BIG OIL AND GAS BUYING INFLUENCE IN BRUSSELS

WITH MONEY AND MEETINGS, SUBSIDIES AND SPONSORSHIPS, THE OIL AND GAS LOBBY IS FUELLING THE CLIMATE DISASTER



#FOSSILFREEPOLITICS









24 October 2019



Since 2010, just five oil and gas corporations and their fossil fuel lobby groups have spent at least a quarter of a billion euros buying influence at the heart of European decision-making. It's part of a decades-long strategy by fossil fuel lobbyists of denying widely-accepted science, and trying to delay, weaken, and sabotage climate action – despite knowing their business heats the planet and destroys communities.

This briefing exposes not just the hundreds of millions these oil and gas majors have spent on lobbying the EU, but the wide variety of underhand tactics they've used to successfully water down effective climate legislation.

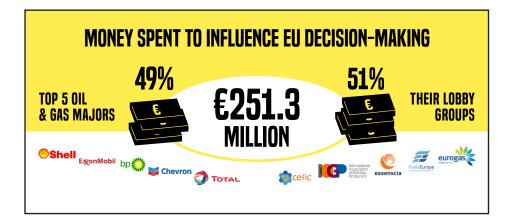
To really tackle the climate emergency, and ensure that climate and energy policy is conducted entirely in the public interest, we must cut fossil fuels out of our politics.

PART 1: MONEY AND MEETINGS FUELLING CLIMATE CRISIS



The world's five biggest publicly-traded oil and gas companies - and their Brussels-based fossil fuel lobby groups - have declared spending of over a quarter of a billion euros since 2010 on lobbying the EU, including to delay, weaken, and sabotage climate action.

BP, Chevron, ExxonMobil, Shell and Total, which together were responsible for 7.4% of all global greenhouse gas emissions between 1988 and 2015², declared spending €123.3 million on lobbying the EU between 2010 and 2018. Their 13 fossil fuel-related lobby groups declared an additional €128 million.



Since 2010, critically important climate and energy laws in Brussels and beyond have been watered down and weakened in line with industry demands. The EU's 2030 climate targets were agreed with no binding energy savings target and a woefully inadequate renewable energy target, while fossil gas is at the heart of the continent's 2050 long-term strategy. The international Paris agreement, meanwhile, makes not a single mention of fossil fuels, but opens the door to several of the industry's favourite false solutions, like carbon capture and storage³.

The insidious influence of the fossil fuel lobby is aided by its substantial spending power, of which this paper reveals only the tip of the iceberg. This pays for a wide variety of tactics, from sponsoring the climate talks to exploiting the revolving door between public office and the private sector (see Part 2). The very involvement of the fossil fuel lobby in decision making represents a colossal conflict of interest, which needs to be ended immediately.

THERE IS A FUNDAMENTAL CONFLICT BETWEEN THE INDUSTRY'S PROFITS, WHICH RELY ON EXPLOITING THEIR OIL AND GAS RESERVES, AND OUR NEED TO KEEP GLOBAL TEMPERATURE RISE BELOW 1.5 DEGREES.

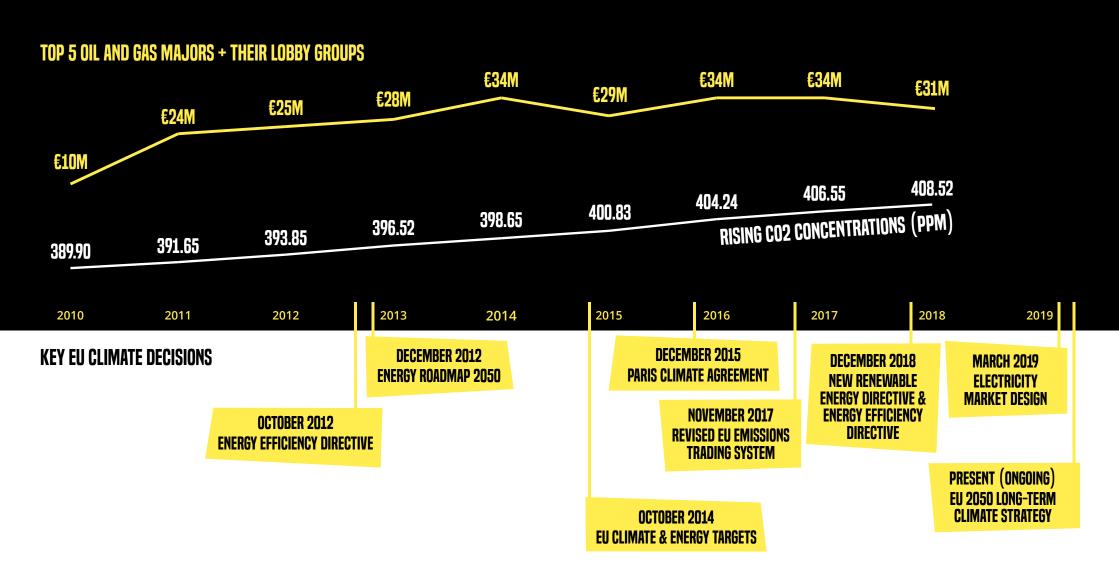
In 2018, the top five oil and gas companies made profits of over US\$82 billion, while their chief executives pocketed nearly US\$80 million. ExxonMobil – which knew about climate change in the 1960s, then spent decades discrediting evidence, slandering scientists, and undermining climate policies to protect its profits – paid its CEO US\$18.8 million. Shell, which is responsible for over 50 years of ecological devastation and human rights abuses in the Niger Delta, paid its CEO US\$23 million.

Fossil fuel lobbying peaks at key times when legislation is being drawn up, usually over several years. The top five and their trade associations had particularly high lobby spending in 2014 (see Graphic 3 on page 6), as the EU was agreeing its 2030 climate and energy targets. That year the top five and their lobby groups declared spending €34.3 million on influencing the EU. The targets proposed were far from what is required to keep within 1.5 degrees of climate heating or deliver Europe's fair share of its climate responsibility, thanks to the influence of the fossil fuel lobby.⁵

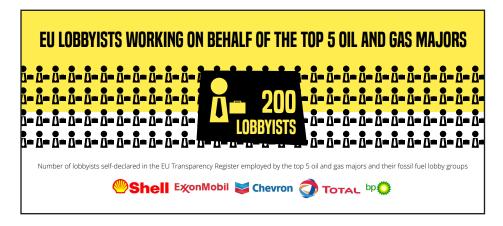




MONEY SPENT EACH YEAR BY BIG OIL AND GAS TO INFLUENCE EU DECISIONS



Access to EU climate and energy decision making is a big deal for these companies: the top five and their associations currently declare employing 200 lobbyists.7 And oil and gas industry lobby groups play a key role in amplifying industry messages and getting them to decision makers.



The lobby group with the biggest budget, with a declared €75 million spent on influencing the EU since 2010, is the petrochemicals industry trade association CEFIC. The top five are all members of CEFIC, which has a long track record of climatedestructive lobbying, including lobbying in favour of fracking and to open Europe's doors to US shale gas.8

FuelsEurope, the "voice of the European petroleum refining industry", has declared spending of over €13 million lobbying the EU since 2010. When FuelsEurope member ExxonMobil was under threat of losing its EU parliamentary access badges due to its history of climate denial and refusal to attend a hearing, the lobby group wrote to MEPs with thinly-veiled threats. It suggested that revoking Exxon's badges could lead to job losses and dry up lowcarbon energy investments by FuelsEurope's members.9

LOBBYING THE JUNCKER COMMISSION

Since President Jean-Claude Juncker's EU Commission took office in November 2014, the top five oil and gas companies and their trade associations have had 327 official meetings with European Commissioners, their cabinets and Director Generals. That's more than one a week.

The Commissioners (together with their cabinets) holding most meetings with them were:

 Energy and Climate Action Commissioner Miguel Arias Cañete and/or his cabinet: 51 meetings,

- Energy Union Commissioner Maroš **Sefcovic** and/or his cabinet: 44 meetings,
- Internal Market and Industry Commissioner Elżbieta **Bieńkowska** and/or her cabinet: 20 meetings,
- First Vice-President for Better Regulation Frans **Timmermans** and/or his cabinet: 13 meetings.

Meanwhile, the Director-General for Energy, Dominique Ristori, had 54 meetings.

The total lobby spend during the Juncker Commission (2014-2019) of the top five and their trade associations was €162.9 million.

327 HIGH-LEVEL MEETINGS BETWEEN THE EU COMMISSION AND BIG OIL AND GAS

Since 2014, the top 5 oil and gas majors and their lobby groups held



with high level European Commission officials

More than one meeting a week















PART 2: CONFLICTS OF INTEREST, SUBSIDIES AND SPONSORSHIPS

The fossil fuel industry's damaging influence on our democratic decision-making comes not only from its money and meetings, nor occurs solely in Brussels. The following examples reveal how its lobbying tactics and close ties to decision-makers have been devastatingly effective at sabotaging and misdirecting climate action at the national, EU, and international levels.

France's Hulot law neutered by oil lobby

In 2017, France's then-environment minister Nicolas Hulot announced a bill "to put an end to hydrocarbons in France". The first draft of the law set out a progressive phase-out of fossil fuel extraction by banning the renewal of exploitation permits: some oil and gas projects would have ended as soon as 2021, and only a few would still have existed by 2030.

However, documents obtained by Friends of the Earth France reveal how Big Oil derailed and fatally weakened the bill.

A private law firm representing oil company Vermilion complained to the Council of State, a high-level institution that advises the government. The lobby firm said the law would affect Vermilion's "legitimate expectations" of profit, and threatened to sue the state using secret corporate courts enshrined in trade and investment treaties (ISDS or investor state dispute settlement). The Council of State sided with the "rights and freedoms" of the private sector over the public interest. Following its opinion, the government removed all the most ambitious measures from the text.

Then, during the two months of legislative debate, industry lobbies managed to weaken the law even further, with the final version allowing exploitation permits under certain circumstances to be renewed after the 2040 deadline. And, once the new law was passed, Hulot signed even more permits than his predecessor. When he resigned a year later, he cited "the presence of lobby groups in the circles of power". 10

Revolving door amplifies fossil fuel voice

Leaving the European Parliament after 15 years as a member, Chris Davies set up a lobbying consultancy in 2014. Hiring an ex-MEP can open doors and provide invaluable expertise, a fact clearly understood by Davies, whose consultancy traded on his experience "shaping" EU climate and energy laws and as "the leading political voice calling for action to promote adoption of carbon capture and storage (CCS) technology".¹¹

This risky, costly and tentative technology is promoted by the fossil fuel industry, as it would theoretically capture and bury the emissions released from burning their product, rather than leaving fossil fuels in the ground in the first place. Yet even they admit it won't be commercially viable before 2030 – too late for urgent decarbonisation action needed within ten years.

Davies was closely backed by the industry: he co-drafted amendments with Shell and BP, and bragged of "blackmailing" the European Commission to secure public subsidies for CCS demonstration projects (which were ultimately a costly failure). ¹² As a consultant, he was hired by lobby firm Fleishman Hillard, whose clients have included fossil fuel lobbies, including Shell and BP, that worked with Davies when an MEP. ¹³

Davies was re-elected MEP in 2019, at a time when his LinkedIn profile stated he is "working now to establish a European CCS advocacy group in Brussels". What better position from which to do so than inside the European Parliament? Within months ads by lobby group GasNaturally appeared on Brussels' metro, featuring Chris Davies MEP¹⁴ insisting on behalf of fossil fuel companies that CCS is "critical for tackling the climate crisis".¹⁵

REVOLVING DOORS BETWEEN FOSSIL FUEL COMPANIES AND DECISION MAKERS ARE ANOTHER WAY THE INDUSTRY POLLUTES OUR POLITICS.



Gas industry has too much power over subsidies

The €30.4 billion Connecting Europe Facility (CEF) is intended to improve cross-border infrastructure in Europe, with €5.35 billion¹⁶ earmarked for energy projects. Tackling climate change is one of CEF's objectives, yet it is subsidising fossil gas infrastructure: over €1.6 billion¹⁷ has gone on gas projects since 2014 when we know that any additional infrastructure will lock us into a fossil fuel future. ¹⁸ This is thanks to the key role the gas industry has in deciding which gas infrastructure gets built and publicly funded.

The EU itself created its own in-house gas lobby group, the European Network of Transmission System Operators for Gas (ENTSO-G). The group is tasked with predicting future gas demand (which it consistently overestimates), and then proposes infrastructure to meet the inflated demand. ENTSO-G's members, which include Europe's biggest gas pipeline builders and operators, then build the majority of the proposed projects, while receiving public money and political support to do so.¹⁹

This conflict of interest is costing the planet dearly, locking-in gas infrastructure for decades to come. Despite the industry's spin, gas is not 'clean' or a bridge to renewables, it is a climate-wrecking fossil fuel that needs to stay in the ground.²⁰

Fossil fuel corporations sponsoring the climate talks

The international climate talks, hosted by the United Nations Framework Convention on Climate Change (UNFCCC), are repeatedly sponsored by fossil fuel companies. In 2018, COP24 took place in Katowice, Poland, where sponsors included Poland's biggest oil company LOTOS (which plans to expand its Arctic drilling), its leading gas company PGNiG (which plans to increase fracking and imports of US shale gas) and its largest power producer PGE (whose dirty coal plants were responsible for an estimated 1,180 premature deaths in 2016 alone).²¹

These companies – whose core business models depend on coal, oil and gas, and are therefore in irreconcilable conflict with the objectives of the Paris Agreement – get a platform to pretend they're part of the solution, as well as top-level access to climate decision making.

Climate-trashing corporations, whose business model is killing our future, keep being welcomed as partners in solving a climate crisis they profit from, despite having lobbied to delay, weaken, and sabotage climate action from day one. And the legitimacy lent to fossil fuel companies by sponsoring UN Climate talks has the added danger of making politicians more receptive to the false solutions they promote.²²

BUSINESSEUROPE, A VEHICLE FOR FOSSIL FUEL LOBBIES

A memo leaked in 2018 exposed the fact that Brussels' most influential big business lobby group, BusinessEurope, was promoting to its members various lobby strategies to oppose, delay or deflect the EU's plans to increase the ambition of its greenhouse gas emission reduction targets. These strategies were clearly intended to hamper climate action that could dent its members' profits: BusinessEurope's Corporate Advisory and Support Group includes BP, ExxonMobil, Shell and Total, as well as EDF, Engie, ENI, Equinor, Lukoil, OMV and Repsol.

BusinessEurope may not be a fossil fuel trade association or fossil fuel lobby group, per se, and its colossal lobby spending figures are not included in the spending calculations above, but there is no doubt it lobbies in the fossil fuel industry's interests. Since this insight into its climatewrecking intentions, BusinessEurope has had 21 top-level meetings with the Commission, including to discuss "energy policy" and "sustainability".²³



CONCLUSION:

WE NEED FOSSIL FREE POLITICS NOW

The fossil fuel industry has been fighting climate action for decades. Its influence in Brussels as well as elsewhere is extensive, well-funded, and is being used to protect the industry's business model and profits.

This report exposes merely the tip of the iceberg (see 'Methodology' box on page 16), and we know that the world's top five publicly-traded oil and gas companies also spend hundreds of millions on advertising, fancy press and stakeholder trips, sponsorship of climate-related events and other activities to push their agenda.²⁴

These corporate lobbying tactics have been devastatingly effective, with EU climate action falling far short of what's needed. At the same time, the EU has defended the fossil fuel industry's participation in the UN climate talks, where its presence allows it to continue to push false solutions that protect profits but risk climate breakdown. Yet there is a fundamental conflict between the industry's interests and the public interest – between their core business and a world that prevents climate breakdown by keeping global temperature rise below 1.5 degrees celsius.

We're facing a climate emergency, and as our governments take decisions to try to halt climate chaos, fix our energy system, and protect people and planet, we can no longer afford to let the fossil fuel industry use its access and influence to subvert, delay or weaken action.



Corporate Europe Observatory, Friends of the Earth Europe, Food & Water Europe and Greenpeace call on our political institutions to cut fossil fuels out of our politics, before it's too late:

1

Institute a firewall to end fossil fuel industry access to decision making: no lobby meetings; no seats in expert and advisory bodies; no role in governmental research bodies. 2

Avoid conflicts

of interest of decision-makers: no revolving door between public office and the fossil fuel industry; no industry side jobs or placements; no hiring of industry consultants.

3

End preferential

treatment of the fossil fuel industry: no involvement in climate negotiations; no place on government delegations to international negotiations or trade missions; no more subsidies or incentives.

4

Reject partnerships with the fossil fuel industry: no sponsorships or partnerships; no sharing platforms with industry representatives; no hosting or attending industry events; no party or candidate donations.





- Based on 2019 figures for Ireland: approx cost of cavity wall insulation for a 3-4 bedroom semi-detached house is €600 - € 1000 ie average €800. Source: https:// greener.ie/heating/cavity-wall-insulation/
- ² The Guardian, Just 100 companies responsible for 71% of global emissions, study says, 10/07/17, https://www.theguardian.com/sustainable-business/2017/jul/10/100-fossil-fuel-companies-investors-responsible-71-global-emissions-cdp-study-climate-change
- For more information, see, e.g. Corporate Europe Observatory, The Great Gas Lock-in, 2017, https://corporateeurope.org/en/climate-and-energy/2017/10/ great-gas-lock; Lobby Planet Paris - a guide to corporate COP21, 2015, https:// corporateeurope.org/en/environment/2015/11/lobby-planet-paris-guidecorporate-cop21
- 4 2018 Annual reports for Shell, ExxonMobil, BP, Total and Chevron. Reuters, Oil major Total CEO's compensation drops 17 percent in 2018: company document, 20/03/19, https://uk.reuters.com/article/us-total-ceo-compensation/oil-major-total-ceos-compensation-drops-17-percent-in-2018-company-document-idUKKCN1R12JO, and BP CEO Dudley's 2018 pay slips to \$14.7 million, 29/03/19, https://uk.reuters.com/article/us-bp-pay/bp-ceo-dudleys-2018-pay-slips-to-14-7-million-idUKKCN1RA17M; ExxonMobil, 2019 Executive Compensation Overview, https://corporate.exxonmobil.com/-/media/Global/Files/investor-relations/annual-meeting-materials/executive-compensation-overviews/2019-executive-compensation-overview.pdf; Eurostat, Wages and labour costs 2018, https://ec.europa.eu/eurostat/statistics-explained/index.php/Wages_and_labour_costs#Net_earnings_and_tax_burden
- Friends of the Earth Europe and Corporate Europe Observatory, Ending the affair between polluters and politicians, 19.03.2014, https://corporateeurope.org/en/ climate-and-energy/2014/03/ending-affair-between-polluters-and-politicians
- 6 2010's spending figure is significantly lower, but over half of the entities do not provide data for that year/ had not joined the lobby register yet this does not mean they weren't lobbying. Similarly, two trade associations have not yet declared for 2018. ExxonMobil did not declare its spending for 2015, but spent approx €5 million in 2014 and in 2016; if it had declared the same for 2015, the overall spending of the top five plus their lobbies would have been €34.3 million, more than either 2014 or 2016. See Box C: Methodology.
- ⁷ Based on Transparency Register data as of September 2019.
- Corporate Europe Observatory, Why the corporate capture of COP21 means we must Kick Big Polluters Out of climate policy, 03.12.2015, https://corporateeurope. org/en/climate-and-energy/2015/12/why-corporate-capture-cop21-means-wemust-kick-big-polluters-out-climate
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- ¹⁰ Friends of the Earth France and Multinationals Observatory, Les Sages sous influence? Le lobbying auprès du Conseil constitionnel et du Conseil d'Etat, June 2018, https://www.amisdelaterre.org/sages-sous-influence, and its addendum, August 2018, https://www.amisdelaterre.org/Decryptage-comment-les-lobbies-ont-detricote-la-loi-Hulot-via-le-Conseil-d-Etat.html; LaCroix, Démission de Nicolas Hulot, les lobbys en accusation, 29/08/2018, https://www.la-croix.com/France/Politique/Demission-Nicolas-Hulot-lobbys-accusation-2018-08-29-1200964804
- LinkedIn, Chris Davies, https://linkedin.com/in/chris-davies-94a77011b/ (publicly accessible profile, as accessed 23/09/19);
- 12 Corporate Europe Observatory, EU billions to keep burning fossil fuels: the battle to secure EU funding for carbon capture and storage, 2010, https:// corporateeurope.org/sites/default/files/sites/default/files/files/article /ccs.lobbying.pdf
- 13 Corporate Europe Observatory, Revolving Door Watch: Chris Davies, https:// corporateeurope.org/en/revolvingdoorwatch/cases/chris-davies
- 14 When contacted, Chris Davies declared that he did not receive any 'financial or any other kind of compensation' for the ads campaign.
- ¹⁵ Twitter, @pascoesabido 11:25 AM Sep 13, 2019, https://twitter.com/pascoesabido/status/1172456236773781505

- 16 "CEF-Energy envisages a total budget of €5.35 billion for trans-European energy infrastructure for the period 2014-2020." https://ec.europa.eu/info/news/energy-union-eu750-million-eufunding-available-clean-energy-infrastructure-2019-mar-20_en
- ¹⁷ Food & Water Europe, Europe and Friends of the Earth Europe calculations based on all CEF calls for gas PCI projects: List of all projects receiving EU support under the current call https://ec.europa.eu/energy/sites/ener/files/list_of_all_projects_receiving_eu_support_under_the_2019_cef_call.pdf Overview of projects financed by Connecting Europe Facility Energy in 2014-2018 http://ec.europa.eu/energy/en/topics/infrastructure/projects-common-interest
- 18 Friends of the Earth Europe, Commission issues €200m new subsidies for fossil fuels, 25 January 2018, http://www.foeeurope.org/Commission-issues-200m-new-subsidies-fossil-fuels-250128
- ¹⁹ Fossil Free Europe, Hiding in Plain Sight: How the EU's Gas Lobby is at the Heart of EU Energy Policy Making, https://foeeurope.org/sites/default/files/extractive_industries/2017/entso-g_ fossil_free_europe_report_vfinal.pdf; CAN Europe, Fossil fuel subsidies in Europe, http://www. caneurope.org/publications/blogs/1278-fossil-fuel-subsidies#CEF
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- 21 Corporate Accountability et al, Corporate Sponsors of COP24, 2018, https://corporateeurope.org/sites/default/files/fact_files_with_logos.pdf
- ²² Corporate Accountability et al, Big Polluters bankrolling COP24, 2018, https://corporateeurope.org/en/big-polluters-bankrolling-cop24, and Polluting Paris: How Big Polluters are undermining global climate policy, p.19, https://corporateeurope.org/sites/default/files/attachments/pollutingparis_cop23report_2017.pdf
- ²² Euractiv, Leaked memo exposes business rift on climate change, by Frédéric Simon, Sep 27, 2018, https://www.euractiv.com/section/climate-environment/news/leaked-memo-exposes-business-rift-on-climate-change/; BusinessEurope, ASGroup, https://www.businesseurope.eu/about-us/asgroup-our-partner-companies, and EU's 2030 Greenhouse Gas Emission Reduction Target, 13 September 2018, https://www.euractiv.com/section/climate-environment/news/leaked-memo-exposes-business-rift-on-climate-change/; Lobbyfacts, BusinessEurope, https://lobbyfacts.eu/representative/5154b37b6e0d410faa845848df291e92/businesseurope, as of 23/09/19
- ²⁴ InfluenceMap, Big Oil's Real Agenda on Climate Change, March 2019, https://influencemap.org/report/How-Big-Oil-Continues-to-Oppose-the-Paris-Agreement-38212275958aa21196dae3b76 220bddc
- ²⁵ Technical Committee of Petroleum Additive Manufacturers in Europe AISBL (ATC), Association Technique de l'Industrie Européenne des Lubriflants (ATIEL), European Chemical Industry Council (Cefic), European Biodiesel Board (EBB), Fédération belge des industries chimiques et des sciences de la vie (essenscia), EUROGAS aisbl (Eurogas), European Energy Forum (EEF), European Federation of Energy Traders (EFET), FuelsEurope (FuelsEurope), Hydrogen Europe (HE), International Emissions Trading Association (IETA), International Association of Oil & Gas Producers (IOGP), ETIP ZEP (ZEP). The latter, ETIP ZEP, has had two entries in the Transparency Register, one now expired ("ETP ZEP (ZEP)") and one currently active ("ETIP ZEP (ZEP)") lobby spending figures from both the expired and currently active entries are used to cover all relevant spending declarations for the years 2010-2018.
- These thirteen organisations are trade associations or lobby groups that one more of the top five companies declare membership of in the Transparency Register, and which are themselves in the register. However, not all associations that the top five are members of are included: only those whose membership and/or activity suggest predominantly fossil fuel-related lobbying. This includes chemicals and lubricants associations, but excludes cross-sectoral business groups.
- ALTER-EU, Our demands for the Inter-institutional negotiations on the EU Transparency Register, 2018, https://alter-eu.org/documents/2018/04/iia-negotiations
- ²⁸ See article 7 of the Code of Conduct for Members of the European Commission https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018D0221%2802%29
- ²⁹ Transparency Register data on LobbyFacts which shows all previous versions of an organisation's register entry was used to calculate the historical spending figures. (Lobbyfacts. eu was accessed September 2019). Where the spending figure for a particular year was changed/updated, the most recent figure was used. Where a threshold lobby expenditure was declared, the upper figure was used. For the lobby spending figures referring to the Juncker Commission period (see Box A), the lobby spend included spending for the year 2014 through to the most recently declared year, either 2017 or 2018 (since 2019 figures, and in some cases 2018 figures, were not yet available). The data on the number of high-level meetings held during the Juncker Commission's period of office is in accordance with that compiled by the Transparency Register for each entity in the register.





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