

Oil and Gas CEOs Testify on Lack of Emissions Reductions

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**MEDIA
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Oil and Gas CEOs Summoned to Testify on Climate Pollution Before Standing Committee on Environment and Sustainable Development

Context:

On June 6th the CEOs (or executive representatives) of five oil and gas companies will testify in front of the Standing Committee on Environment and Sustainable Development (ENVI). The committee invited Mr. Rich Kruger, CEO of Suncor Energy Inc., Mr. Brad Corson, CEO of Imperial Oil Ltd., Mr. Jon McKenzie, CEO of Cenovus Energy Inc., Mrs. Susannah Pierce, President and Country Chair of Shell Canada Limited and Vice President of Emerging Energy Solutions, and Mr. Greg Ebel, CEO of Enbridge to appear to explain how their activities are impacting Canada's ability to meet its climate commitments.¹

Oil and gas companies have made vague net-zero commitments and set some weak targets to reduce greenhouse gas emissions (GHGs). Meanwhile, these companies' activities remain inconsistent with Canada's climate targets. Furthermore, these companies have tried to weaken, prevent or delay critical climate policies, including methane regulations and the proposed cap on emissions from the oil and gas sector ('emissions cap')² – even though these rules are in line with the public commitments major oil and gas companies have already made.

While some of these companies have started to make public statements and launch massive advertising campaigns that acknowledge climate change, their track record on emissions reductions and lobbying against ambitious climate policy does not align with the reality of addressing the climate crisis. Therefore, these claims must be scrutinized. The fossil fuel industry's greenwashing must be exposed and discredited. As Canada faces another summer of devastating droughts and wildfires exacerbated by the climate crisis, Parliament must hold these oil and gas companies accountable on behalf of Canadians.

¹ House of Commons, ENVI Committee Meeting (2024). Minutes.
<https://www.ourcommons.ca/documentviewer/en/44-1/ENVI/meeting-103/minutes>

²InfluenceMap (2023). The Canadian Oil and Gas Industry and Climate Policy
<https://influencemap.org/briefing/The-Canadian-Oil-and-Gas-Industry-and-Climate-Policy-14696>

The United States House Oversight Committee has been investigating Big Oil's activities since 2021. The investigation has resulted in multiple reports confirming that oil and gas companies have been engaged in decades-long disinformation campaigns to mislead the public and obstruct climate action.³ A similar investigation has yet to take place in Canada.

Oil and Gas Production and Climate Change

Oil and gas production is the largest source of climate pollution in Canada, accounting for 31% of the country's greenhouse gas emissions (GHGs).⁴ Despite a growing rhetoric of climate action from major oil and gas brands, these companies have failed to meaningfully reduce their pollution. Canadian oil and gas production is still among the most emissions-intensive in the world.⁵ In fact, pollution from the industry – including methane, carbon dioxide and harmful air pollutants such as Volatile Organic Compounds – remains massively underreported.⁶ ⁷ GHGs from the oil and gas industry in Canada have been directly linked to the increase in incidents of extreme wildfires.⁸

Despite climate scientists agreeing that we must phase out fossil fuels to avert catastrophic climate change, the testifying fossil fuel companies continue to expand production. Their expansion plans put Canada on track to become the world's second-largest developer of new oil and gas extraction from 2023 to 2050.⁹ The cumulative CO2 pollution threatened by new extraction is estimated to be 18.6 Gt CO2.

The Intergovernmental Panel on Climate Change has been clear that to stay within 1.5 degrees Celsius of warming no new fossil fuel infrastructure should be built anywhere.¹⁰ Furthermore, ongoing oil and gas expansion ignores the accelerating energy transition. The International Energy Agency modelling shows that global demand for oil and gas will reach its peak and then start going down by 2030.¹¹ Canada will struggle to compete with

³United States Senate Committee on the Budget (2024) Whitehouse, Raskin Urge DOJ to Investigate Fossil Fuel Disinformation.

<https://www.budget.senate.gov/chairman/newsroom/press/whitehouse-raskin-urge-doj-to-investigate-fossil-fuel-disinformation->

⁴Government of Canada (2024). Greenhouse gas emissions by economic sector.

<https://www.canada.ca/en/environment-climate-change/services/environmental-indicators/greenhouse-gas-emissions.html>

⁵Jared Forman, Jonathan Arnold, *Locking out carbon lock-in (Part II)*, Canadian Climate Institute, 2023.

<https://climateinstitute.ca/locking-out-carbon-lock-in-part-2/>

⁶Bob Weber, "Oilsands emissions 65% higher than tallied by current measuring methods, study suggests", CBC, April 24, 2023. <https://www.cbc.ca/news/canada/calgary/oilsands-emissions-measurement-underestimated-study-1.6820451>

⁷Natasha O'Neill, "Canada 'vastly underestimating' oil sands carbon emissions: study", CTV News, January 27, 2024.

<https://www.ctvnews.ca/climate-and-environment/canada-s-oil-sands-carbon-emissions-could-be-underreported-by-6-300-study-1.6744985>

⁸ Benjamin Shingler, "Rise in extreme wildfires linked directly to emissions from oil companies in new study", CBC, May 24, 2023. <https://www.cbc.ca/news/canada/wildfires-climate-change-carbon-88-1.6852178>

⁹ Romain Ioualalen and Kelly Trout, *Planet Wreckers: How Countries' Oil and Gas Extraction Plans Risk Locking in Climate Chaos*. (Oil Change International, 2023). <https://priceofoil.org/content/uploads/2023/09/OCI-Planet-Wreckers-Report.pdf>

¹⁰Carbon Brief (2023). Q&A: IPCC wraps up its most in-depth assessment of climate change.

<https://www.carbonbrief.org/qa-ipcc-wraps-up-its-most-in-depth-assessment-of-climate-change/>

¹¹International Energy Agency (2022). World Energy Outlook 2022. <https://www.iea.org/reports/world-energy-outlook-2022>

cheaper, higher quality and less polluting sources of oil as demand declines. That means that any new fossil fuel infrastructure may not be profitable in the long term and risks quickly becoming a stranded asset.

Oil and Gas Companies are the Largest Barriers to Climate Progress

- Companies like Imperial have been studying the climate impacts of their oil and gas products since the 1970s.¹² This implies that for the past 50 years, they've been aware that their products would undermine our planet's ecological stability and ability to support life. Rather than alert people and curtail their operations, oil and gas companies have instead worked to deceive the public and decision-makers about the threat.¹³ If oil and gas companies hadn't spent 50 years doing everything in their power to block climate progress, we would be in a very different place today.
- These companies are actively opposing any accountability for their pollution. This includes opposing critical climate policy, as well as opposing internal measures. For example, Imperial's CEO successfully urged Imperial's shareholders to vote against a shareholder resolution that would have made the company adopt a target to achieve midterm absolute emissions reductions and net zero by 2050.¹⁴
- Many of these companies lobby the government heavily to oppose emissions reduction. For example, Cenovus, Shell Canada, Suncor, and Imperial Oil are members of the Canadian Association of Petroleum Producers (CAPP), which has been opposing the proposed cap on emissions for the oil and gas sector. CAPP sent a letter to Minister Guilbeault in February 2024, as well as a joint industry letter to the minister in March 2024 advocating for the withdrawal of the Emissions Cap.¹⁵ CAPP has also been critical of the Emissions Cap in its public statements and advocacy¹⁶ ¹⁷. They also opposed the methane regulation for the upstream oil and gas sector in comments submitted to the government in February 2024. CAPP was one of the most active lobbyists of the fossil fuel industry in 2023, recording 90 registered lobby meetings.

¹²Climate Investigations Centre (2019). Imperial Oil Document Trove.

<https://climateinvestigations.org/imperial-oil-document-trove/>

¹³Geoff Dembicki, "Canadian Oilsands Firm Denied Its Own Science On Climate Change", The Tyee, 11 Dec, 2019.

<https://thetyee.ca/News/2019/12/11/Canadian-Oilsands-Firm-Denied-Own-Science/>

¹⁴The Canadian Press, "Imperial Oil shareholders defeat shareholder motion to set net-zero emission target", CBC, May 04, 2021. <https://www.cbc.ca/news/canada/calgary/imperial-oil-no-net-zero-1.6013853>

¹⁵ LobbyMap (2024). CAPP, Opposing GHG emissions regulation, evidence for Q11 : D4.

<https://lobbymax.org/evidence/186a8a8ad7be3b735de4fa894287857c>

¹⁶ The Canadian Press, "Lobby group says emissions cap would cost oil and gas sector \$75B in lost investment", CTV News, May 27, 2024.

<https://www.ctvnews.ca/business/lobby-group-says-emissions-cap-would-cost-oil-and-gas-sector-75b-in-lost-investment-1.6902478>

¹⁷Amanda Stephenson, "Oil and Gas Lobby Raises Alarm Over 'Non-Existent Scenario' for Federal Emissions Cap", The Energy Mix, May 27, 2024.

<https://www.theenergymix.com/oil-and-gas-lobby-raises-alarm-over-non-existent-scenario-for-federal-emissions-cap/>

- Collectively, the five companies being called to testify at the committee had conducted 363 lobby meetings with the federal government in 2023. That number increases to 550 lobby meetings when including lobbying by industry associations.
- In the first quarter of 2024, the group of testifying companies collectively conducted at least 101 lobby meetings. With 65 working days in Q1, this translates to the companies holding at least three meetings every two workdays
- Cenovus, Imperial Oil, and Suncor are all part of the Pathways Alliance. In 2023, the Pathways Alliance logged 97 lobby meetings with the federal government, alongside a cross-Ministry working group established early in the year. Investigative journalism on this collaboration unveiled that Pathways lobbyists privately inquired with the government about bypassing a federal assessment and sought a government subsidy covering 50% of the operational costs for their proposed carbon capture and storage (CCS) project.

Greenwashing in the Oil and Gas Industry

- In November 2023 a UN Expert Group released their report *Integrity Matters: Net-Zero Emissions Commitments of Non-State Entities*.¹⁸ Based on its guidelines, oil and gas companies in Canada have failed to implement good-faith net-zero commitments and the industry's current approach is greenwashing.
- The Pathways Alliance is being investigated by the Competition Bureau for greenwashing in their "Clear the Air" advertising campaign.¹⁹ Research published in the journal *Energy Research and Social Science* found the Pathways Alliance engaged in multiple instances of greenwashing in their advertisements, obscuring the oil and gas sector's carbon pollution and the costs required to eliminate it.²⁰
- Many fossil fuel companies, and in particular the members of the Pathways Alliance, claim to be able to address their emissions through the use of CCS technology while continuing to expand production. An International Energy Agency report highlights that CCS cannot be used to maintain the status quo.²¹ "Continuing with business-as-usual for oil & gas while hoping a vast deployment of carbon capture will cut the emissions is fantasy," IEA executive director Fatih Birol said in late November 2023.²²

¹⁸United Nations High-Level Expert Group on the Net-Zero Emissions Commitments of Non-State Entities (2023). *Integrity Matters: Net-Zero Emissions Commitments of Non-State Entities*.

<https://www.un.org/en/climatechange/high-level-expert-group>

¹⁹Natasha Bulowski, "Competition Bureau investigates ads from Canada's biggest oilsands companies over greenwashing complaints", *National Observer*, May 12, 2023.

<https://www.nationalobserver.com/2023/05/12/news/competition-bureau-investigates-ads-biggest-oilsands-companies>

²⁰Carl Meyer, "'Detached from reality': researchers say Pathways Alliance misleading public with greenwashing", *The Narwhal*, April 4, 2024. <https://thenarwhal.ca/pathways-alliance-greenwashing-allegations-study/>

<https://www.sciencedirect.com/science/article/pii/S2214629624000938?via%3Dihub>

²¹International Energy Agency (2023). *The Oil and Gas Industry in Net Zero Transitions*.

<https://www.iea.org/reports/the-oil-and-gas-industry-in-net-zero-transitions>

²² Fatih Birol (@fbirol), November 23, 2023, "Continuing with business-as-usual for oil & gas while hoping a vast deployment of carbon capture will cut the emissions is fantasy...", Twitter. <https://x.com/fbirol/status/1727552767256932766>

- The Competition Bureau of Canada is also investigating Enbridge Gas' marketing campaign targeting new gas customers.²³ The company falsely promoted "natural" gas as the most cost-effective way for people to heat their homes, when in reality electric heat pumps are a significantly cheaper and more environmentally friendly option.²⁴ The deceptive marketing targets customers residing in communities recently connected to Enbridge's gas pipeline network or those scheduled for future connections.

Big Oil and the Affordability Crisis

- The profits from oil and gas companies are fueling inflation. In 2022, according to Statistics Canada, oil and gas extraction companies made \$269.9 billion in total revenue and \$63 billion in profits in Canada.²⁵ Although data for 2023 has not yet been released, just four of the top oil companies in Canada (Cenovus, Imperial Oil, Suncor, and Canadian Natural Resources Ltd.) had a combined annual profit of over \$25 billion last year.²⁶ Research shows that 25 cents of every inflationary dollar went to oil and gas profits.²⁷ There is a direct link between the industry's profiteering and the affordability crisis being experienced by Canadians.



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²³ John Woodside, "Enbridge accused of lying to customers", National Observer, September 8, 2023.

<https://www.nationalobserver.com/2023/09/08/news/enbridge-accused-lying-customers>

²⁴ Heather McDiarmid, *Electrifying Ontario's Gas-Heated Homes by Installing Air-Source Heat Pumps*, (Clean Air Alliance, 2022). <https://www.cleanairalliance.org/electrifying-ontarios-gas-heated-homes-by-installing-air-source-heat-pumps/>

²⁵ Statistics Canada (2023). Oil and gas extraction, 2022.

<https://www150.statcan.gc.ca/n1/daily-quotidien/230927/dq230927c-eng.htm>

²⁶ Julia Levin, *Canada's Fossil Fuel Funding in 2023*, (Environmental Defence Canada, 2024)

<https://environmentaldefence.ca/wp-content/uploads/2024/03/Canadas-Fossil-Fuel-Subsidies.pdf>

²⁷ David Macdonald, *Your inflation dollars may not be going where you think: report*, (Canadian Centre for Policy Alternatives, 2023).

<https://policyalternatives.ca/newsroom/news-releases/your-inflation-dollars-may-not-be-going-where-you-think-report>