

Big Oil Buying into Green: Spent 1 Percent in 2018

The world's biggest oil companies have contributed 1% of their 2018 budget to clean and renewable energy to battle climate change, with the European majors making greater efforts than their rival companies from the US and Asia.

One Percent of 2018 Capital Expenditure on Green Energy

In recent years, Big Oil, the biggest publicly traded oil and gas company, has claimed its plans and commitments on clean investments and alleviating climate change. The supermajors, such as Total S.A., Chevron, ExxonMobil, Royal Dutch Shell plc, and BP plc, have all accelerated their efforts on renewables and battery technologies in their quest to combat global warming.

CDP (formerly the Carbon Disclosure Project), an organization that supports companies and cities to disclose the environmental impact of major corporations, reported that the top 24 publicly-listed oil and gas companies in the world invested 1.3 % of their 2018 total budgets of \$260 billion on low-carbon energy.

Moreover, a CDP study reported that European oil giants had made bigger strides than their US counterparts, with European oil majors accounting for around 70% of the group's renewable capacity.

Fossil Fuel Leaders Going Green

Since the 2015 Paris Climate Agreement, a global action plan to reduce net emissions and build resilience to climate change before the end of the century and investments in renewable energy has accelerated. The Oil and Gas Climate Initiative (OGCI) pledged to fulfill the plan in cutting methane emissions to an intensity of 0.25% of the total fuel production by 2025.

Shell is leading the way with the aim to invest \$1-2 billion annually on clean and renewable energy out of their total budget of \$25-\$30 billion, while major European company, Total, has funded the most on low-carbon energies. A CDP study revealed Total to have spent 4.3 % of its budget on green energy since 2010.

Norway's Equinor, on the other hand, plans to spend up to 15-20 % of its budget on renewables by 2030.

Last week, Washington voters rejected the second carbon tax initiative to date in recent years after an oil industry campaign claimed that there's a possibility that it would affect the economy. The carbon tax initiative is supposed to have funded a rolling series of investments in clean air, water, and land-use programs with a rising fee on carbon emissions.

Jeanne Martin at campaign group ShareAction said that investors have to be involved in the matter and inform fossil fuel companies to bring their business principles in line with the Paris Climate Agreement goals.

