

# Polluting the Process: Fossil Fuel Investors and Industries Sponsoring Glasgow's COP26

We just can't have fossil fuel investors and industries sponsoring climate conferences like COP26.

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Rishi Sunak, the UK chancellor, has published a report announcing billions in road spending, cuts to taxes on polluting domestic flights and cancelled long-delayed fuel duty rises on the eve of crucial COP26 climate talks.

It is almost as if the financial wing of the UK Government is deliberately embarrassing its government colleagues hosting the climate conference. But that isn't the only problem.

Having polluters as sponsors of climate talks is a bit like letting tobacco companies sponsor hospital cancer wards. It lets them <u>pollute the process</u> of curing the underlying problem.

#### Net-zero

Major polluters Air France, gas and electricity company Engie and carmakers BMW and Renault were among the sponsors of COP21 in Paris in 2015, when countries agreed to limit global temperature rises to "well below 2C" by the end of the century, with the added ambition of making 1.5C the maximum permitted upper limit.

Poland's leading coal company Jastrzębska Spółka Węglowa (JSW) sponsored COP 24 in Katowice, at the heart of the country's coal-producing region, as recently as 2018. The Polish pavilion memorably advertised coal-shaped bars of soap.

Corporate accountability groups accused Spain of allowing its biggest polluters to use the climate summit in Madrid the following year to "wrap themselves in the green branding of the COP".

COP26 in Glasgow announced that it will not accept sponsorship from companies without clear short-term plans to go towards net-zero emissions.

Even allowing for issues to do with framing of 'net zero' and how it typically relies on unproven carbon removal technologies, and flawed and misleading so-called carbon 'offset' schemes, advertising may turn out to be another matter.

## Pledge

The advertising industry has been waking up to the scale of climate destabilisation by setting up different climate initiatives.

In the UK, for example, <u>Purpose Disruptors</u>, a network of advertising professionals, is calling for a reset of their industry in order to tackle the high carbon consumerism fuelled by advertising campaigns.

And, COP26 in Glasgow prompted the UK Advertising Association to release a five-step plan on how the sector can meet net zero emissions called Ad Net Zero.

These, though, are mostly broad, general pledges that companies in the industry can sign onto, which say nothing about the sector's underlying responsibility in fuelling materialism and over-consumption, and promoting high-carbon lifestyles.

One recent exception is the <u>Clean Creatives</u> initiative that calls on agencies to refuse work on marketing campaigns for major polluters, and to drop specifically fossil fuel companies as clients. At the time of writing, 400 individual workers in the sector had signed the pledge alongside 132 agencies.

## Aggressive

According to the UK government, COP26 would only accept sponsors that would help make "COP26 a success and help to deliver international action on climate change". And who, "are making real contributions to the fight against climate change, and are aligned with the aims of COP26... (and) Have strong climate credentials."

It appears to be a step forward, and is at least an acknowledgement that it matters to have sponsors who are, at least, aligned with the purpose of what they are sponsoring.

But for some reason, this did not prevent them from including the SUV-manufacturer, Jaguar Land Rover – which is currently under investigation by the Advertising Standards Authority for environmentally irresponsible advertising after it was the subject of multiple complaints.

In September, the UK government announced that among the sponsors Jaguar Land Rover would be providing transport for the conference site.

These would be electric vehicles, but the company is still very much responsible for promoting the <u>massive car market shift towards heavily polluting</u>, and <u>very large</u>, <u>road hogging</u>, <u>sports utility vehicles</u> (SUVs) – a phenomenon which has spread internationally. And they still aggressively market this highly polluting form of traffic.

## Touchstone

Another COP26 sponsor is the Boston Consulting Group, or BCG, one of the big three management consultancies in the world, and currently trying to position itself as a global thought leader on sustainability.

And BCG is a <u>major supplier of consultancy services to the oil and gas industry</u>. And, whilst it says that one of its services is to help the industry 'contribute to a path to decarbonisation', such industry initiatives are repeatedly exposed as greenwash.

One of BCG's services is to the so-called "upstream oil and gas industry" in which it promises to unlock "new opportunities for oil and gas companies around the world".

For the uninitiated, the 'upstream' industry is to do with exploration for new fossil fuel sources and production. It has now become a touchstone of climate policy that only a small proportion of already known fossil fuel sources can be safely used.

That means that any new exploration and production is incompatible with climate targets – and therefore in direct contradiction to the purpose of COP26.

# Gadget

A global campaign is now calling for a <u>Fossil Fuel Non Proliferation Treaty</u> to end new exploration and production. BCG also promises to work with oil and gas companies "to stay competitive by helping them improve operational efficiency, (and) reduce costs."

It boasts of its database of 'unconventional assets' meaning highly polluting shale oil and gas, and specifically of helping <u>one Indian corporate</u> client (unnamed) to "aggressively expand into the faster-growing petrochemicals market."

Another COP26 sponsor is food company Reckitt Benckiser, formerly Reckitt & Colman. As manufacturers of brands from Dettol to Durex, the *Scotsman* asked the question: <u>'Who is Reckitt?</u>: The COP26 'greenwash' firm behind everyday household products'.

The article points to its use of 134,414 tonnes of palm oil or palm oil products in 2019, for which it relies, "on a slew of mills based predominantly in Indonesia and Malaysia." Palm oil production is associated with widespread problems including deforestation which is a major contributor to global heating.

Other sponsors include supermarket Sainsbury's, gadget manufacturers Hitachi, and three UK power companies, SSE, Scottish Power and the National Grid.

## **Polluting**

Hitachi's purpose is to sell energy-hungry hi-tech gadgets to as many people as possible. Subsidiary Hitachi Metals has not even set any greenhouse gas emission reduction targets.

SSE and Scottish Power don't appear on any lists of the greenest energy providers, and SSE recently ranked among Scotland's top polluters with its gas station at Peterhead, Aberdeenshire, emitting 1.6m tonnes of carbon dioxide in 2019.

Sainsbury's came last in a 2018 survey of supermarket plastic policies and was found to have made the least progress on plastics reduction since January 2018.

While Sainsbury's may perform relatively well compared to other major supermarkets, in comparison to more localised and independent retail and supply chains, such supermarkets lock-in a model which is energy inefficient, encouraging car-based shopping, has centralised

logistics vulnerable to disruption, and is poor in terms of spreading local economic benefits.

In one advert displaying its credentials as a sponsor of COP26, Sainsbury's promoted a beef dish, and beef notoriously is one of the most polluting, high-carbon of foodstuffs.

#### **Ambitious**

Bankers NatWest are also a sponsor which – the company says – "builds on our commitments to make our operations carbon net zero by the end of 2020 and to at least halve the climate impact of our financing activity by 2030."

The problem is that, while NatWest's commitment may be real, it is still being listed by Banking on Climate Chaos as one of the <u>top 50 polluting banks in the world</u> – with investments in coal all around the planet.

They are also just a subsidiary company of one of the biggest retail banks in the world, Royal Bank of Scotland (RBS). Share Action put RBS, with its significant investments in polluters, at number 15 out of 20 where its approach to the climate challenge represented only a 'business as usual' no-change approach, not one of responding to the crisis.

"Worryingly," wrote Share Action researchers, "our research found that only two of the thirty six companies reviewed clearly demonstrated effective plans to reduce their carbon impacts in time, with 94 per cent of retail banks failing to convince on climate strategy."

NatWest's commitment on measurement appeared one of the most ambitious, stating that it aimed "to quantify our climate impact and set sector-specific targets by 2022".

#### Umbrella

Yet owners RBS provided \$1.1 billion to the fossil fuel industry from 2015-17, which makes it one of the world's largest financiers of fossil fuels, exemplifying the short-termism of the capital markets which prioritises profit maximisation over other concerns.

Fossil fuel infrastructure is normally planned to be operating for at least 40 years, ten years beyond the UK government's own target of getting to net zero carbon emissions by 2050. In other words, any apparent commitment by NatWest is compromised and contradicted by simply being a brand name used by a major fossil fuel funder.

This is in 2021. But whole process of negotiating any kind of solution to global warming – starting with the Rio Earth Summit in 1992 – has involved fossil fuel companies lobbying heavily at various levels to secure their interests and slow or avoid the action necessary to reverse climate breakdown.

To achieve this, the corporates began by forming a number of umbrella groups, like the Global Climate Coalition (GCC) and the Climate Council which presented their interests as those of business in general.

### **Emissions**

In fact, the core membership of these groups, particularly the GCC and those like it, were coal and oil companies, particularly from the USA – though chemical companies and car manufacturers were also well represented.

The GCC, which described itself as 'the leading business voice on climate change', included among its members a number of familiar names like the American Petroleum Institute, Du Pont, Dow, Ford, General Motors, Texaco, Chevron, Exxon Mobil and Shell.

Such tactics were well tested by American tobacco companies when they fought against legislation to prevent them from advertising.

These included: emphasising remaining scientific uncertainties; engaging in highly misleading campaigns in the mass media; arguing that the costs of action will be too high; and threatening nations to prevent the adoption of policies to limit emissions.

#### Industries

Part of the problem is that COPs have become like trade fairs, set up in such a way that they create lobbying opportunities for well-funded major energy companies who can afford large scale presences and displays, often more so than whole nations from the Global South.

At the height of the pandemic, a Swedish civil society initiative proposed ways to improve virtual access which could also better control corporate lobbying.

To make sure that sponsorships and advertising never undermine the purpose of the COPs, and to prevent corporate capture and greenwash attempts by big polluters within and outside COP events, conference hosts need to carefully regulate sponsorship and advertising activities taking place within a reasonable distance of the conferences.

Like the regulations applied to tobacco companies by the World Health Organisation, hosts of COP events should apply the same principles to high-carbon companies and sectors including airlines, car manufacturers and fossil fuel industries.

## Debate

More specifically, climate conference hosts need to:

- 1. Turn down any sponsorship deal by high-carbon companies, sectors and trade associations.
- 2. Regulate advertising and marketing activities by high-carbon companies within the conference centre. In addition, hosts should take steps to work with local authorities to prevent these same companies from advertising their products and services within a reasonable proximity of the conference centre. And, building upon these demands, the recommendations from *Glasgow Calls Polluters Out* could be used to:
- 3. Lock polluters out' by adopting a conflict of interest policy that blocks high-carbon companies from access to accreditations, expert and advisory bodies and UNFCCC posts, and ends sponsorship deals.

Instead, greater participation should be prioritised for those communities in the Global South most affected by climate breakdown.

Measures could include equity based quotas for physical delegation sizes complemented with online participation and financial support for attendance.

Climate conferences, and the climate debate itself have to stop being billboards for the influence of the very interests who make the climate crisis worse.

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Featured image: Prime minister Boris Johnson visits Rolls Royce in Bristol on 15 October 2021. (Source: Flickr, Number 10)

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