

OXY Company Analysis

Energy

1st March 2024**NEUTRAL**

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Fair value range (OXY):^[1]	68.4 – 68.6
Share price (OXY):	58.94
Symbol:	OXY

Forecast (OXY)^{[1][5]}	2020	2021	2022	2023
Revenue (m)	17809.0	25956.0	36634.0	28257.0
Gross profit (m)	9341.0	16297.0	24571.0	16974.0
EBITDA (m)	5643.0	13810.0	21909.0	14378.0
Net income (m)	15675.0	1522.0	12504.0	3773.0
Diluted EPS	-17.1	1.6	12.4	3.9
Dividends per share	0.8	0.04	0.5	0.7
Sales growth (%)	-14.8	45.7	41.1	-22.9
Net profit growth (%)	-154.2	41.6	-21.8	-41.3
Gross profit margin (%)	52.5	62.8	67.1	60.01
EBITDA margin (%)	31.7	53.2	59.8	50.9
Net income margin (%)	88.0	5.9	34.1	13.4

Valuation^{[1][5]}	2020	2021	2022	2023
Price/Sales (x)	0.6	1.3	1.7	1.9
Price/Earnings (x)	N/A	17.9	4.7	14.2
Price/Book (x)	0.6	1.4	2.0	1.8
EV/EBITDA (x)	12.2	5.3	3.7	5.4
Dividend Yield (%)	11.6	3.0	1.9	2.4

Quick Overview^[2]:

Occidental Petroleum Corporation (OXY) is a global energy company with a rich history dating back to its founding in 1920. Headquartered in Houston, Texas, Occidental has evolved into a major player in the oil and gas industry, engaging in exploration, production, and marketing of hydrocarbons.

OXY operates through three primary segments:

Oil and Gas:

This segment involves exploration, development, and production activities related to oil and natural gas. OXY's diversified portfolio spans key regions globally.

Chemical

The Chemical segment focuses on the manufacturing and marketing of basic chemicals and vinyls. This diversification adds another dimension to OXY's operations.

Midstream and Marketing

Engaging in the purchase, marketing, gathering, processing, transportation, and storage of various commodities, including oil, natural gas, and carbon dioxide, characterizes this segment.

OXY's financial performance is characterized by its ability to navigate the challenges of the energy market. Recent years have seen strategic moves, including acquisitions and divestitures, influencing the company's profitability and positioning within the industry. In recent years, OXY has made strategic acquisitions, such as the acquisition of Anadarko Petroleum Corporation in 2019, and divestitures to optimize its portfolio.

The company has shown commitment to sustainability, with investments in technology and initiatives aimed at reducing environmental impact.

Share Price (EUR)



Source: Nasdaq OMX

Key ratios^{[1][5]}

Market cap. (m)	53000
EV (m)	80770
Total debt (m)	20910
ROE (%)	15.5
No. of shares (m)	879.5

Performance^[1]

β (5Y Monthly)	1.7
EPS Actual	0.7
52 week high (\$)	67.7
52 week low (\$)	55.1
52 week Δ (%)	-0.02

In 2023, OXY reported USD\$6030 million in free cash flow, marking a strong financial performance.

Strategic movements, including the acquisition of CrownRock, enhanced the company's oil and gas portfolio.

OxyChem, Occidental's chemical arm, reported USD\$1500 million in pretax income and progressed on the STRATOS air capture facility.

OXY aims to repay USD\$4500 million in debt to strengthen its financial standing, the company's outlook for 2024 includes expectations of production growth, strategic divestments, and developments in Enhanced Oil Recovery (EOR) projects and balancing high-intensity capital demands with a focus on sustainable dividends shapes OXY's capital allocation strategy.

Occidental Petroleum Corporation stands as a dynamic and diversified energy company, with a strategic focus on navigating market challenges, optimizing its portfolio, and addressing environmental considerations. As it continues to evolve, OXY's performance and strategic decisions will play a crucial role in shaping its future within the global energy landscape.

Company Performance:^[1]

OXY released its financial results for the fiscal year ending December 31, 2023. During this period, the company reported total sales of USD\$28,257 million, reflecting a decline from the previous year's figure of USD\$36,634 million. Revenue for the same period was USD\$28,918 million compared to USD\$37,095 million a year ago. The net income for the full year was USD\$3,773 million, significantly lower than the USD\$12,504 million reported in the previous fiscal year.

Basic earnings per share from continuing operations for OXY stood at USD\$4.22, a decrease from USD\$13.41 in the prior year. Diluted earnings per share from continuing operations were USD\$3.9 compared to USD\$12.4 a year ago. Basic and diluted earnings per share for the entire corporation were USD\$4.22 and USD\$3.9, respectively, showing a notable decline from the previous fiscal year.

Despite these challenges, OXY has maintained a commendable average annual earnings growth rate of 32.5%, slightly trailing the Oil and Gas industry's growth rate of 36.8%. Revenues have exhibited consistent growth, with an average annual rate of 14.2%. The company's return on equity stands at 15.5%, while net margins are reported at 13.4%.

In terms of financial structure, OXY holds a total shareholder equity of USD\$30.3 billion and a total debt of USD\$21 billion, resulting in a debt-to-equity ratio of 63.8%. Total assets and liabilities are recorded at USD\$74 billion and USD\$43.7 billion, respectively. The company's EBIT is USD\$6000 million^[5], leading to an interest coverage ratio of 7.4. Additionally, OXY maintains cash and short-term investments of USD\$1400 million, contributing to its financial liquidity.

These financial metrics depict the challenges faced by OXY in the reported period but also indicate the company's strategic positioning and potential for recovery.

Profitability Estimates:^[2]

OXY continues to exhibit robust profitability, indicative of strategic initiatives and a dynamic market presence. The latest financial reports underscore the company's strong financial performance, positioning it favourably within the competitive landscape of the oil and gas industry.

As of the most recent financial data, OXY's profitability estimates affirm its adeptness in navigating challenges within the fluctuating energy market. The implementation of effective cost management strategies has optimized operational efficiencies, resulting in a strengthened bottom line. Notably, the exploration and production segment has been a significant contributor to overall profitability, leveraging a diverse portfolio of assets across key regions.

OXY's focused approach to portfolio optimisation, involving strategic divestitures and acquisitions, has played a pivotal role in aligning the company with high-return assets. These strategic moves not only enhance profitability but also position OXY to capitalize on emerging opportunities in the continually evolving energy sector.

Occidental Petroleum's commitment to technological advancements has yielded positive results for profitability. Incorporating cutting-edge drilling techniques and digital solutions has led to tangible cost savings and operational improvements, showcasing the company's adaptability to industry trends.

In the face of inherent market uncertainties, OXY's proactive risk management and adept utilization of technological innovations contribute to a positive outlook for profitability. Furthermore, the company's steadfast dedication to sustainability aligns seamlessly with the evolving expectations of investors and stakeholders, further enhancing its long-term profitability prospects.

In conclusion, Occidental Petroleum Corporation's profitability estimates are indicative of prudent financial management, strategic portfolio decisions, and a commitment to innovation and sustainability. As OXY adeptly navigates the complexities of the energy sector, its solid foundation positions the company for sustained profitability in the future. The integration of cutting-edge technologies, strategic portfolio optimisation, and a forward-looking approach to sustainability underscore OXY's resilience and competitiveness in the dynamic energy market.

Dividend Expectation for 2024:^{[1][2]}

OXY has announced that it will be increasing its dividend from last year's comparable payment on the 15th of April to USD\$0.22. Even though the dividend went up, the yield is still quite low at only 1.5%.

OXY's dividend is well-covered by earnings even a low dividend yield can be attractive if it is sustained for years on end. However, before this announcement, OXY's dividend was comfortably covered by both cash flow and earnings. This means that most of what the business earns is being used to help it grow.



Over the next year, EPS is forecast to expand by 37.9%. If the dividend continues along recent trends, we estimate the pay-out ratio will be 11%, which is in the range that makes us comfortable with the sustainability of the dividend.

While the company has been paying a dividend for a long time, it has cut the dividend at least once in the last 10 years. The dividend has gone from an annual total of USD\$2.56 in 2014 to the most recent total annual payment of USD\$0.88. This works out to a decline of approximately 66% over that time. In evaluating investment opportunities, a company that exhibits a downward trajectory in its dividend payouts over an extended period typically falls outside the criteria considered favourable.

OXY may encounter challenges in sustaining dividend growth. Recent trends indicate a decline in dividends, prompting a scrutiny of the earnings per share (EPS) trajectory. Over the past five years, EPS has exhibited a decline at an approximate rate of 4.6% annually. This downward trend poses the risk of necessitating a difficult decision for the company—either a reduction or complete cessation of the dividend, diverging from the trajectory of dividend growth. Encouragingly, future projections anticipate an earnings upswing within the next 12 months; however, exercising caution is prudent until this materializes into a sustained long-term trend.

While current dividend raises offer a positive short-term outlook, the historical instability of payments raises concerns. The company's capacity to generate sufficient cash flow presently supports a reliable dividend. However, considering the inconsistent dividend history, OXY may not align with the characteristics of a robust income stock.

Consistency in a company's dividend policy is paramount for fostering investor confidence. Fluctuating dividend payments might undermine investor trust. It is crucial to recognise that while dividends play a significant role, they are not the sole determinant when evaluating a company.

In summary, OXY's dividend trends signal potential challenges to sustained growth. Short-term reliability is suggested, given the current cash flow coverage, but past volatility prompts caution. Investors seeking consistency in dividend policies may find more confidence in companies with a proven track record. It is imperative to consider various factors beyond dividends in a comprehensive assessment of a company's financial health and investment potential.

Valuation:^[4]

Occidental Petroleum Corporation, in its 2023 report, announced a robust financial performance marked by strategic prowess and technological advancements. The company generated USD\$5500 million in free cash flow, which was judiciously allocated towards USD\$600 million in dividends, USD\$1800 million in share repurchases, and USD\$1500 million in preferred share redemptions. Production exceeded guidance by 43,000 barrels of oil equivalent (BOE) per day, driven by record well productivity. Global proved reserves grew from 3.8 to 4.0 billion BOE, indicating substantial resource replenishment. OxyChem demonstrated outstanding performance, achieving USD\$1500 million in pretax income, and made progress on the STRATOS air capture facility. Strategic moves, including the acquisition of CrownRock, further enhanced Occidental's oil and gas portfolio. The company is committed to repaying USD\$4500 million in debt, prioritizing debt reduction to fortify its financial standing.

OXY's outlook for 2024 reveals key insights for potential investors. The pending acquisition of CrownRock, expected to close in the second half of the year, will be reflected in financial metrics starting January 1, 2024. Anticipated full-year production for 2024 is approximately 1.25 million BOE per day, signalling low single-digit growth. Noteworthy production growth is expected in the Rockies and Al Hosn, driven by good design, operational expertise, and plant expansion. Permian production is projected to remain stable, with a 10% decrease in unconventional capital. While the first quarter is anticipated as a production low point, a substantial increase is foreseen for the remainder of the year.

Strategically, OXY has deferred asset divestment until after the CrownRock acquisition, signalling a post-acquisition divestment

initiative. Despite acknowledged disruptions in Gulf of Mexico operations due to pipeline outages, the executive team expresses confidence in the recovery timeline, with specialized start-up crews preparing for resumed full operations.

OXY reported a significant addition of 700 million BOE to reserves, primarily from Permian Resources and Algerian assets. The executive team highlighted the long-term strategic development of Enhanced Oil Recovery (EOR), with approximately 2 billion barrels of remaining resources earmarked for development. Investments in EOR projects aim to maintain a flat, manageable decline rate below 5%, crucial for sustaining free cash flow and contributing to reserve replacement over time.

In terms of capital allocation, Occidental emphasizes a balanced approach, aiming for a sustainable, growing dividend. Balancing high-intensity capital demands of unconventional operations with mid-cycle, shallower decline conventional investments such as Permian EOR is a key focus. Managing base decline and maintaining strong cash margins are strategies employed to enhance capital flexibility, enabling a response to changing market conditions while supporting strategic growth and shareholder dividends.

Please see the disclaimer at the end of this report

[1] Income Statement All numbers in thousands

Breakdown	TTM	12/31/2023	12/31/2022	12/31/2021	12/31/2020
> Total Revenue	28,257,000	28,257,000	36,634,000	25,956,000	17,809,000
Cost of Revenue	18,148,000	18,148,000	18,989,000	18,106,000	16,565,000
Gross Profit	10,109,000	10,109,000	17,645,000	7,850,000	1,244,000
> Operating Expense	3,695,000	3,695,000	3,980,000	3,185,000	2,502,000
Operating Income	6,414,000	6,414,000	13,665,000	4,665,000	-1,258,000
> Net Non Operating Interest Inc...	-806,000	-806,000	-877,000	-1,448,000	-1,306,000
> Other Income Expense	821,000	821,000	1,329,000	488,000	-13,141,000
Pretax Income	6,429,000	6,429,000	14,117,000	3,705,000	-15,705,000
Tax Provision	1,733,000	1,733,000	813,000	915,000	-2,172,000
> Net Income Common Stockhold...	3,750,000	3,750,000	12,421,000	1,512,000	-15,675,000
Diluted NI Available to Com Stock...	3,750,000	3,750,000	12,421,000	1,512,000	-15,675,000
Basic EPS	5.00	4.22	13.41	1.62	-17.06
Diluted EPS	4.59	3.90	12.40	1.58	-17.06
Basic Average Shares	895,375	889,200	926,200	935,000	918,700
Diluted Average Shares	970,875	960,900	1,002,000	958,800	918,700
Total Expenses	21,843,000	21,843,000	22,969,000	21,291,000	19,067,000
Interest Income	139,000	139,000	153,000	166,000	118,000
Interest Expense	945,000	945,000	1,030,000	1,614,000	1,424,000
Net Interest Income	-806,000	-806,000	-877,000	-1,448,000	-1,306,000
Net Income from Continuing & Dis...	4,696,000	4,696,000	13,304,000	2,322,000	-14,831,000
Normalized Income	4,486,490	4,486,490	12,800,160	2,897,250	-1,913,540
EBIT	7,374,000	7,374,000	15,147,000	5,319,000	-14,281,000
EBITDA	14,239,000	14,239,000	22,073,000	13,766,000	-6,184,000
Reconciled Cost of Revenue	18,148,000	18,148,000	18,989,000	18,106,000	16,565,000
Reconciled Depreciation	6,865,000	6,865,000	6,926,000	8,447,000	8,097,000
Net Income from Continuing Oper...	4,696,000	4,696,000	13,304,000	2,790,000	-13,533,000
Total Unusual Items Excluding Goo...	287,000	287,000	536,000	-143,000	-13,511,000
Total Unusual Items	287,000	287,000	536,000	-143,000	-13,511,000
Normalized EBITDA	13,952,000	13,952,000	21,537,000	13,909,000	7,327,000
Tax Rate for Calcs	0	0	0	0	0
Tax Effect of Unusual Items	77,490	77,490	32,160	-35,750	-1,891,540

Balance Sheet

All numbers in thousands

Breakdown	12/31/2023	12/31/2022	12/31/2021	12/31/2020
✓ Total Assets	74,008,000	72,609,000	75,036,000	80,064,000
✓ Current Assets	8,375,000	8,886,000	10,211,000	8,819,000
> Cash, Cash Equivalents & S...	1,426,000	984,000	2,764,000	2,008,000
> Receivables	3,195,000	4,281,000	4,208,000	2,115,000
> Inventory	2,022,000	2,059,000	1,846,000	1,898,000
Restricted Cash	-	-	24,000	170,000
Assets Held for Sale Current	-	-	72,000	1,433,000
Other Current Assets	1,732,000	1,562,000	1,393,000	1,195,000
> Total non-current assets	65,633,000	63,723,000	64,825,000	71,245,000
✓ Total Liabilities Net Minority Int...	43,659,000	42,524,000	54,709,000	61,491,000
> Current Liabilities	9,148,000	7,757,000	8,324,000	8,223,000
> Total Non Current Liabilities ...	34,511,000	34,767,000	46,385,000	53,268,000
✓ Total Equity Gross Minority Inte...	30,349,000	30,085,000	20,327,000	18,573,000
> Stockholders' Equity	30,250,000	30,085,000	20,327,000	18,573,000
Minority Interest	99,000	0	-	-
Total Capitalization	48,195,000	49,209,000	49,254,000	54,002,000
Preferred Stock Equity	8,287,000	9,762,000	9,762,000	9,762,000
Common Stock Equity	21,963,000	20,323,000	10,565,000	8,811,000
Capital Lease Obligations	1,910,000	1,619,000	1,360,000	1,472,000
Net Tangible Assets	30,250,000	30,085,000	20,327,000	18,573,000
Working Capital	-773,000	1,129,000	1,887,000	596,000
Invested Capital	40,964,000	39,469,000	39,593,000	44,638,000
Tangible Book Value	21,963,000	20,323,000	10,565,000	8,811,000
Total Debt	20,911,000	20,765,000	30,388,000	37,299,000
Net Debt	17,575,000	18,162,000	26,264,000	33,819,000
Share Issued	1,107,517	1,098,513	1,083,423	1,080,565
Ordinary Shares Number	879,463	899,859	934,075	931,513
Treasury Shares Number	228,053	198,654	149,348	149,052

Referencing

1. Occidental Petroleum Corporation (OXY) stock price, news, Quote & History (2024) Yahoo! Finance. Available at: <https://finance.yahoo.com/quote/OXY> (Accessed: 20 February 2024).
2. Quarterly earnings (2024) Quarterly Earnings. Available at: <https://www.oxy.com/investors/quarterly-earnings/> (Accessed: 22 February 2024).
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4. Occidental/CrownRock: Shale deal risks tempting fate again (2024) Financial Times. Available at: <https://www.ft.com/stream/a6a98abc-0bb0-4cad-b438-d92c98adbd44> (Accessed: 23 February 2024).
5. Bloomberg Terminal (Accessed: 26 February 2024)

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Recommendation Structure

Buy – Expected return of more than 10% within 12-18 months (including dividends)

Neutral – Expected return from -5% to 10% within 12-18 months (including dividends)

Sell – Expected return less than -5% within 12-18 months (including dividends)

Not rated – No recommendation

Under review – Recommendation is under observation due to specific event.

OXY ESG evaluation

Source: <https://www.oxy.com/siteassets/documents/publications/oxy-climate-report-2022.pdf>

Governance

Board of Directors

- Led by an independent Chairman, Oxy's Board is diverse and highly qualified.
- Governance policies define the structure and operation of the Board.
- Committed to strong corporate governance and board refreshment for diverse leadership and expertise.
- Oversees corporate governance, strategy, risk management, ESG, climate-related risks, and HSE performance.
- Board composition includes new independent directors bringing significant regulatory, policy, finance, and industry experience.

Principles of Governance:

- Board diversity as of March 23, 2023, includes 50% diversity with 3 racial/ethnic minorities and 3 women.
- Commitment to engagement with shareholders, stakeholders, and subject matter experts.
- Dedicated to high standards of ethical conduct, institutional integrity, and effective corporate governance.
- Policies reviewed and updated periodically to reflect changing laws, regulations, best practices, and shareholder feedback.

Risk Management and Strategic Planning:

- Oxy implements a proactive Enterprise Risk Management (ERM) program integral to strategic and capital planning.
- The ERM program promotes safe, reliable, and sustainable operations by assessing potential environmental and social risks and opportunities.
- It builds upon systematic risk assessment programs in functional disciplines like HSE risk management, security, and social responsibility.
- Climate-related risks are evaluated, including physical risks and transition risks, such as regulatory, legal, reputational, and market considerations.
- Risks are prioritized for potential mitigation and incorporated into risk factors or other disclosures as necessary.
- Oxy analyzes short-term (1-4 years), medium-term (4-12 years), and long-term (beyond 12 years) financial risks of a lower-carbon economy to assess asset resilience and capital investments.
- Various scenarios are considered to assess potential future climate-related impacts on the company's assets during strategic planning discussions.
- Factors such as carbon pricing, energy intensity assumptions, commodity prices, returns on capital, and GHG abatement risks and opportunities are incorporated into scenario analysis.
- Risk evaluation also includes assessing potential physical, financial, and social impacts of severe weather events and business disruption due to proximity to flood-prone and water-stressed areas.

Business Ethics and Code of Business Conduct:

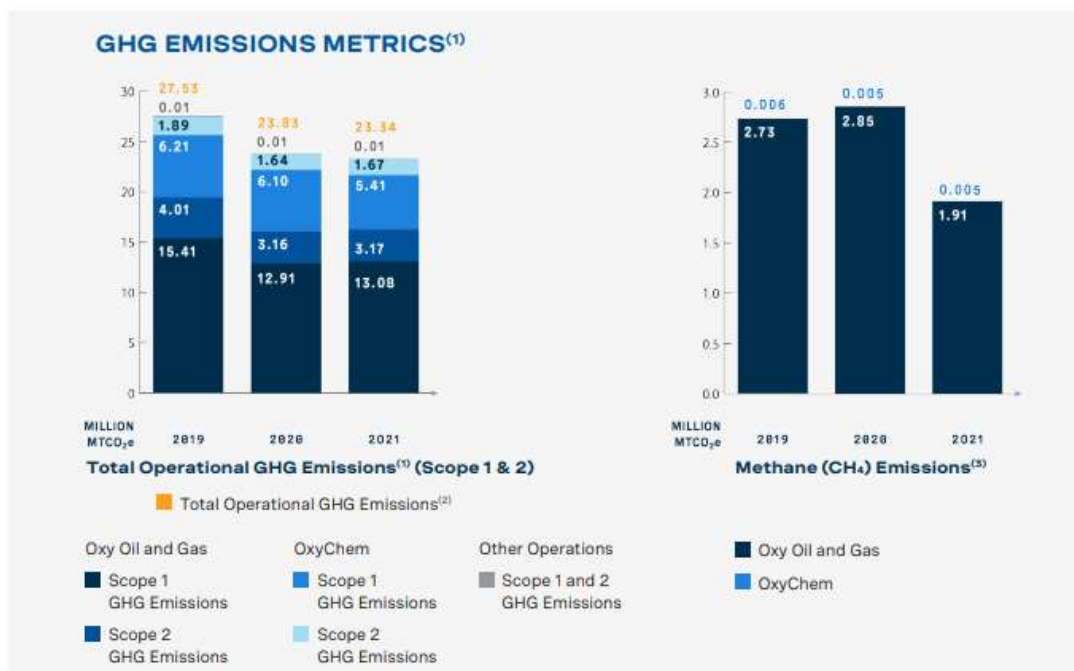
- Oxy establishes clear performance expectations for business conduct through a range of implemented policies.
- New employees receive the Code and undergo training on its contents.
- Annual compliance certification with the Code and related policies is required for all employees.
- Various channels are provided for employees to raise questions or concerns, including the Integrity Helpline, which is available 24/7 and managed by an independent third party.
- All credible reports of suspected policy violations are investigated with zero tolerance for retaliation against whistleblowers.
- Oxy prohibits bribery in all forms and ensures compliance with relevant anti-bribery laws.

- Partners, suppliers, and contractors are evaluated for compliance with Oxy's ethical business standards and are expected to adhere to the Code and relevant policies.

Planet

Climate Policy Positions

- Oxy is committed to lowering both GHG emissions and atmospheric concentrations of CO₂.
- The company's core Net-Zero Strategy involves developing and commercializing technologies for reducing emissions and CO₂ concentrations.
- Supports a range of policies aimed at achieving the goals of the Paris Agreement.
- Focuses efforts on policies that promote technological solutions for significant CO₂ reductions while ensuring affordable and reliable energy sources.
- Oxy's development company, 1PointFive LLC, is working on commercializing carbon removal technologies such as CCUS and DAC.
- Committed to being part of the solution to climate change and aligning the Net-Zero Strategy with the goals of the Paris Agreement.
- Endorses the goals of the Paris Agreement, including limiting the global temperature increase to less than 1.5°C above pre-industrial levels.
- OXY is implementing a vast range of projects in attempt to reach its environmental targets



Social

Health, Safety, and Well-being:

- The health and safety of the workforce and communities are top priorities for Oxy.
- Oxy's updated HSE and Sustainability Principles reflect a commitment to improve workplace safety, prevent incidents, and safeguard people and the environment.
- Oxy's employee injury and illness incidence rate (IIR) remained consistent with 2021 and below pre-Covid levels in 2022, excluding Covid cases.
- Safety priorities for 2023 include reducing incident severity, improving contractor safety performance, and harmonizing safety systems.
- Oxy offers comprehensive health, welfare, retirement, and savings benefits plans, as well as programs to enhance overall well-being, including mental health support.
- OxyHealth provides well-being awareness and education activities on various topics and collaborates with different groups and departments within Oxy.
- Offers flu vaccinations, travel immunizations, and access to healthcare resources for employees and spouses.
- Provides an Employee Assistance Program offering counseling services.
- Prioritizes mental health and well-being through manager and employee programs and events.
- Participates in One Mind at Work, aiming to combat stigma, improve access to treatment, and foster a psychologically safe culture in the workplace.

Diversity, Inclusion, and Belonging (DIB):

- Oxy's DIB culture celebrates employees' differences and encourages an inclusive environment where diverse perspectives are appreciated.
- DIB governance and oversight are provided by the DIB Advisory Board, chaired by the President and CEO, and including senior leadership members.
- The DIB Ambassador Committee leads initiatives to raise DIB awareness through educational resources and programs.
- Educational sessions cover topics such as inclusive leadership, diversity advocacy, unconscious bias, microaggressions, and psychological safety.
- Senior management collaborates with the DIB Advisory Board and the DIB Ambassador Committee to leverage employees' diverse backgrounds for innovation and growth.
- Oxy launched eight new Employee Resource Groups (ERGs) in 2022, and another in 2023, as part of its integrated DIB strategy.
- ERGs aim to advance inclusion and foster belonging for employees with common interests and goals.

Community Engagement and Social Investment:

- Oxy prioritizes understanding and addressing the needs and interests of the communities where it operates.
- The company aims to maximize positive impact through philanthropic initiatives, partnerships, and projects.
- Oxy focuses on six main areas: Health and Safety, Education, Social Services, Military and Veterans, Environment, and Arts and Culture.
- Community engagement efforts begin with listening to local stakeholders to understand community challenges and needs.
- Oxy strives to serve as an employer, neighbor, and Partner of Choice by creating jobs, building infrastructure, and investing in the community's future.
- The company implements initiatives aligned with the UN Sustainable Development Goals (SDGs) and addresses unique local needs.
- In 2022, Oxy paid approximately \$3.3 billion in U.S. federal, state, and local taxes, out of a total of \$4.3 billion paid globally.
- Oxy invested more than \$24 million directly in community and social investments in 2022, in addition to investments in its workforce, assets, and infrastructure.

Concluding

Industry and Sector

Oxy operates in the oil and gas industry, which traditionally faces ESG challenges due to its significant environmental impact, particularly regarding carbon emissions and climate change. This can present risks for this investment with concerns about sustainability and climate-related regulations.

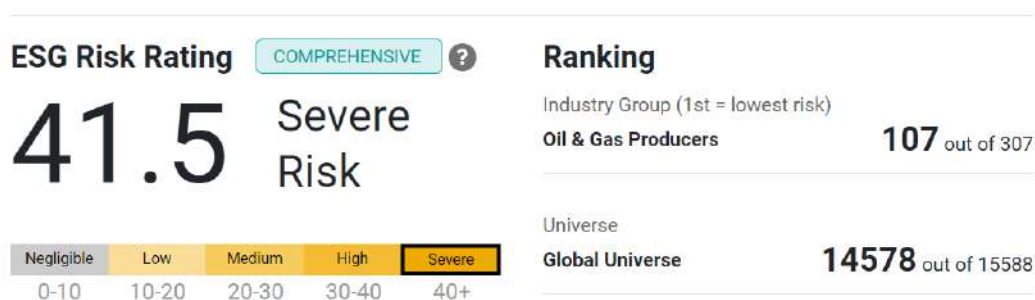
ESG Performance:

Oxy's commitment to ESG, as outlined in its sustainability reports, indicates efforts to address environmental and social issues, including climate change mitigation, health and safety, diversity and inclusion, and community engagement. However, we need to consider the effectiveness and transparency of these initiatives and compare them with industry peers.

Regulatory Risks

Regulatory challenges in the oil and gas sector, such as stricter environmental regulations or policies favouring renewable energy, can impact Oxy's operations and financial performance. We need to evaluate and consider the company's resilience to regulatory changes and its ability to adapt to evolving ESG standards.

Overall ESG risk rating (multiple sources)



Last Full Update: Mar 17, 2023

Last Update: Sep 9, 2023

<https://www.sustainalytics.com/esg-rating/occidental-petroleum-corp/1008171532>

Occidental Petroleum ESG Score + Net Impact Profile

Impact	Negative	Score	Positive
Society	-0.77	+2.89	+3.66
Knowledge	-1.10	-0.86	+0.24
Health	-0.71	-0.52	+0.19
Environment	-8.24	-8.07	+0.17

Upright Model Version 0.5.0
ESG Data Last Updated: June 10, 2022

<https://www.marketbeat.com/stocks/NYSE/OXY/sustainability/>

Although OXY is sustainable within its own industry, the industry itself is one of the least sustainable industries and causes damage to the environment and possibly employees. The oil and gas industry also faces a lot of regulatory challenges, especially as we begin to become "greener". This means that OXY may face regulatory and governance challenges which poses a threat to investors, unless OXY can adapt to the changing environment and implement new strategies, in the terms of ESG factors I believe OXY would be a stock to short/ sell.

