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**Waiting for a Deus ex Machina: 'Sustainable Extractives' in a 2° World**

## Introduction

More than a decade ago when I began tracing the discourse and practices of Corporate Social Responsibility (CSR) in extractive companies, climate change was a footnote at the end of a 'best practice' report, or a marginal side panel at a corporate convention. Today, most extractive companies have rebranded CSR as 'sustainability'. Climate change tops the bill at the ongoing cycle of 'sustainable extractive forums'. Oil executives champion their commitment to the Paris Climate Convention, show-casing their 'climate roadmaps' and 'next-generation portfolios' for a low-carbon future. Unlike an earlier generation of climate change denialism and corporate counter-science, today's corporate climate discourse comes with vocal assertions of responsibility and global climate consensus. And it is animated by persuasive moral affirmations from corporate executives, frequently expressed as personal investments in the future of their own children and grandchildren.

Meanwhile growth forecasts to investors continue unabated to finance the industry's appetite for upstream ventures in unchartered territories and harsh waters (a euphemism for the Artic). If anything, the quest for extractive frontiers (geo-political, as well as geological) was enhanced rather than checked in the wake of the 2008 financial crisis. Even in the lean times of the current commodity downturn, financial forecasting in the region of 24-30% growth is standard across the oil and gas industry. This is manifestly incompatible with the 2° target that has become the bedrock of self-branded 'sustainable extractives'.

How do we make sense of this apparent paradox? For the willful blindness of oil corporations is facilitated not by turning away from the object (climate change), but by turning towards and engaging with it. How do extractive companies, those who work in them, and those who partner with them square this contradiction? The key question, I suggest, is not

how do big oil companies attempt to manage their climate footprint, but how do they attempt to manage those who attempt to govern them as purveyors of climate change? This article examines the discursive tools they deploy to do so, and specifically how they abdicate their agency over a fossil-fuelled world, in the very moment that they stake their claims to responsibility.

In this contribution I suggest that this new wave of corporate climate denialism is not about what is seen, or understood, but about the capacity to act. It is a denial of agency rather than vision. Responsibility after all, is really a question of agency. What is at stake here is not the misattribution of agency, (as the critical analysis of climate governance commonly contends[1]), but the strategic denial of agency by big world players. We must ask not how much does the corporation and those who work within it 'see' (or want to see), but how do they delimit their power to *act* on what they see. Ultimately, I argue that corporate willful blindness in the oil industry is not, as we might expect, about the power of denial. It is about the *denial of power*. This denial of power facilitates an abdication of corporate agency through an invocation of higher powers: on the one hand, shareholder value (the cause); and on the other, technology (the solution).

*Higher Powers*

For scholars concerned with resistance to dispossession and exploitation, the tendency has been to reveal the hidden intricacies of subaltern agencies while reifying corporate power as systemic, monolithic and omnipresent (Gilberthorpe and Rajak, 2017). In focusing on the weapons of the weak, we overlook the weapons of the powerful, and specifically the weapons, resources and techniques corporations draw on to deal with the challenges they face, whether by incorporation or by deflection. The unfortunate side effect has been to to reinforce the perception of corporate omnipotence that is essential to sustaining market value

and enabling managers to pursue their goals. Yet, extractive corporations confront constant challenges, now more than ever with the triple-bottomed crisis of plummeting commodity prices, unruly shareholders and ecological disaster. And as the challenges and the critique evolve, so too have the narrative techniques and tools that corporations employ to deal with them, adding new discursive weapons to their armoury, as the old ones become depleted. In a world where the Paris convention represents a lowest common consensus on climate, and 2 degrees the conservative (if unlikely) collective goal to which most oil TNCs have signed up, denial of the facts of climate science is no longer an option for managing critics. The more oil and gas companies have engaged with global climate governance, the greater their power to shape the terms of the debate and designate certain concerns as no-go areas (Newell and Paterson, 2010). The evolving power of CSR has relied on appropriating the language of critics, accruing moral authority, embracing the cause in a bid to keep control of the terrain, and win a seat at the table trying to govern their actions (Rajak, 2011). Meanwhile, the lines between what is *on* the table in debates over climate change mitigation, and what is not, between the negotiables and the 'non-negotiables' are fiercely guarded (Blowfield, 2005). Energy economists and climate analysts frequently refer to these as 'blind spots' (Sorrell, 2010, 1785), taboo subjects (critically the incompatibility of sustainability with growth) hampering progress on decarbonisation.

I approach willful blindness not as an individual trait, but as a corporate asset, a discursive tool in the armoury of corporate political strategy, deployed in order to divert, disarm or realign challenges that threaten their capacity to survive and exploit new frontiers. Here we find willful blindness not so much 'oiling the wheels of social life' (Bovensiepen and Pelkmans, 2020) as lubricating the workings of corporate life. This corporate myopia is created by a carefully crafted performance of CSR, which brings into focus only those aspects of a carbon constrained world that are amenable to a company's extractive ambitions,

blacking out the rest, while positioning extractive companies as warriors against (rather than purveyors of) climate change. In the sections that follow I examine the stages, or acts, of that performance to show how the corporate sustainability agenda sustains rather than challenges the industry's climate denialism.

In the first section – 'From Truth to Omnipotence'[2] - I look more closely at the first stage in that performance, in which bold self-representations of corporate saviours champion the cause of the Paris climate convention. By the second act in the performance of corporate willful blindness – 'From Hubris to Impotence' - hubris turns to pronouncements of paralysis from company managers, professing their visions for a low-carbon future low-carbon future stymied by external obstacles. This move from omnipotence to impotence is discursively powerful because it enables a willful blindness, not to the outcomes themselves, but to their very human causes, and the capacity to forestall them. In the third act ('From the Power of Denial to the Denial of Power') we see how invoking higher powers (shareholders, regulators, consumers) as impediments to realising their ethical and environmental aspirations enables companies to claim the moral currency of CSR, *and* at the same time, release themselves from the obligations it entails.

Finally, salvation must come, so the narrative goes, through the transcendent power of technology and the market (the competitive logic of companies turning their R and D to renewables). In the last minutes of Greek tragedy, as the action headed towards inevitable catastrophe, the deus ex machina (a theatrical device meaning god from a machine) would descend from on high to resolve the unresolvable, reconcile strife, and bring harmony from disorder. A year of fieldwork among the sustainability managers of oil companies, points to a new wave of techno-optimism, a deus ex machina that promises to descend from the innovation labs of R&D engineers, and reconcile irreconcilable imperatives. This techno optimism (which many assumed to have faded with the demise of ecological modernisation

theory) is quite distinct from climate denialism. Rather than willful blindness, the projection of win-win synergies between growth and combatting climate involves a suspension of disbelief; an instrumental faith in the miraculous power of low emission and carbon capture technologies that tenders salvation without forsaking fossil fuels, or regulating energy markets. The deus ex machina is after all the ultimate device in the performance of human impotence - a mechanical embodiment of the abdication of human agency to resolve the catastrophes and conflicts they have created.

**Act One: 'Retreat from Truth to Omnipotence'**

The common refrain heard among oil executives these days echoes that of Opis Oil's[3] CEO, 'in our company we don't debate the science, we act on it'. With such mantras, oil companies profess the industry's ethical evolution and rehabilitation from climate denialism to epiphany, emerging as visionaries of a low-carbon future. Confidence (or hubris) and self-vindication have taken the place of denial. Is this then the second order or stage of denialism: the 'retreat from truth to omnipotence', as Cohen puts it (2001, 34)?

At the same time however, within the capital markets in which investors rely on forecasts crafted by companies themselves, the narrative of continual exploration plays a key performative role. This was underlined by Patricia, architect of Opis Oil's Climate Road Map. Patricia and her colleagues were eager to present Opis' credentials as 'best in class' for sustainability, garnering industry-wide recognition and awards for their 'pioneering' Climate Change Road Map that promises a 20-30% reduction in emissions by 2030. But, as Patricia made clear, the climate roadmap did not touch the sacred domain of exploration. 'Exploration', she stressed, 'is another animal altogether': 'even in the downturn, when you're cutting back your cap ex [capital expenditure], you don't cut back on exploration. You

have to keep exploring because you have to replace your volumes or your shareholders won't believe in you'[4].

Such narratives are vital to sustaining investor confidence, stoking financial imaginaries with the allure of hydrocarbon frontiers, and the desire to capitalise on the 'perils and promises' they harbour (Hébert and Dinovelli-Lang, 2016). Like their rival oil giants, Opis's brand and market value relies first and foremost on their capacity to extract. In the extractive industries, corporate narratives work to generate investor confidence by establishing a company's unassailable ability to tame the frontier and surmount obstacles in the ongoing quest for green-field reserves in harder to reach places and deeper waters (Gilbert, forthcoming)[5]. There are multiple variations on this theme. Opis Oil stakes its claims on breaking the technological frontier - being 'best in class' at drilling in 'harsh waters' with its unofficial slogan, 'just look harder'. Brighthelm Resources, in the mould of a British colonial company, flexes its muscles over the political frontier – demonstrating its willingness to engage (and pacify) zones of conflict that impede the flow of oil.

Thus, despite Opis's winning climate roadmap, the tension between the 'solutions' that it puts forth, and the non-negotiables (exploration, rates of hydrocarbon replacement) emerge. While the sustainability team attempt to chart a course for a 2 degree world; their colleagues in financial analysis forecast upwards of 25% growth. While eager to show the investment (of both company resources and personal energy) devoted to fighting global warming, sustainability managers take for granted that the fight must be waged in accordance with the unquestionable laws of the financial markets and the corporation's raison-d'être: exploration. Most refused to entertain the possible incompatibility of their stated advocacy for a 2 degree world, and their reluctance to question shareholder maximisation as a categorical imperative. As Greenpeace's Charlie Kronick made plain, if you crunch the numbers on Opis'

24% percent growth forecast, or GRM's 30% projection, 'we're heading for a 4 degree world or hotter'[6].

The agency of corporate sustainability managers within oil multinationals is of course limited. The extent to which climate concerns are ultimately fed into financial decision-making on where to explore, what to develop, is questionable. While the climate team promises hard numbers on lowering emissions, greening the company in readiness for the energy transition; Patricia's colleagues in exploration press on for the frontier. Though they may not challenge the sacred tenets of shareholder value, sustainability managers would, every so often, voice frustrations disrupting the united corporate front. 'Look, be realistic!' Head of CSR at Brighthelm Resources' chided:

> We're all on the same side of the table… I'm not going to lie and say sustainability calls the shots…we supply the best expertise and the decision-makers act on it, and let me tell you, in this company we have a hell of a lot more say than we did in my last one… but we're not about to sell all our oil interests and build wind farms everywhere!

Such accounts seem to speak of internal fissures, rather than structural coordination. Yet they are strategic, rather than evidence of the failure of the company to fully socialize managers of outlying units, or the failure of the CSR unit to fully 'ethicise' their colleagues. In the case of corporate discourse on climate change – personal expressions of responsibility, good intentions frustrated, impotence and even guilt are deployed in ways that validate the company's 'sustainability brand' even where they are quashed by the trump card of shareholder value. In short, such protestations of sustainability goals stymied by those opaquely named 'decision-makers' are in themselves political. Talking climate change with

individual executives underlined the need to reconcile their own personal values with professional goals and actions, highlighting the impossibility of sustaining a dissonance between the two when attempting to achieve meaning in their working lives. A recurring motif in oil exec narratives on climate mitigation was the way that the corporate sustainability agenda was individualised as a personal project. Time and again I was told by executives from sustainability managers up to vice presidents: 'we are all allies, we are on the same side of the table, we all drive Priuses here'; or 'we want a future for our grandchildren too', 'we're all members of WWF'. So common in my conversations was it, that it seemed at first mundane, and then clichéd. The apparent intimacy of such statements belies their strategic value to the company. Yet the off-the-cuff informality is rehearsed and effective.

Most extractive company sustainability managers come from backgrounds in environmental science or sustainable development, and describe sustainability as their priority, passion or even vocation. Harmonising their identities (and ethics) as climate change professionals with the wider impacts of the oil business requires, if not some suspension of disbelief about the contribution of the petro-industry to global warming, then at least a techno-optimistic faith that has to be produced and sustained. Corporate codes of conducts and professional ethics, designed to establish organisational moral norms, help to restore congruity and resolve this dissonance between personal values and the central objectives of their employer. In other words, they codify a professional *habitus* to which actors within the industry conform, action outside of which is delegitimized (Di Nunzio, n.d). Meanwhile, the systems by which codes are implemented and embedded in corporate process serve to suspend or veil human agency.

In Opis Oil for example, climate risk is distilled into predicted costs (e.g. future regulation, a carbon tax, exit strategies from stranded assets). These can then be fed into 'decision gates' in order for them to churn out an optimum financial scenario. Decision gates

translate human agency in corporate decision-making (which investments to pursue, which to abandon for example) into managerial systems, thereby expunging questions of human responsibility from the process. Institutional mechanisms ostensibly designed to ensure corporate responsibility, thus serve to limit human liability for the consequences of corporate action or inaction.

Such codes draw on and sustain an accepted corporate ethical vocabulary, from which oil companies rarely deviate and which serve to establish a common industry position on climate change so as to avoid risking any single company's competitive valuation in the investment market. Of course there are leaders and laggards, but all major energy and extractive companies pay homage to the discursive canon of corporate sustainability. Reinforced by industry wide standards and sustained by partnership with third sector organisations, the canon serves as a legitimating framework for the industry's position on climate change which helps to neutralize or dispel individual doubts about its self-evident limitations and questionable efficacy. The split between public and private is not straightforward. Rather, the power of corporate discourse lies precisely in its capacity to penetrate beyond the surface of rhetoric, to reshape the personal ethics and belief of its members, keen to identify with their place of work and its goals, and to achieve coherence between their professional and personal identities:

> I started out at a small environmental NGO, from there I got a job with WWF, then DEFRA and last year I came to Opis – I don't see it as a contradiction at all – in fact, it's here that I'm doing the most innovative work on climate change, 'caus here is where the resources are, we've got the budget.

Corporate environmental and sustainability managers sustain the myth of forecasts that bank on stock portfolio of carbon capture, wind farms and renewable R&D yet to come on line, to deliver emissions reduction generally described by climate campaigners as 'wildly optimistic projections'. Corporate codes of conduct, along with the less concrete but no less powerful enculturing effects of corporate loyalty, authorize and nourish this corporate climate 'Groupthink' (Cohen, 2001: 66). This collective mind-set sustains the willful blindness of the corporation, by insulating 'illusions from uncomfortable truths and disconfirming information', even if at the individual level they emerge from genuine faith in the organisation and are therefore less artful forms of denial (Cohen, 2001: 66).

Even moments of apparently spontaneous confession, breaking ranks from the corporate line to admit frustration or failures of responsibility, have become part of well-scripted public performance on the corporate sustainability circuit. 'We really dropped the ball on that one, it wasn't good for us, but also on a personal level it felt immensely frustrating to have to let people down because the company made a decision that was effectively beyond my control', an executive of a leading global oil company said in a moment of public candour at a high profile CSR round-table. Catharsis comes quickly however through the ritual of corporate confession: 'it's at these times that I think we really learn from our mistakes', Head of Sustainability for Kairos Energy affirmed at Ethical Corporation's Responsible Extractives Summit 2016, 'we paid the price heavily in reputational capital and next time those of us on the "soft side" [i.e. CSR] side will have a bit more influence with the "hard side"'.

The projection of a corporate personality that is simultaneously sympathetic and intimidating is of course as vital to companies as it is to presidents (Rajak, 2014). It relies on the embodied work of individuals who play between the scales of personal responsibility and institutional responsibility. The role of sustainability managers is precisely to embody (and contain) the ethical agency of the corporation. The division of individual and corporate values

is itself a component of a rehearsed narrative of what can and can't be done about climate change. In short, the relationship between individual ethics and corporate ethics is instrumentalised as part of a broader division of labour at work within extractive multinationals, that enables the company's 'ethical' work to be hived off from its 'profitable' work. Through this compartmentalization willful blindness to climate change is hard-wired into the organisational structure, becoming the companion (rather than antithesis) to professions of mainstreaming corporate sustainability that we have come to expect from leading oil companies.

**Act Two: From Hubris to Impotence**

On arriving at Ethical Corporation's 2016 summit, participants were greeted with a banner, courtesy of the London Mining Network, that said 'The Oxymoron Appreciation Society proudly presents "The Responsible Extractives Summit 2016"'[7]. Organisers scrambled to take it down and usher attendees into the conference suite. Returning to the arenas of CSR production, a decade after its hey-day at the peak of the commodity super-cycle, much appeared the same. The hotel was less plush, the production values cheaper – no free pens, leather bound folders or business-leaders' breakfasts (though at £1,078, the price was much the same). The requisite 'networking drinks' remained; now in the hotel's windowless second tier function room in the basement, wine capped to one glass per networker. Consultants grafted to drum up business in the downturn during which they became the first casualties of corporate austerity. Boom-time had yielded to lean times, oil prices plummeting from $120 a barrel to below $30 (at that point sitting at around $50). Corporate arrogance (and profligacy, according to insiders) has given way to corporate austerity, bringing job-losses (especially within the 'expendable' functions such as sustainability) and a time of much greater defensiveness.

Researchers had also benefitted from the sense of corporate infallibility (and complacency) which the super-cycle inspired. This sense was palpable in the unguarded candour of an Opis Oil spokesperson: 'it was like selling water in the desert – you don't have to bother with the customer – the stuff just disappears and money appears in your bank account…and so we let ourselves eat too many cakes when times were good'. The way oil companies relate to the world beyond their walls and the techniques they deploy in handling critics has also changed. A sign of the times, but also indicative of a new sophistication in the discursive tools of sustainability employed by extractive companies, in which engagement with researchers is welcomed yet tightly controlled, ''dialogue'' is open yet company personnel are careful to stay on message, rarely breaking ranks. Circumspection and sobriety had replaced the heady atmosphere of triumphalism and largesse in 2005 at the peak of the commodity boom and the highpoint of CSR, when mining and oil companies 'were making so much money they were finding it hard to know how to spend it' (Bream 2006). By 2016, the refrain at Responsible Extractives 2016, and other such gatherings was the opposite: 'people want to waste money a lot less than they did when oil was $100 a barrel', Head of Sustainability at Brighthelm Resources commented. Pressed between climate crisis and commodity crisis, executives fluctuated between proclaiming themselves leaders in the fight against climate change and denying their own power to avert the impending storms. During the panel on 'Stranded Assets' questions flashed up on the big screen polling the audience on 'is climate change good or bad for the extractive industries?'. An awkward pause followed. After some time, the facilitator glanced over his shoulder, 'oh sorry, that should have read "is the climate change *convention* good or bad for the extractive industries?"'

In these straightened circumstances, corporations are exploiting the ambiguity that has surrounded the notion of sustainability ever since it was appropriated by champions of CSR. It is not just the words they play on – eliding their own financial sustainability (and survival)

with ecological sustainability: ‘if we aren’t profitable, we aren’t sustainable’, CSR manager stated. The linguistic slippage enables an elision of corporate interests and environmental concerns, conflating the three connected but distinct crises that fossil fuel purveyors face: plummeting commodity prices, declining oil reserves and rising global temperatures. All represent an existential crisis for the industry. But each triggers a contradictory corporate response. On the one hand we find oil companies seeking to conquer new hydrocarbon frontiers (despite diminishing financial returns). On the other they vociferously embrace the transition to a carbon constrained future.

Synthesizing these two conflicting claims within a story of corporate purpose requires serious effort from the sustainability managers, consultants and PR execs to turn contradictory imperatives into an apparently coherent narrative. Thus, Elliott Hume-Smith of GRM Petroleum Resources, began his keynote address to the Innovation Forum’s Energy Futures Roundtable by asking the unutterable existential question: ‘You have the biggest strategic and existential question there is – how do you dig carbon out of the ground?’; and mooting the unmentionable answer: ‘maybe the answer is leaving it in the ground’. The suggestion hung in the air for a slow three seconds, before he swiftly shifted tack: ‘But how do you discuss that? There aren’t the right tools. There aren’t the right words. There aren’t the right fora’. Given the apparent absence of the right words, tools or spaces for discussing the unmentionable, the collective decision has been to avoid the question; or to ask it in a way that it invites a very different answer (one that positions oil companies as the solution not the problem) and removes ‘leave it in the ground’ altogether from the range of acceptable, or apparently possible, responses.

The performance of a corporate willful blindness to climate change vacillates between assertions of corporate omnipotence (we can continue to explore, extract and expand; *and* meet the two degree target of the Paris convention), and the denial of corporate agency. The

story of heroic corporate action – 'we have a very good story to tell about the lead our industry is taking on Paris', an executive at Kairos Energy stated – shifts into narratives of corporate victimhood. This discourse of corporate disempowerment does not rest on a denial of the realities of climate change, but rather on a denial of the collective agency of corporate management, whose power to act on climate change is hampered by a triad of irresponsible, inert or inept forces at the mercy of which the company finds itself. First and foremost is the tyranny of shareholders and myopic asset managers bent on short term returns, with no appetite for sustainable profits. Next come lazy consumers creating the demand oil companies feed with their addiction to fossil fuels. Finally, there are the spineless and whimsical regulators who cannot see beyond their term in office.

As Iris Young warns, the process by which the 'products of human action' are reified as 'spiritless natural forces…little different from the weather' provides one of the chief mechanisms for avoiding responsibility, by establishing a set of apparently unimpeachable structures that supersede human agency (collective or individual), at the centre of which is the market itself (2011: 154). Human agency is reassigned to a transcendental logic: the laws of supply and demand, technology, and crucially, shareholder value. This reification releases institutions, and especially 'big world players' such as oil companies, from their responsibilities by underplaying their agency in producing those structures (Young, 2011). Deference to the doctrine of shareholder value has long offered a mechanism for corporate moral immunity (or impunity) more generally. But responsibility for climate change is particular among other questions of corporate accountability, in that it allows for a greater level of detachment from outcome and effect.

These reified forms, invoked as infallible constraints, should not be mistaken for false consciousness. Institutional conditioning and 'group action' is not simply, as Young reminds us 'a fog that can be lifted' with re-education (2011: 157). Unlike the passivity of false

consciousness, *willful* blindness implies an agency, and in this case as we will see, an active cultivation of constraints entertained precisely because they allow for a plausible claim to progressive greening while keeping intact the imperatives of growth and the shibboleth of shareholder value. Questioning these supposedly incontestable structures seems as futile as 'debating gravity' as Sir Mark Moody-Stuart, former CEO of Shell and Anglo American, put it: 'the market is like gravity…There's nothing moral about gravity…if you don't pay attention to it, it will grind you up'. As the next section explores, reification offers more than a get out of climate jail free card, or justification for harm (Young, 2011). This abstraction allows for the suspension of corporate agency over the causes of climate change *while* enabling leading oil companies to claim moral capital (and entry to the arenas of climate governance that it buys) as climate visionaries held back by the greed or weakness of other actors.

**Act Three: From the Power of Denial to the Denial of Power**

Adherence to the fiduciary duty to shareholders (trumping all other responsibilities to any other 'stakeholders') was the primary rejoinder to critiques of corporate climate culpability. As one oil executive put it: 'ultimately our fundamental responsibility is to *the* shareholder, they are our owners, without them, we don't exist'. Reified as the unidimensional embodiment of shareholder value, the trope of the despotic, myopic shareholder figured prominently in such accounts. Corporate executives rounded on asset managers and the investment funds they control as stymying their own innovative efforts for a sustainable future. Shareholders cannot defer gratification and immediate returns for long term sustainable profit, I was repeatedly told. They are both reactionary *and* fixated on the present. Here, the shibboleth of shareholder value (at times anthropomorphised as tyrannical

owner, at others reified as sacred market doctrine) neutralizes the responsibility of corporate managers to fulfil the company's commitment to the Paris climate convention and all it entails.

This narrative relies on overstating the might of institutional investors and downplaying that of managers as mere conduits of shareholder interests. The share market becomes the architect and actor. At a roundtable on social performance in the extractive industries, asset managers and CSR managers debated whether 'externalities such as human rights and climate change' could be integrated into a company's valuation. 'It's a weakness in the market, that externalities aren't priced adequately,' an asset manager explained to me. 'Who does the pricing', I asked. 'There are systems for valuing assets', the asset manager replied. I asked who created the systems. The response was intriguing, and unsatisfying: 'ah well, that's the question. The companies provide the information, the scenarios on which we base our valuations, but it all goes through multiple algorithms'. The agency of the company, and those who run it, is transferred to inanimate equity markets (their hand in co-producing the financial markets denied), and with it, responsibility for change. The contradiction is clear. Corporations are presented as having a fiduciary duty to maximise shareholder value, based on the unquestionable law of the equity markets. Yet at the same time, what constitutes shareholder value is not a foregone conclusion.

The rise of pension funds in the 1960s inspired fear among corporate managers that the funds would increase worker's power, providing them with leverage in company decision-making. Just as companies fortified oil wells and refineries to secure their operations from physical points of vulnerability to labour strikes and sabotage, so in the post-war period with the growth of pension funds, shareholder assemblies became new points of vulnerability for managers at which their control over corporate strategy might be threatened. Similar steps

needed to be taken to neuter these spaces and the threat of shareholder activism they harboured (Roe, 1996; Mitchell, 2009).

Throughout the 80s and 90s, managers have successfully sought ways to discipline shareholder activism (rather than vice versa) and constrain the growing power of institutional investors (Gillan and Stark, 2007). Expressions of shareholder activism have been few and far between in the decades since the ascendance of corporate management, and since the 1990s, have been chiefly concerned with the escalation of manager pay. Most shareholder 'rebellions' have failed to discipline corporate managers. This demonstrates that managers in fact exercise a great deal of freedom from shareholder expectations and demands, invoking and ignoring shareholder value as serves their own ends (Knafo and Dutta, 2016). Meanwhile, few avenues for influence are left to investors despite the power that institutional shareholders are usually assumed to hold by virtue of their size. They can vote with their feet, and do the 'wall street walk' (the strategy of fossil fuel divestment campaigns), but then lose their leverage and influence. They can invest in socially responsible investment funds (SRIs) which make up a tiny minority of the capital markets. But as Oskar Elfsberg at Opis Oil commented, 'we come top of those funds'. To be eligible for an SRI fund, asset managers screen their portfolios for weapons, nuclear, tobacco and now some coal, but they are more about negative exclusions than giving a premium to companies with greener performance. Even where a resolution is passed, corporate boards are not obligated to implement them (Newell and Patterson, 2010: 71).

2017, however, brought an unexpected act of shareholder rebellion in the world's largest oil company, inaugurating a resurgence of shareholder activism on the very issue of climate change. And so, it was *shareholders* not *managers*, who have started flexing their muscles against the will of corporate managers, demanding those running the company take more (not less) action on global warming and start accounting for a carbon-constrained future.

Thus in May 2017, a resolution by Exxon shareholders, led by the New York State Pension Fund and the Church of England (two of the company's largest institutional investors) was passed by a majority of 62.2% forcing the company to publish an annual assessment of 'the long term portfolio impacts of technological advances and global climate change policies' (Mufson, 2017: 15; Crooks 2017). This act of shareholder defiance against the board of directors of the world's largest oil and gas group (who directly opposed the resolution) confounds the narrative of visionary managers hampered in their pursuit of climate-efficiency by the short-term greed of shareholders; of best-laid plans for a low-carbon future undermined by impatient investors.

Many sustainability managers also expressed frustration that 'oil companies are always in the firing line', rather than the petro-chemical industry that fuel demand for oil, or the consumers that drive it with their addiction and the insatiable cycle of over-consumption. Demand itself is reified as an abstract force, over which the oil industry claims no power, but to which, executives stressed, they must comply: 'I'm 210% on board with Paris, in this company, we all are… but what we see is continual demand for fossil fuels… and while the demand is there, we are just responding to it'. Meanwhile, supply (prospecting and extracting resources in the first place) is ethically neutralized, treated as a benign force: 'we're just the suppliers' one executive contended, 'if you're serious about climate change and want to get to the root of the problem, you need to attack demand, not supply'. Thus suppliers (big oil) and those who work for them construct a narrative that translates corporate wilful blindness into a discursive vanishing act, removing the actual business of extraction from the ethical equation. And, according to this logic, demand is a problem for regulators to deal with, not companies.

Thus regulators are also offered up as foils to corporate farsightedness, horizon-scanning expertise and climate advocacy in this discursive manoeuvre. Corporate executives declared government to be the chief obstacle to their visions for a more climate-friendly: 'we

think so many years ahead, we need to understand many many years ahead. What will policy look like in 10, 20 years? We need to read the road'. Pitched against this, corporate scenario planners bemoaned the oppressively short timeframes and myopic perspectives of regulators. Policy-makers and politicians, an Opis Oil manager admonished, invariably fail to read the writing on the wall themselves and look beyond a year or two: 'Nobody thinks big except in the oil companies, you talk to people in government, and they're like "oh we can't think that far ahead"… we're frustrated by the hotch-potch of energy policy in the UK'. The focus on time here is important. Corporate discourse within the oil industry represents industry leaders (Exxon, Equinor etc) as beacons of progressive innovation stifled by short-sighted politicians, comfort-seeking consumers and fund managers demanding fast returns. Crucially, these clashing temporalities are invoked as a rejoinder to action, a justification of paralysis. It doesn't help that it is re-affirmed by civil servants charged with the job of imagining what regulatory inducements might be needed to discipline corporate action: 'how can we turn it into scenarios' asked a senior DFID advisor on oil, gas and mining, 'it's beyond political time –we don't have programmes that go beyond a five year timeframe, beyond a parliamentary period'.

This reminds us that corporate story-telling – so often dismissed by critics as the trivial work of spin – is profoundly political. And, as we have seen, a common strategy and motif within current oil company story-telling has been the self-representation as visionaries of sustainability, captured in the rebranding of BP as *Beyond* Petroleum or Opis Oil's strapline, 'from oil company to energy company'. Yet, the claims to future-thinking are abruptly undercut by the apparent counter-weight to big oil's visionary capacities, the immediacy of the markets: 'we need to think 50 years ahead, but of course, you'll have no tomorrow if we run out of money today'. So, while climate change is deferred to the long-term roadmaps created by the sustainability unit, the short-term drive for profit is not only

restored but legitimised. This was a 'no-brainer' Kairos's head of sustainability told me bluntly:

> 'I was at Imperial[8] and a student asked me "you say your company cares about climate change, so why not invest everything in wind power?". I said, "that's very nice honey, but I'm not a charity, it's very hard to make money in those new renewables"'.

The bottom line is reinstated as the trump card to corporate accountability for climate change. How to reconcile these conflicting discourses – the ethical, far-sighted, progressive company, versus the competitive profit-focused company courting investment? The solution, according to Opis' head of sustainability, is simple: meet demand *and* '[find] a way to remove emissions'.

**Denouement: Enter the Deus Ex Machina**

In the end, it is the story, rather than the reality, that matters when it comes to sustaining willful blindness. As Eric a mineral exploration analyst reminded me, 'it's not about the risk per se, as the story you can tell about it'. From Carbon Tracker to Greenpeace, climate campaigners crunch the financial data on carbon investments put out by oil companies. They test these against rates of energy recovery and carbon reduction targets in order to provide 'fact-based' scenarios that contest the techno-optimist projections smuggled into the financial forecasts put forth by oil companies themselves. Through this work, they illuminate and disturb the willful blindness upon which such scenarios are founded, making it harder (but not impossible) to sustain: '… if we can show investors how exposed their investments are to stranded assets, if we can make them see the financial liability as well as the environmental risks of punting 3 trillion to new upstream ventures in the Arctic…', Adam, a campaigner on fossil fuel divestment explained. But for campaigners like Adam, hard facts are losing their currency in exposing the fraudulence of corporate climate narratives, their

power waning against the might of a good story in a 'post fact world'. While projections may masquerade as certain futures within apparently incontestable yet unfeasible targets, they *are* narratives. And even within the world of corporate finance and geological projection where we are told everything can be counted, quantified and costed, the persuasive power of a carefully crafted story that reconciles growth in profits with reductions on emissions, is enticing.

Sustained by a powerful story of techno-optimism, denialism stays steadfast in the face of facts, that we hope will shatter the blindness or lift the veil. Optimism has a discursive power of its own to side-line alternatives or invalidate critique. Techno-optimists hold that environmental protection and capitalist expansion are not incompatible within a technocratic regime that combines scientific innovation with government regulation i.e. reforming, rather than challenging the status quo. Meanwhile anyone arguing that wholesale restructuring of our carbon-based economy is necessary to achieve the 2 degree target, are cast as 'pessimist by nature', unwilling to accept that 'the bridge can (or will) ever be built' (Mol and Spaargaren, 2007: 33).

While the grandiose visions that animate the art of scenario-planning may be both 'apocalyptic and utopian', they often yield to meagre action in the present (Abram, 2014: 62). At times oil industry sustainability managers themselves appeared candid about the limited extent to which current technologies will reduce emissions, yet confident that the 'brilliant brains in our engineering units' will find ways to deliver on the company's targets on climate.

Like hope in a millenarian second coming, the impending deus ex machina of techno-optimism yet to be proven, is both a personal and political resource. On the one hand the technological promise of low-carbon R&D provides a discursive device that can be wheeled out as part of the corporation's sustainability stagecraft. On the other it provides individual mangers with a mechanism to resolve the cognitive dissonance between the goals of the

climate roadmap for which they strive and the company's unwavering commitment to explore and extract. This speaks to the enduring allure of techno-optimism that sustains the promise (and the paradox) that as one of my informants put it, 'we're banking on growth *and* a 2 degree world'.

Corporate solutions to climate change claim the certainty of technocratic and market rationality, rooted in hard science. Yet they rely on the power of magical thinking: a 'machine fetish' that imbues technology with the miraculous potential to resolve a crisis engineered by humans, while veiling the human (and corporate) agency in its creation (Hornborg, 2016: 3). But when it comes to corporate responsibility for climate change, techno-optimism works more as convenient fiction than a blind faith. The deus ex machina of techno-optimism brings discursive salvation to oil companies against the political crisis of climate change in the short term, rather than actual solutions to the existential crisis of climate change. It simultaneously overstates the capacity of oil engineers to conjure some techno-wizardry, while understating that of big world players in stalling political measures to address climate change and undermining efforts at global environmental governance (Newell and Patterson, 2010). This, I suggest, acts as a form of what Cohen calls 'implicatory denial' whereby the facts are acknowledged but the expected implications are not (2001: 22). In this case it is not that outcomes are denied or downplayed, as they once were in corporate counter science (Oreskes and Conway, 2011). Rather, the outcomes of corporate climate action plans to reduce the carbon footprint of their operations are *overplayed* extending a false promise that their own technologies can deliver the necessary reduction in carbon emissions to keep on target for a 2 degree world.

The climate mitigation portfolios of oil companies are invariably based on best-case scenarios modelled on projections that are at the least, 'naïve' (Kern et al 2016: 250). These rely on negative emissions technologies yet to come on line; their effectiveness unknown,

their social and economic viability untested. All bank on ‘end of the pipe’ solutions such as carbon capture to deliver bold targets for lowering emissions, overestimating their efficacy while underestimating their cost (Kern et al, 2016). All assume scaling up for global roll-out is even feasible (Anderson, 2016: 182). Opis Oil managers for example promise to reduce emissions with three million tonnes/year accumulated from 2017-2030 (the equivalent, they say, to taking 1.5 million cars off the road every year), a quarter of which they ‘expect’ to come from as-yet undiscovered R&D. Against the corporate faith in the deus ex machnina of innovation, climate scientists appear as Cassandra, prophesizing the peril of this ‘high-stakes gamble’ on tomorrows technologies (Anderson, 2016: 183).

Like Opis, Shell’s climate mitigation portfolio relies heavily on the unproven promise of carbon capture and storage (CCS) to radically reduce the carbon footprint of existing operations. The crown in their portfolio, the Quest CCS project, claims the potential to lower emissions at their Alberta plant by 80%. The likely figure, Kern et al warn, is closer to four-fold less (a 15-16%) reduction. Evidently, Quest is yet to show major success in decarbonizing oil production in the region. But for the oil industry it has proved successful, not as a technological solution to climate change, but as a political solution to forestall regulatory tightening or carbon tax, as corporations offer to govern their own carbon footprint reduction. Taking the reins of climate mitigation ‘in-house’ is more than a defensive mechanism for oil companies, it martials resources *for* the company. By presenting decarbonization as a collective problem demanding shared responsibility (and costs), Shell’s ambitious promise enabled them to leverage 50% of Quest’s total financing from the Canadian government (Kern et al, 2016). This then represents as much an investment by the Canadian government in Shell, as an investment by Shell in fighting climate change.

## Conclusion: Enlightened Blindness

I return one final time to Responsible Extractives 2016. The director of Carbon Tracker, a think tank campaigning to '[align] the carbon climate targets with the financial markets', was asked what needs to happen to finally push companies to really confront the realities of climate change. His answer was leftfield: 'we need to import neuroscientists into business to explain the burial of climate risk among men of a particular age'. There seemed to me no greater statement of resignation and even desperation at the failure of politics. The willful blindness of oil company managers was, according to this logic, not a strategic act in pursuit of their interests, it was a neurological deficiency beyond their conscious agency, on a par with Oliver Sack's *Man who Mistook his Wife for a Hat* (1985).

Like a microcosm of the industry, the summit took participants through the overlapping stages of denial, epiphany, confession, deferral and displacement, performing the industry's self-proclaimed journey from blindness to enlightenment, or 'enlightened self-interest' as it is often dubbed in CSR-speak. This performance is replayed at similar events throughout the CSR social calendar. Within these arenas, oil execs fluctuated between bold claims of visionary leadership and game-changing innovation, and abdication of corporate agency, their power to realise a low-carbon future hamstrung by short-sighted regulators and myopic shareholders. But underlying the expressions of both corporate hubris and paralysis, there was a sense of desperation, palpable in all the events and small gatherings I've been at over the past years. Not so much a desperation at the reality of climate change and what it means for the extractive industries (not least for the planet); rather a desperate desire to conjure 'a good story' from crisis, and with it the moral valorization that a happy ending brings. And so, in an ultimate displacement of elite agency (both individual and institutional), it is to the two-fold deus ex machina of markets and technology that the industry looks to deliver this techno-optimistic ending (and their own redemption). Until then, business as usual.

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[1] Newell et al, 2015: 536.

[2] Cohen, 2001: 34.

[3] The names of all informants and organisations have been changed, with the exception of quotes taken from public events.

[4] This reflects the wider 'fantasy', or wilful blindness underlying the SDGs that enables growth to be cognitively 'decoupled' from emissions targets (Fletcher and Rammelt, 2017: 450).

[5] Oil has long been tied to vistas of endless growth – a connection ceded in the oil boom of the late 19th century, but entrenched post world war II when oil, replaced the gold standard as the basis for international financial exchange (Mitchell, 2009: 415).

[6] Panel Discussion, Sustainable Extractives Forum, London, 27 April 2016.

[7] Reminiscent of Benson and Kirsch' article on 'Corporate Oxymorons' (2009).

[8] Where my interviewee explained she had been giving a recruitment pitch to graduating students.