

\$1 Billion on Public Relations For Energy Giants



Ronn Torossian, CEO, 5WPR

The five largest publicly listed oil and gas majors have spent \$1 billion since the 2015 Paris climate deal on public relations or lobbying in a way that is “overwhelmingly in conflict” with the landmark accord’s goals, said a watchdog Friday.

Despite externally committing to support the Paris agreement and its aim to limit global temperature rises, ExxonMobil, Shell, Chevron, BP and Total currently spend a total of \$200 million a year on efforts “to operate and expand fossil fuel operations,” according to InfluenceMap, a pro-transparency monitor.

Two of the companies, Shell and Chevron, have rejected the

watchdog's findings.

"The fossil fuel sector has ramped up a quite strategic program of influencing the climate agenda," InfluenceMap Executive Director Dylan Tanner said. "It's a continuum of activity from their lobby trade groups attacking the details of regulations, controlling them all the way up, to controlling the way the media thinks about the oil majors and climate."

As planet-warming greenhouse gas emissions hit their highest levels in human history in 2018, the five companies wracked up total profits of \$55 billion. At the same time, the International Panel on Climate Change, made up of the world's leading climate scientists, issued a call for a radical drawdown in fossil fuel use in order to hit the 1.5 C warming cap laid out in the Paris accord.

The report comes as oil and gas giants are under increasing pressure from shareholders to come clean over how greener lawmaking will impact their business models.

InfluenceMap looked at accounts, lobbying registers and communications releases since 2015, and alleged a large gap between the climate commitments companies make and the action they take.

The organization says all five engaged in lobbying and "narrative capture" through direct contact with lawmakers and officials, spending millions on climate branding, and by employing trade associations to represent the sector's interests in policy discussions.

"The research reveals a trend of carefully devised campaigns of positive messaging combined with negative policy lobbying on climate change," it said. It added that of the more than \$110 billion the five had earmarked for capital investment in 2019, just \$3.6 billion was given over to low-carbon programs.

The report came one day after the European Parliament was urged to strip ExxonMobil lobbyists of their access, after the US giant failed to attend a hearing where expert witnesses said the oil giant has knowingly misled the public over climate change.

“How can we accept that companies spending hundreds of millions on lobbying against the EU’s goal of reaching the Paris agreement are still granted privileged access to decision-makers?” said Pascoe Sabido, Corporate Europe Observatory’s climate policy researcher, who was not involved in the InfluenceMap report.

The report said Exxon alone spent \$56 million a year on “climate branding” and \$41 million annually on lobbying efforts. In 2017 the company’s shareholders voted to push it to disclose what tougher emissions policies in the wake of Paris would mean for its portfolio.

About the Author: Ronn Torossian is CEO of 5WPR. He recently spoke on crisis PR at Harvard Business School.