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Exxon, Chevron Climate U-Turn Includes \$300 Million for Research

The move brings Big Oil's biggest names into a united front as climate activists and investors ratchet up the pressure on fossil-fuel providers.

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Three of the biggest U.S. oil companies pledged \$300 million toward research into lowering climate-change pollution as they joined an industry group led by European rivals.

Exxon Mobil Corp., Chevron Corp. and Occidental Petroleum Corp. will join the Oil & Gas Climate Initiative and expand an existing \$1 billion fund for carbon-reduction ventures, the group said on Sept. 20.

The move brings Big Oil's biggest names into a united front as climate activists and investors ratchet up the pressure on fossil-fuel providers.

The OGCI was founded in 2014 by the heads of BP Plc, Royal Dutch Shell Plc, Saudi Aramco and seven others based in Europe and Asia, but major U.S. producers had refused to join.

This move puts them at odds with President Trump, who is trying to relax rules governing greenhouse-gas emissions and last year vowed to pull the country out of the landmark Paris climate agreement.

"It will take the collective efforts of many in the energy industry and society to develop scalable, affordable solutions that will be needed to address the risks of climate change," Exxon CEO Darren Woods said. "This dual challenge is one of the most important issues facing society and our company."

While the contributions won't be a heavy lift -- Exxon alone expects to spend about \$24 billion on capital expenditures this year -- they will help bankroll a growing series of investments into low-emission efforts. The list includes Solidia Technologies, which aims to reduce pollution from concrete production; Inventys, a Canadian firm working on carbon-capture technology; and Achatas Power, which is focused on fuel economy.

In 2015, the heads of the largest oil companies in Europe broke ranks with their American counterparts, calling on governments to agree on carbon pricing at a climate summit in Paris. Exxon and Chevron are now under new leadership, and have come closer to the views of their European competitors.

The OGCI has been trying to bring in the large U.S. companies for at least a year, according to people with knowledge of the matter. Lately, they've participated in calls with the group and also attended a meeting of CEO members in Geneva as observers, the people said.

Their involvement comes as investors and environmentalists ramp up pressure on oil companies to act on climate change. A group called 350.org is leading a worldwide movement to divest fossil-fuel stocks and bonds, and has received pledges from funds managing more than \$6 trillion.

With the three U.S. companies, the OGCI will have 13 members. Together, they represent about 30% of global oil and gas production.

By Kelly Gilblom, Javier Blas and Alex Nussbaum

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