

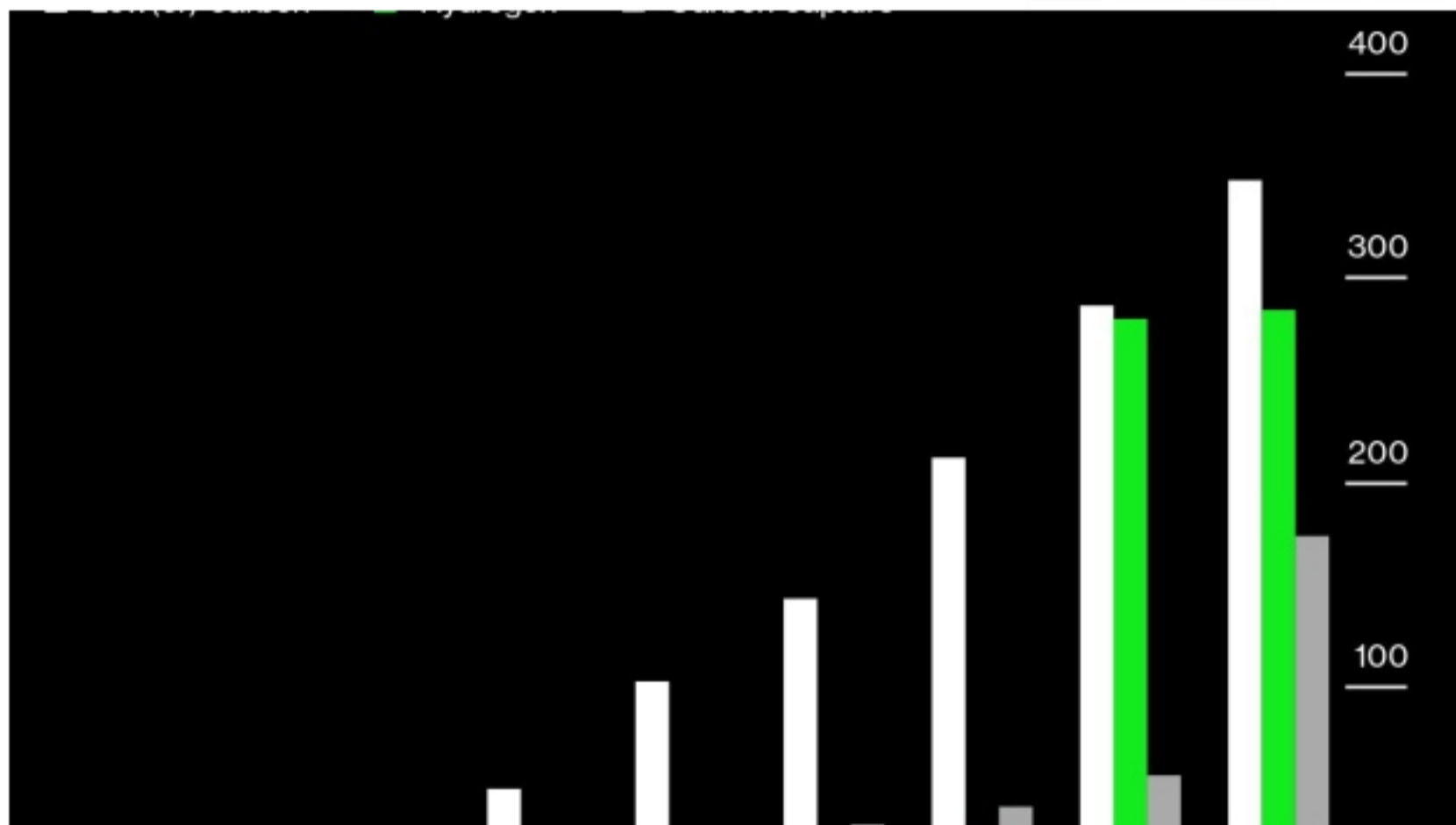
COMMODITIES | NEWS | SHOW | GUESTS | CANNABIS | OIL | **GOLD** | SILVER

COMMODITIES | News Wire | Company News

7h ago

Climate Talk Overtakes ‘Growth’ on Fossil Fuel Conference Calls

Gerson Freitas Jr, Bloomberg News



BC-Climate-Talk-Overtakes-'Growth'-on-Fossil-Fuel-Conference-Calls , Gerson Freitas Jr

(Bloomberg) -- The world's biggest oil and gas companies are more likely to talk to Wall Street about emissions than how their businesses might grow.

That, at least, is according to a Bloomberg analysis of conference calls for the world's 25 biggest fossil fuel producers including Exxon Mobil Corp. and Gazprom PJSC. The data shows how environmental buzzwords and key phrases such as “carbon”, “climate change” and “renewables” are finding its way into conversations with analysts and investors like never before.

The trend suggests that management teams, at least publicly, are increasingly engaged on the topic. They're coming under mounting pressure from investors and environmentalists to come up with a plan to slash greenhouse-gas emissions and prepare for a low-carbon future. That push comes as the world's largest economies aim to accelerate a shift from more polluting hydrocarbons to cleaner energy sources.

Beyond the dialog, how far those companies have gone in terms of concrete steps to tackle environmental, social and governance issues — particularly the “E” in ESG — varies and is the subject of much contention. While energy giants such as BP Plc and Royal Dutch Shell Plc have set targets for net zero carbon emissions by 2050, most of their peers are lagging to varying degrees. When it comes to ESG, it remains to be seen if the energy industry can do more than just talk.

“Every single company, especially the large producers of fossil fuels, must be feeling the pressure right now,” said Laura Zizzo, co-founder and chief executive officer of Manifest Climate, a Toronto-based consulting firm that helps companies address climate change. “The fact that they are feeling the pressure shows that there is going to be more pressure to have that lip service and the potential for greenwashing.”

Investors who dialed in to company conference calls of fossil-fuel giants this year heard the word “carbon” uttered 800 times, exceeding the 790 mentions of “growth” for the first time ever. References to words tied to energy transition so far this year have already outnumbered those for all of 2020.

The terms “carbon”, “methane”, “climate change”, “renewables” and “emission” have been said more times in calls this year than in any of the years going back to 2013. References to “net zero” emissions targets surfaced in calls held by 21 of the companies analyzed.

“Addressing energy transition is rapidly becoming one of the most important issues for the industry,” Ryan Lance, CEO of U.S. shale explorer ConocoPhillips Inc., said last month in a call with analysts.

The Bloomberg analysis is based on a search of words related to ESG issues in transcripts of quarterly earnings calls and other investor events from the largest energy companies that regularly hold calls in English. The transcripts include questions and comments from analysts and investors.

Carbon capture and sequestration, a costly technology climate scientists have long considered an essential component of meeting emission-reduction targets, has also emerged as a hot topic. It was cited more than 160 times this year -- three times more than in 2020 -- in calls of companies including Equinor ASA and **Ecopetrol** SA.

Fossil-fuel companies are increasingly touting their plans on emerging clean-energy technologies. Oil refiners such as Houston-based Marathon Petroleum Corp. and Phillips 66 are talking about wind and solar power. Hydrogen, a clean-burning fuel that can replace natural gas in heating and power generation, was cited a record 284 times this year in conference calls, including those held by Royal Dutch Shell Plc and TotalEnergies SE to Kinder Morgan Inc. and Suncor Energy Inc.

The energy sector is the biggest source of greenhouse-gas emissions and slashing those to eliminate pollution through 2050 will require huge declines in the use of coal, oil and gas and massive adoption of renewable energy sources, the International Energy Agency said in a May report. That should also mean no new investments in fossil-fuel supplies during the next few years.

The fact that these companies are talking about climate change is a step in the right direction, according to Manifest Climate's Zizzo.

“We can't do what activists have done too long, which is not give credit for that positive sign,” she said. “But we have to say, ‘And what's your next step now?’”

©2021 Bloomberg L.P.

Pot Shots



This U.S. legislation is a game changer: Curaleaf executive chairman



U.S. democratic senators to unveil draft cannabis reform bill on Wednesday: Report



Sobeys' owner looks to bring medical marijuana to pharmacies

Commodities Videos



Commodities update: Copper off record highs, U.S. dollar rallies

BNN Bloomberg's Andrew Bell looks at the latest movements in commodity markets.

Add to Playlist

The sell-off in oil is overdone: Blue Line Futures' Streible



Commodities update: U.S. dollar strength puts metal prices under pressure

METAL MOVERS			
FUTURES INDEX	1,807.40	▼ 7.60	0.42%
COMMODITY INDEX	25.21	▼ 0.58	2.27%
COMMODITY INDEX	4.21	▼ 0.12	2.67%

Commodities for Monday, July 19, 2021



CONTINUOUS PLAY: ☒ ON ☐ OFF