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#### Extra Credit: ExxonMobil Carbon Disclosure

On March 20, 2014, ExxonMobil agreed under pressure from the United States government to disclose carbon emission to the stockholders. They agreed to publish a document called the Carbon Asset Risk Report. This is a sign that while they may not being doing anything more efficiently they are stepping up their environmental concern. While this by itself has no official impact on the efficiency or reduction of carbon gas released into the atmosphere, it does raise awareness. Raising awareness is the key to social change and reform. In the interview that I had yesterday with Simon Smith, a former ExxonMobil employee, he stated that the best way to deal with the progressive demand for energy and the impending climate change is to impose a carbon tax. I believe this is ExxonMobil's way of attempting to look like the "good guys". The company realizes that within the next few years they are probably going to have to pay a carbon tax for emission. This will force them to publish their carbon emission because it is going to be on their tax forms. I believe this is a good way for the company to make it seem like they are not being forced into this decision (even though they probably are going to be forced to do this at some point). It seems from the article in the Wall Street Journal that ExxonMobil is making strides to reduce their carbon footprint by finding cheaper more innovative ways to refine and extract oil. That being said, ExxonMobil still has the agenda of sell the most oil possible. These goals do tend to contradict each other, but it is promising that ExxonMobil is taking steps to improve transparency within the company (even if it would be forced to in a couple years regardless). The Fuelfix article goes on to

state “It’s the first time the Irving, Texas-based oil and gas giant has agreed to tell investors how it appraises carbon-intensive assets like oil sands under tougher climate rules.” This is interesting because it gives insight to how the company is running the business. It almost opens up the business model for other competitors because it tell the stockholders and competitors how they are weighing their investments in innovation towards oil refining, carbon reduction, and many other things. I think this is really interesting because it now gives the company an incentive to become more carbon efficient, which in turn will reduce their overall carbon footprint. ExxonMobil may also be publishing the Carbon Asset Risk Report as a political move. With this Carbon Asset Risk Report, they will have an accurate number of how many jobs will be lost due to a carbon tax, how much energy prices will rise if a carbon tax is imposed, and answer many other questions that may be used to rethink legislature that gives firms incentives to be more efficient with their resources. According an article on Climate Progress (a biased site), “But here is what Exxon’s agreement with shareholders does not do. It does not require Exxon to disclose its degree of responsibility for climate change through its skyrocketing carbon and methane emissions. It does not require Exxon to disclose how much its emissions have caused the need for the regulations it now plans on claiming as risks. It does not require Exxon to make a commitment to reduce its carbon footprint, much less acknowledge it at all.” I do not really tend to agree with this because having the data means that anyone with a calculator could find out what they wanted to know. That being said, this is a big step forward for the energy industry. It shows that even corporate greed is no longer a good reason for ignorance.

Bibliography:

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