agreement, which it continues to support publicly.

Shortly after replacing Tillerson in 2017, Darren Woods spread the word that he was in search of transformative new ideas. A plan to invest in offshore wind projects made its way to the most senior levels of the company, according to people familiar with the proposal. Karen Hughes, a former top official in the George W. Bush administration and an adviser to Exxon, said she counseled that investing in renewable energy would be good for the environment and improve the company's reputation.

To date, Woods hasn't invested in renewable energy, arguing it's a low-return business outside Exxon's skill set. Instead the company has vowed to spend about \$3.4 billion a year on average through 2027 curbing its emissions and helping other companies do the same, and investing in areas including carbon capture, biofuels and lithium mining.

Exxon currently plans to spend as much as \$25 billion a year in capital expenditures through 2027, mostly on oil and gas.

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