

Translated for convenience only!

# GELD

# MAGAZIN

NOVEMBER 11, 2022

---

## Big Oil goes green(er)

---

**Big multinational oil companies are not only producing fossil fuels, but are now investing huge sums in renewable energy. Big Oil is thus moving in the direction of ESG, analyzes Hans Peter Schupp, board member of the fund company Fidecum.**

Oil multinationals are criticized because - so the accusation goes - they exploit the earth and pollute the environment. That's true in principle, but Big Oil is also getting greener. The pressure to rebuild with climate change in mind has grown: "Activists, governments, courts and investors are forcing oil companies to become more sustainable. And they are going to great lengths to comply with these demands," says Schupp.

Shell: Green investments



Hans Peter Schupp,  
Member of the Board at Fidecum AG

"For example, Shell recently acquired the U.S. solar farm developer Savion. The group is thus implementing its plan to further strengthen the renewable energy sector. Shell announced last year that it would invest two to three billion dollars per year in renewable energies. The Savion takeover is just the continuation of a whole series of investments, because Shell has an ambitious goal: By 2050, the group wants to be climate-neutral, and by 2030, carbon dioxide emissions should already be cut in half compared to 2016.

As one of the fastest-growing and most cost-effective renewable energy sources, solar energy is a crucial element of the strategy, Shell had justified the acquisition at the time. But that's not all: Shell is planning to build the largest green hydrogen plant in Europe. This is to go into operation in Rotterdam as early as 2025."

## **ENI: Fusion pioneer**

Italian oil company ENI is in turn the largest shareholder in Commonwealth Fusion Systems, a company that has achieved nuclear fusion, at least under laboratory conditions. The company was founded in 2018 as a spin-off from the Massachusetts Institute of Technology (MIT) and aims to build a compact fusion power plant based on the ARC tokamak power plant concept.

The fusion of two hydrogen atoms is a physical reaction that releases an enormous amount of energy without producing greenhouse gases, pollutants or highly radioactive substances. Ongoing research programs, including that of Commonwealth Fusion Systems, aim to successfully reproduce fusion on an industrial scale in magnetic confinement reactors. Schupp says, "This would provide a safe, carbon-free and potentially unlimited source of energy. ENI is pioneering this field together with MIT."

## **Good ESG ratings**

These are just two examples from the Fidecum portfolio of how Big Oil invests in alternative and renewable energy. Says Schupp, "This also improves their ESG ratings. Shell, for example, now has an AA rating on the MSCI ESG score. And ENI has been affirmed by MSCI with an A ESG rating, ranking it as a leader in health and safety and carbon emissions. It's not enough yet for Big Oil to produce and invest in sustainability. But it's trying hard, as evidenced by its already decent ESG ratings today."

Fidecum/HK

**Translated for convenience only!**