The Dirty Dozen: The Climate Greenwashing of 12 European Oil Companies

How fossil fuel companies are deceiving the world about transitioning to renewable energy - Greenpeace report media briefing

In February, while many fossil fuel companies were reporting record 2022 profits, BP suddenly announced it was scaling back its climate ambitions. A few months later, TotalEnergies followed suit. Then, so did Shell. These companies, like most European fossil fuel companies, had pledged to be net zero by 2050. But clearly, they are sliding backwards.

A new report, "The Dirty Dozen: The Climate Greenwashing of 12 European Oil Companies", commissioned by Greenpeace CEE and written by oil market expert Dr Steffen Bukold reveals that fossil fuel companies are deceiving the public about their willingness to transition to renewable energy and to curb their climate-damaging impact. The report analyses the workarounds used by 12 European fossil fuel companies, including six global majors[1], to avoid transitioning from their dirty fossil business model, and highlights the many greenwashing strategies they rely on. By digging into their profits, investments and current production, the report reveals to what extent Big Oil is still undermining climate action, and how it bombards us with greenwashing jargon, biased visual representations and incomplete data to hide the reality: that the fossil fuel sector is unwilling and unable to transition on its own.

Key Findings

According to the report, the oil and gas industry is lacking in almost every aspect of the actions it would need to take to become a protagonist, or at least a neutral bystander, in the global energy transition and climate protection.

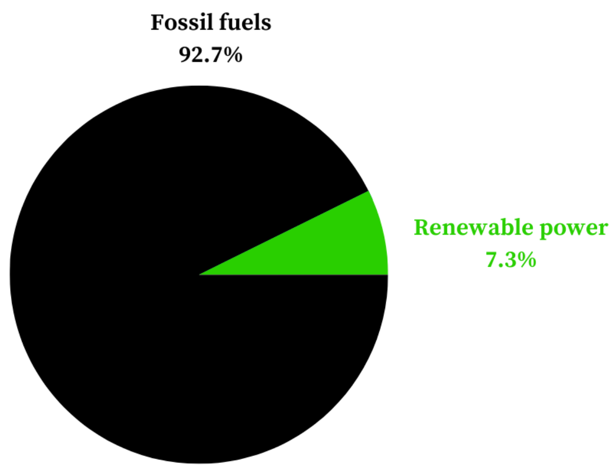
[1] The profits, revenues and investments of 12 fossil fuel companies were analysed for this report:
- Six so-called global 'Big Oil' companies: Shell, TotalEnergies, BP, Equinor, Eni and Repsol
- Six European oil and gas companies: OMV, PKN Orlen, MOL, Wintershall Dea, Petrol Group and Ina Croatia.

1. Lack of investments: Fossil fuel profits have risen sharply lining the pockets of shareholders and executives, but their investments in sustainable solutions remain minimal

Despite fossil fuel companies' profits increasing by a whopping average of 75% in 2022, the report reveals that the investments of these companies climbed by just 37%. The lion's share of these crisis profits was therefore not reinvested. Instead, it was channelled into higher dividends or share buybacks, largely unaffected by windfall taxes. This was especially true for the global players, which were particularly reluctant to invest and preferred to pass the money on to shareholders.

Investments of the 12 European oil and gas companies analysed (2022)

For every euro and dollar oil and gas companies invested into renewable energy they poured nearly 13 more into continuing their business model.



*According to Greenpeace CEE report, based on 12 fossil fuel companies' reports

At the same time, most of the 12 oil and gas companies analysed in this report are actually scaling back their climate ambitions, rather than increasing them. This lack of willingness to change is reflected in the companies' investment structure: according to the report, just a paltry 7.3% (€6.57bn) of these fossil companies' investments in 2022 went towards genuinely sustainable energy production and low-carbon energy solutions. The remaining 92.7% (€81.52bn) of investments went into the continuation of the fossil oil and gas business model.[2]

2. Lack of clean energy production: Fossil fuel companies' renewable energy production is still minuscule

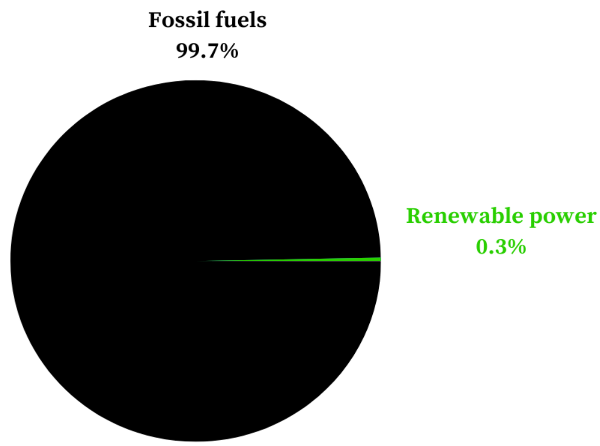
On average, only a tiny 0.3% of the 12 companies' combined energy output in 2022 was created by their renewable electricity production, with the remaining 99.7% created by

[2] Average exchange rate in 2022: 1.0538 USD = 1 Euro, percentage terms are rounded figures; average is unweighted.

their oil and gas production. Ultimately, the 12 companies analysed have all failed to decarbonise in any meaningful way, despite their repeated public assurances that they are investing in renewable energy. No company's share of renewable energy produced exceeded 1.35% of their total 2022 energy production, according to the report.

Energy mix of the 12 European oil and gas companies analysed (2022)

Europe's oil and gas companies have not started to transition to renewable energy, despite claims to the contrary.



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3. Lack of strategy: Fossil fuel companies have no genuine strategy to achieve net zero, instead they deceive with false solutions

Although the majority of these 12 companies have publicly committed to reaching 'net zero' by 2050, a closer look shows that not a single one of them has developed a coherent strategy to achieve this. Instead of aiming for a transition to renewable energy production or investing in the development of truly low-carbon technologies, oil companies are focusing their strategic planning on carbon capture and storage (CCS) and carbon offsets, highly controversial approaches whose effectiveness in reducing emissions is questionable.

Transitional technologies that actually should play a role in decarbonisation such as advanced e-fuels or green hydrogen are often mentioned, but the provision is largely left to other industries. Most talk about sales targets, but rarely about production targets or concrete investment volumes. Plus: All options are ultimately designed to extend their own fossil fuel business model. A far-reaching reduction of emissions is not possible on this path.

4. Lack of real effort: Contrary to greenwashing claims, fossil fuel production is set to continue growing until at least 2030

Even within the very inadequate decarbonisation strategies provided by the industry, the vast majority of oil companies plan to stabilise or even increase their oil and gas production until at least 2030. Meanwhile, they are postponing most of their decarbonisation efforts until after 2030.

As a result they are starting to scale back their ambitions: In several cases, only emissions related to production processes (scope 1 and 2) are to be gradually reduced with the remainder to be offset through highly controversial solutions like carbon capture and storage (CCS) or carbon offsets. In most cases the biggest part of emissions, emissions from the sale of oil and gas (scope 3) are simply ignored or cleverly redefined.

5. Lack of honesty: Greenwashing techniques flourish to fill the gaps between bold net-zero claims and unwillingness to change

The result of these evasion strategies to avoid real decarbonisation and significant expansion of clean energy supply is an ever-widening gap between companies' PR claims and reality. They try to fill the gap with a variety of imaginative greenwashing techniques in the corporate reports analysed, such as misleading definitions of terms and figures, deliberately misleading presentation of results, hiding important information in footnotes, and even an almost comical visual presentation of the focus of corporate activities. The report provides a comprehensive overview and ample examples of these greenwashing techniques.

There is no sign of any fundamental reorientation of their core business that would allow them to play any role in the energy transition. The evidence suggests that they are simply delaying and blocking the transition to the climate-neutral, renewable, resource-efficient economy that science has proven is essential if we are to retain safe and livable temperatures for life on Earth.

This report evidences that the changes necessary for a sustainable, livable future will not come from the fossil fuel industry. The annual reports of the companies investigated by Greenpeace CEE give the impression that the climate crisis is a problem that they only recently discovered, and so are only now starting to respond to. Overall, the companies investigated have chosen to delay climate adjustments to their business models, or rejected them with flimsy arguments.

Greenpeace Demands

It is very unlikely that the oil and gas industry will become a protagonist - or even just a neutral bystander in the global energy transition to protect the climate. Just like the coal industry, the oil and gas industry should be rapidly economically and politically downsized, their profits should be properly and heavily taxed, plans should be made to reduce the risk of stranded assets and, above all, oil and gas demand should be rapidly reduced by government planning.

To fix the problem of fossil fuel companies undermining global climate stability by failing to abandon non-renewables, the following things need to change:

1. Governments must focus on **rapidly reducing all types of fossil fuel demand** across Europe by creating a clear and quantitative **phase-out roadmap** for fossil fuels, with clearly established steps and deadlines.

The **biggest oil savings potential is in the transport sector.** Measures like reducing the speed limit on motorways, decreasing traffic by helping people switch from private cars to public transport and other modes of emission-free transport, driving 10% less, banning replaceable short-haul flights and private aviation and reducing 30% of intra-European aviation by train travel and virtual meeting technology would enable the biggest savings in terms of total primary energy consumption. The **biggest fossil gas savings potential is in the industrial sector**, where 20% reduction of the EU gas use is possible, followed by **residential heating**.[3]

2. Given that the oil and gas industry is incapable of self-regulation, governments must intervene to **regulate these companies to prevent even more fossil-fuelled climate destruction.** Governments with fossil fuel companies headquartered in their territories should begin rapid economic and political downsizing of fossil fuel industries through regulation. They should enforce that fossil fuel companies invest in genuinely green infrastructure, increase renewable energy production, stop any new oil and gas exploration projects and reduce their fossil fuel production in line with the Paris agreement.

3. Until adequate regulation is in place, **fossil fuel companies' profits must be heavily taxed** in order to compensate countries impacted by fossil-fuelled extreme weather events, and to pay for the energy transition away from fossil fuel based-economy. And all subsidies for fossil fuel extraction, generation, refining and fossil-fuelled transportation in Europe should be phased out.

4. With the support of EU institutions, **governments must make plans to avoid 'stranded assets',** i.e. fossil fuel resources that cannot be burned, and infrastructure like pipelines and power plants that are no longer used and may end up as a liability before the end of their anticipated economic lifetime.

[3] See Greenpeace Energy Crisis Scenario (2022) for more details.