

# Corporate Sustainability in the Energy Sector: Exxonmobil's SDG Alignment from 2017 to 2022

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## Abstract

Over the past decade, sustainability has transitioned from a marginal concept to a core strategic objective for companies, particularly in sectors with significant environmental impact. This paper examines the changing role of sustainability in the oil and gas sector focusing on ExxonMobil as a case study. By examining the publicly released ExxonMobil 2017, 2019, and 2022 sustainability reports, this study examines how the company ExxonMobil has integrated sustainability into its company story and strategic communication. Particular focus is placed on the frequency and development of the United Nations Sustainable Development Goals mentioned throughout the reports. The analysis records fluctuations in trends in the number of Sustainable Development Goals reported over time, in changes in thematic focus areas, and in a rising approach towards reporting Environmental, Social, Governance-oriented activities. Monitoring these changes over a five-year period the article provides insights into the management of sustainability transitions by a large energy source and into the extent to which these mirror global development models. ExxonMobil's decision to focus on three Sustainable Development Goals instead of eight indicates a move from the broad "Sustainable Development Goals – washing" risk towards a more focused, materiality-oriented approach to sustainability. The company's dedication to directing resources, governance efforts and performance indicators to the global objectives is reflected in more focused targeting.

**Keywords:** Sustainable Development Goals (SDGs), Corporate Reporting, Oil and Gas Industry, Corporate Sustainability Strategies, ESG

**JEL Classification:** Q01, Q56, M14, L71, Q44

## Introduction

Oil and gas processing is a central part of global energy, yet it still faces deep-rooted sustainability, corporate responsibility, and ethical governance challenges. While sustainability challenges, increased regulatory scrutiny, and shifting social norms have contributed to mounting pressure on industry companies to redirect their working and strategic agendas, there remains some distance to travel to reshape them. Over the last decade, sustainability has moved from a niche idea to an integral part of business strategy, particularly for companies with large environmental footprints.

This paper describes how sustainability practices have changed over time in the energy industry with reference to ExxonMobil. Based on content analysis of publicly accessible ExxonMobil's 2017, 2019, and 2022 sustainability reports, this study assesses to what extent ExxonMobil has integrated its strategic communication with respect to the United Nations Sustainable Development Goals (SDGs). The research tests for trends in the frequency and thematic orientation of SDG mentions quoted, tracks changes in Environmental, Social, and Governance (ESG) reporting, and examines these changes as indicators of global sustainability trends. Through the study of a five-year period, the paper hopes to provide some idea regarding

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how a large energy company traverses challenging landscapes of transitions for sustainability and how closely its policy matches international blueprints for growth.

## **Methodology**

This research applies qualitative content analysis to explore the ways in which ExxonMobil has incorporated sustainability and the United Nations SDGs into its company strategy and reporting framework from 2017 to 2022. The research is informed by two major elements: (1) conceptual framework on sustainability in the energy sector drawn from academic literature content released in recent years and (2) content analysis of primary sources – ExxonMobil’s official 2017, 2018, 2019, and 2022 sustainability reports. The chosen sustainability reports, accessed through ExxonMobil’s official website, serve as the main data source. The reports are read in an organized manner to determine the frequency, extent, and thematic alignment of SDG mentions, and changes in ESG language across the five-year period. Focus is given to the choice of words, development of strategic priorities, and saliency of particular SDGs across the reports. Reporting trends and discontinuities are tracked to assess the level of conformity with global sustainability norms.

Empirical examination is supplemented by theoretical synthesis of seminal academic literature on oil and gas industry sustainability. Ground-breaking research like Mojarad, Atashbari, & Tantau (2018), Spence (2011), and Aziza, Uzougbo, & Ugwu (2023) offer context regarding the systemic sustainability issues confronting the industry. Best practices and case-study-based knowledge by Emeka-Okoli et al. (2024) and Epere (2025) also guide benchmarking of ExxonMobil’s practices against wider industry best practices.

## **Sustainability in the energy sector – oil and gas industry**

The refining of oil and gas and the energy sector at large continue to be one of the most socially, environmentally, and ethically challenging industries in the global economy. As much as it is the anchor industry for powering modern societies, the industry has been criticized for having too large an environmental impact and socio-economic disturbances. In the face of increasing global pressure towards sustainable development, oil and gas operators are increasingly under pressure to rethink their operations according to sustainability values and United Nations SDGs. This chapter takes stock of the most pressing sustainability issues confronting the industry, including environmental degradation, Corporate Social Responsibility (CSR) obligations, and increasing complexity of conformity to regulation.

### ***Environmental Sustainability Challenges***

Refining of oil is also a significant producer of carbon and is thus among the most environmentally significant industries. Refining also emits CO<sub>2</sub>, methane, and nitrogen oxides responsible for global warming. The path to substituting for sustainability, namely Carbon Capture and Storage (CCS), is expensive and underdeveloped. (Mojarad, Atashbari, & Tantau, 2018) The refineries use enormous quantities of water to process and cool, leading to local water depletion. Also, wastewater disposal with harmful chemicals is harmful to aquatic life. (Mojarad, Atashbari, & Tantau, 2018) Refineries generate solid and toxic waste, such as sludge, catalysts, and spent chemicals. They can pollute land and water resources if they are disposed of improperly. Oil spills, caused by leaks or transportation malfunction, also add to environmental destruction. (Mojarad, Atashbari, & Tantau, 2018)

### ***Corporate social responsibility challenges***

Oil refining is also accompanied by unsafe working conditions, usually where labour laws are weak. Protecting workers and compensating them fairly is always difficult, especially in developing nations. (Spence, 2011) Refinery activities by the oil industry tend to dislocate human beings and affect the host community. The ethical concerns include indigenous rights, expropriation of land, and fair economic benefits. (Spence, 2011)

### ***Regulatory and compliance challenges***

Governments across the globe are imposing tighter restrictions on carbon emissions, waste handling, and air pollution. Compliance, though mandatory, will likely translate into higher operating expenses for refiners. (Aziza, Uzougbo, & Ugwu, 2023) There is significant risk of corruption in oil-producing countries, where bribery and poor governance influence regulatory enforcement. Anti-corruption and governance ethical best practices will be required to mitigate these risks (Aziza, Uzougbo, & Ugwu, 2023).

### **Good practices and sustainability measures in the oil and gas refining industry**

Although the oil and gas refining industry strongly influence the environment, many companies are embracing new strategies to become more sustainable. Some of the most important steps in this regard are increasing energy efficiency by techniques such as heat integration and process optimization, which lower greenhouse gas emissions. Refineries are also incorporating renewable energy sources like green hydrogen, biofuels, solar power, and wind power to minimize fossil fuel consumption. (Emeka-Okoli, Nwankwo, Otonnah, & Nwankwo, 2024) Water conservation is being accomplished through improved wastewater treatment and recycling practices, and circular economy practices like chemical reuse and flare gas capture assist in waste reduction. In addition to reducing the industry's environmental impact, such measures also make the operation more efficient. Ongoing innovation and enabling regulations continue to be key to maintaining such improvement (Epere, 2025).

### **Introduction of ExxonMobil**

ExxonMobil is a leading publicly traded energy company of the world with its roots dating back to the year 1882. It was established in 1999 after the Exxon and Mobil merger. The company is listed on the stock symbol 'XOM'. It has since emerged as the leading player in the oil and gas industry with business interests ranging from commercial services, finance, and IT to having a Global Business Centre in Hungary in the year 2004.

ExxonMobil has expanded its attention in recent times to deal with climate change and sustainability. In 2021, it began ExxonMobil Low Carbon Solutions with an emphasis on carbon capture and storage for facilitating net-zero emission objectives in line with the Paris Agreement. Most recently, in 2024, it acquired Pioneer Natural Resources, continuing to cement its leadership in the energy sector. This acquisition demonstrates ExxonMobil's strategic move to adapt to global energy changes while sustaining industry leadership.

### **ExxonMobil's sustainability framework**

ExxonMobil's sustainability framework is based on four closely linked pillars – integrating Sustainability, Leadership, Application, and Performance – and is supported by demanding standards, governance systems, and stakeholder engagement processes. (ExxonMobil, Integrating sustainability into what we do, 2025)

#### **1. Integrating Sustainability**

ExxonMobil integrates sustainability into its very mission: “creating energy and sustainable solutions that improve quality of life and meet society’s evolving needs.” For its integrity, each director, officer, and employee is committed to following the company’s Standards of Business Conduct, a framework of foundation policies for environmental protection, human rights, labour, anti-corruption, etc. These policies are managed by the Board of Directors, cannot be waived, and are enforced by mandatory annual training and open-door reporting process for any suspected violations. (ExxonMobil, Integrating sustainability into what we do, 2025)

2. Leadership

The company fosters a “We are ExxonMobil” culture model that establishes core values – most importantly, integrity – and leadership expectations. With companies like the University of Michigan, ExxonMobil provides leadership development to align its people with strategic objectives and ethical standards. Performance measures, classroom instruction, and in-the-job experience provide executives at every level with an opportunity to demonstrate responsible decision-making. (ExxonMobil, Integrating sustainability into what we do, 2025)

3. Application

ExxonMobil implements its sustainability approach through 14 Sustainability Focus Areas (Figure 1.) established using a data-driven topic-sourcing methodology based on Ipieca and other reporting needs. The focus areas direct the company’s examination of environmental and social effects, business strategy formulation, and communication with stakeholder concerns. Strong management systems – like Operations Integrity Management System (OIMS), Environmental Aspects Guide, and Global Energy Management System – offer processes, metrics monitoring, and ongoing improvement tools to minimize risk and drive sustainability goals. (ExxonMobil, Integrating sustainability into what we do, 2025)



Figure 1: 14 Sustainability Focus Areas

Source: ExxonMobil, Integrating sustainability into what we do (2025)

4. Performance

A rigid system of control guarantees conformity between field implementation and company strategy. The Board Audit Committee is provided with quarterly reports of incidents of policy breaches, while internal audits and self-monitoring guarantee consistency with norms. ExxonMobil’s environmental-data systems, impact-assessment procedures, and project-management systems guarantee transparent reporting and responsibility. The company addresses shareholders, communities, regulators, suppliers, and Non-Governmental Organizations (NGOs) through meetings, e-communications, and formal feedback channels to guarantee two-way communication. (ExxonMobil, Integrating sustainability into what we do, 2025)

Together, all these factors paint a picture of how ExxonMobil integrates sustainability into every element of its business – everything from establishing non-negotiable codes of behaviour to employing sophisticated governance and management systems – so as to bring together societal expectations, environmental stewardship and profitability.

## Analysis of SDG reports

Sustainable Reports available on ExxonMobil's website present the years of 2017, 2018, 2019, 2021. In the chapter, the 17 SDG Goals examined as to which ones the company applies.

Since 2017, ExxonMobil's Sustainability Reports have continually reaffirmed the company's contributions to all 17 United Nations Sustainable Development Goals but decided to emphasize a subset of goals where it thinks its operations can make the most significant impact. The firm emphasized its eight SDGs in 2017-2019; and in its 2022 report, its emphasized goals were narrowed down to three. (Figure 2.)

In each of the 2017, 2018, and 2019 Sustainability Reports, ExxonMobil identified the following eight SDGs as its priorities:

- Goal 1: No Poverty – Supporting economic development and energy access in underserved communities.
- Goal 3: Good Health and Well-Being – Protecting worker health and funding global health initiatives such as anti-malarial programs.
- Goal 4: Quality Education – Investing in Science – Technology – Engineering – Mathematics (STEM) education and teacher training worldwide.
- Goal 5: Gender Equality – Empowering women through leadership programmes, entrepreneurship grants, and workplace equity policies.
- Goal 7: Affordable and Clean Energy – Expanding natural gas access and investing in lower-emission technologies, including algae biofuels and carbon capture.
- Goal 8: Decent Work and Economic Growth – Creating jobs, sourcing locally, and fostering sustainable economic expansion.
- Goal 12: Responsible Consumption and Production – Improving manufacturing efficiency, reducing waste, and developing advanced materials that lower emissions in end use.
- Goal 13: Climate Action – Mitigating greenhouse gas emissions, supporting carbon-pricing mechanisms, and reducing routine flaring.

(ExxonMobil, 2017 Sustainability Report Highlights, 2018), (ExxonMobil, 2018 SUSTAINABILITY REPORT HIGHLIGHTS, 2019), (ExxonMobil, Sustainability Report Highlights, 2021)

By repeating this same list of eight goals in three consecutive reports, ExxonMobil offered a definite, comparable framework for tracking progress across domains that span from poverty alleviation to health, education, gender equity, energy revolution, economic development, resource management, and climate protection.

In the 2022 Sustainability Report, ExxonMobil adjusted its focus to emphasize just three SDGs (Figure 2.):

- Goal 7: Affordable and Clean Energy – Continuing investments in natural gas, biofuels, hydrogen, and emerging clean-energy technologies.
  - Goal 12: Responsible Consumption and Production – Scaling circular-economy initiatives such as chemical recycling and flare-gas recovery to reduce waste and methane emissions.
  - Goal 13: Climate Action – Advancing carbon capture, supporting Paris-aligned emission reduction roadmaps, and pursuing net-zero ambitions for operated assets.
- (ExxonMobil, Sustainability Report, 2022)

This streamlined set of priorities is one way of representing ExxonMobil's reprioritization towards those objectives, which is most strongly linked to its core business and low-carbon technology investment as it aligns with international climate objectives.



**Figure 2:** *SDG Goals' Distribution by Years*

Source: *Own work*

### Conclusion – Why the drop from eight to three SDGs?

From 2017-2019, ExxonMobil regularly ‘featured’ eight Sustainable Development Goals in its annual report-highlighting any industry where the company had significant activity. In 2022, the company spotlighted only three SDGs. This change is a conscious move toward a more stringent, materiality-based model of sustainability reporting.

Formerly, ExxonMobil’s highlighted SDGs were selected from a wide spectrum of its operations: all its goals that it addressed through community investments, operational enhancements, or innovations created were mentioned. This year, fourteen Sustainability Focus Areas based on environment and social impacts are included in the 2022 report’s framing, which emerged through official stakeholder interactions and a detailed analysis of environment and social impacts. Instead of merely “highlighting” every goal with some degree of attention, the report is now mapping these material Focus Areas to the corresponding SDGs. This is to make company disclosures on actual strategic priorities and not a generic listing of all potentially material goals.

The three retained SDGs in the 2022 report are: SDG 7: Affordable and Clean Energy; SDG 12: Responsible Consumption and Production; SDG 13: Climate Action.

These are the most closely tied to ExxonMobil’s core businesses and largest capital investments through 2027. Goal 7 is aligned with the company’s sustained investment in natural gas, hydrogen, biofuels, and other lower-emission energy alternatives. Goal 12 is aligned with emerging circular-economy initiatives such as chemical recycling and flare-gas recovery. Goal 13 is aligned with sustained carbon-capture activities and Paris-aligned emission-reduction targets. By targeting these three, ExxonMobil sees where it can both drive – and credibly report – meaningful progress.

ExxonMobil’s shift from targeting eight SDGs to targeting three is a step back from broad “SDG-washing” risk to a more concentrated, materiality-oriented approach to sustainability. More concentrated targeting represents the company’s commitment to putting resources, governance effort, and performance metrics behind those international goals on which it can make the most and most visible difference.

### Limitations and further research directions

The findings of the study are constrained by a small cross-sectional sample and relying on existing documents and interviews, possibly underrepresenting certain stakeholder views and limiting causal statements. Future development would include conducting comparative analysis

with other industry firms to place the focal firm more firmly in the context of the energy industry's sustainability.

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