

For immediate release

## Major emitters lean on EU's Timmermans over Dutch carbon tax

*Companies use Timmerman's Dutch heritage to warn against climate policy*

Major companies - including **BP**, **ExxonMobil**, **LyondellBasell**, and **Dow** – have privately lobbied European Commission Vice President Frans Timmermans over the Dutch government's carbon tax on industrial pollution, new documents reveal.

In a *letter obtained by InfluenceMap* through a freedom of information request, the companies told the Dutch-born politician that the climate policy could have similar consequences to the “dramatic closure of the mines” in his home region of South Limburg, Netherlands.

“Our people fear for the future of their families. It's not just about tens of thousands direct jobs, but a multiple of that of indirect jobs at (SME) companies in the region,” the letter states. (Full English translation is below)

The 14 companies also claim they are experiencing an “economic crisis” because of the COVID-19 pandemic, and that the carbon tax could harm future investments.

However, Q1 2021 earnings data shows strong profit results for many of the signatories. For example, **BP** reported profit of \$2.6 billion – well ahead of analyst expectations and more than 20 times the previous quarter's result.

**ExxonMobil**, from whose email address the joint letter was sent, reported a Q1 profit of \$2.7 billion – a dramatic turnaround from its Q4 2020 result.

The 11\* publicly listed companies involved in the letter reported a combined group EBITDA of \$26.6 billion in Q1 of this year – a 111% increase on the same period in 2020.

“Companies like **ExxonMobil** and **BP** publicly claim they support carbon pricing. But this letter shows that when national governments put forward actual policies to implement a price on carbon, these companies privately collaborate to oppose such real-world efforts,” **InfluenceMap Analyst Venetia Roxburgh** said.

“The fact that these companies are trying to involve a Dutch-born EU official shows the lengths to which they are willing to go to undermine the carbon tax policy.

“Furthermore, the tactic of appealing to concerns around costs and the economic impact of the COVID-19 pandemic is one that many companies have used during the past year. But the latest profit numbers for the companies appear to tell a very different story.”

The carbon tax was established this year as part of a larger climate policy package put forward by the Dutch government. It was *modified from the original proposal* to soften the impact on industry.

Two of the companies involved in the letter – **ExxonMobil** and **Air Products & Chemicals** – have also *received significant funding* from the Dutch government to subsidize a carbon capture and storage project.

**Carbon Market Watch Policy Director, Sam Van den plas**, said: "This is disingenuous scaremongering by large multinational polluters. If these companies were serious about wanting to compete on a level playing field, they should be calling for a stronger EU carbon price in line with the example set by the Dutch government. Instead, they use emotional arguments to encourage the EU Commission to undermine and oppose the Dutch carbon levy. The Commission must resist such irresponsible and short-sighted lobbying and for its part ensure that Europe's carbon pricing policies support innovation and drive industrial decarbonization."

**Church of England Pensions Board's Engagement Manager, Clare Richards**, said: "Investors expect companies to lobby responsibly in support of Paris-aligned policies and not to seek to delay the policies necessary to encourage a low-carbon economy. The importance of addressing any disconnects between a company's public rhetoric and its behind-the-scenes policy influence is why we continue to call for greater transparency on corporate lobbying activities."

Frans Timmermans is in charge of the EU's Green New Deal plan. The response from his office shows he declined their request for a direct meeting, but were instead offered a meeting with his Head of Cabinet Diederik Samsom.

\* The 11 companies are Exxon Mobil Corp, Dow Inc., Trinseo SA, LyondellBasell Industries NV, OCI NV, Air Products and Chemicals Inc, BP PLC, Kemira Oyj, Tata Steel Ltd., Saudi Basic Industries Corporation SJSJ, and Yara International ASA

(Full letter is on page 3)

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### **About InfluenceMap**

InfluenceMap is a London-based think tank providing data driven analysis to investors, corporations and the media on issues related to energy and climate change. Our metrics for measuring corporate influence over climate policy are in use by investors, including the global Climate Action 100+ investor engagement process. Our content has been covered widely in global media and is used by campaign groups.

Full Dutch to English translation of letter (Translation by InfluenceMap):

**Subject: Invitation from works councils from the Dutch industry - Discussion about climate policy and jobs**

Dear Mr. Timmermans,

I turn to you on behalf of the works councils of industrial companies in the Netherlands.

The works councils are following your efforts to arrive at a European Green Deal with great interest. We warmly welcome this initiative. We believe that Europe can be a frontrunner in the field of sustainability. Every day our people make an effort to realize the transition to more sustainable production methods for the things which everyone uses every day: medicines, steel for bicycles, food, fuel for our cars, plastics and materials for smartphones, clothing, etc.

We also strongly believe that this goal can only be achieved through a joint effort of the European member states. Precisely for this reason, we are very concerned about the developments in the Netherlands. Recently, Dutch politicians decided to introduce a national CO2 tax for industrial companies. And already, in the run-up to the elections, there are calls for an even heavier tax.

In our view, such a singular Dutch policy runs counter to your European approach. Our companies are already suffering heavily from the economic crisis as a result of COVID-19. Stricter national requirements could mean that necessary investments in the replacement or expansion of Dutch production capacity are put off. And this while our companies and factories are already among the most energy efficient in the world. Our people fear for the future of their families. It's not just about tens of thousands of direct jobs, but a multiple of that in indirect jobs at (SME) companies in the region. In your public appearances, you often recall the dramatic closure of the mines in South Limburg, the region where you grew up. Let us be spared of a second tragedy by opting for a sensible and sustainable climate policy which preserves jobs!

We feel supported by the letter from the SER of last 26 June in response to the Bill on CO2 Tax for Industry. The SER asks the cabinet to take into account our country's industry and employment opportunities when introducing climate policy in these times of crisis. Therefore, CO2 pricing and investment incentives should be aligned as much as possible with the European Green Deal. This means no unnecessary risks for Dutch employment and a good level playing field. [https://www.ser.nl/-/media/ser/downloads/adviezen/2019/Reactie-opwetsontwerp- CO2tax-industry.pdf](https://www.ser.nl/-/media/ser/downloads/adviezen/2019/Reactie-opwetsontwerp-CO2tax-industry.pdf). It is of great importance in the elaboration of this policy to meet the supporting conditions promised by the cabinet in the Climate Agreement.

We would greatly appreciate it if we could explain our vision to you in a personal conversation. Or if this is not possible due to the coronavirus measures, via a digital meeting with some of our representatives. A meeting could be combined with a working visit to one of our production sites. Awaiting your, hopefully positive, response,

Sincerely,

[REDACTED] on behalf of the works councils of the following industrial companies,

Esso / ExxonMobil Nederland – [REDACTED]  
Gunvor Petroleum Rotterdam BV – [REDACTED]  
DOW Benelux – [REDACTED]  
Trinseo Netherlands BV – [REDACTED]  
Sabic Limburg – [REDACTED]  
Nouryon – [REDACTED]  
LyondellBasell – [REDACTED]  
OCI Nitrogen – [REDACTED]  
Papierfabriek – [REDACTED]  
Air Products Nederland BV – [REDACTED]  
Yara Sluiskil – [REDACTED]  
BP Raffinaderij Rotterdam BV – [REDACTED]  
Kemira Rotterdam BV – [REDACTED]  
Tata Steel Nederland – [REDACTED]