

# An overview of the carbon strategies of ten of Europe's largest energy companies

A study of the 'carbon strategies' of ten of Europe's largest energy companies reveal that the large European energy producers are in the process of implementing strategies that reflect the need for less-carbon-intensive and more sustainable energy production.

In the European Union, about 36% of greenhouse gas emissions are attributable to the generation of electricity and heat. A focus on the actual emitters of greenhouse gases is essential for assessing the real prospects of achieving a transition to more sustainable energy production. In Pathways a study of the 'carbon strategies' of ten of Europe's largest energy companies has been performed (based on their responses to the 2009 Carbon Disclosure Project inquiry).

The findings of this study reveal that the large European energy producers are implementing strategies that reflect the need for less-carbon-intensive and more sustainable energy production. However, when the carbon strategies are viewed through the lens of the four different strategic dimensions, the companies seem somewhat biased towards emission reduction efforts. This is perhaps not surprising, given the substantial benefits that companies can reap from reducing emissions. Clean technology investments also play an important role, allowing the companies to renew their production portfolios and meet future needs.

Renewable capacity investments represent the largest chunk of the investments, although investments in thermal capacity also are significant. This underlines the importance of new mitigating technologies, such as CCS, for making real progress towards CO<sub>2</sub> abatement.

Overall, the portfolio of measures that constitute the companies' carbon strategies seems geared more towards internal efforts than towards customers and stakeholders. The reason for this may be that the empirical material does not emphasize these external aspects, resulting in a somewhat unbalanced portfolio of mitigation measures. Nevertheless, if these large energy companies are to make a broader contribution to sustainable development, product stewardship and the corporate vision have to be geared towards sustainability. Further research should elucidate the roles that energy companies can play in the transition towards more sustainable energy production and consumption.

Table : Key statistics for ten of Europe's largest energy companies (2008 values)

Corporation	Installed capacity within EU (MW)	Emissions from fossil fuels in the EU (Scope 1 Mt CO <sub>2</sub> equivalent)	Sales (M€ - 2008)
Electricité de France (EDF)	107 370	61,9	64 300
ENEL	62 003	75,8	61 184
E.ON	56 489	88,0	86 753
Vattenfall	52 122	83,1	15 041
RWE	41 895	172,1	48 950
Iberdrola	32 946	26,8	25 196
GDF Suez	30 983	25,3	83 053
Energías de Portugal (EDP)	14 969	19,8	13 894
Scottish & Southern Energy	10 571	19,3	32 052
Centrica	3 822	8,8	26 910

Source: Carbon Disclosure Project (2010)

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