Foreword

As the energy industry has faced COVID-19 and the subsequent dramatic fall in the oil price, the global Energy + Industrials team at H+K Strategies decided to write a series of short perspectives about how energy brands were responding in their respective markets.

This short paper sets out a fascinating journey through those perspectives, detailing how energy companies are supporting the front line fight against the virus and helping local economies and job creation while grappling with severe business challenges and the continuing imperative to drive forward through the energy transition.

We hope you enjoy reading this document and we look forward to discussing the issues it raises with you across the next few months.
While the effects of the COVID-19 pandemic are still playing out across the global energy sector, one trend has emerged in the course of our review which is reshaping the communications priorities of big energy companies, at least until an effective vaccine is developed.

The major change in strategy is the urgent new need for energy companies to establish closer digital contact with their spread-out workforces, even at remote production facilities. At stake are not just health and safety issues but caring for the overall wellness of isolated employees.

New shorter lines of communication have become necessary because staff outbreaks of COVID-19 not only can threaten health and safety, but productivity, energy security and brand reputations.

From Canada to Saudi Arabia to China and Africa, energy firms have been forced to quickly strengthen digital communication links to rank-and-file employees or erect them where often none existed before. This new form of internal outreach – usually through video town halls and webinars by CEOs and other top managers – varies by market but usually involves close, intense, focused mass communication.

The response has also varied based on national or regional context. In Asia, Shell stopped its marketing communications and focused on highlighting its contributions to frontline workers in healthcare and law enforcement. In North America, Petro Canada is supporting fuel truck delivery drivers by keeping open one of the nation’s few remaining public bathroom networks. In Saudi Arabia, the Aramco chairman is now a frequent video visitor to the firm’s 76,000 employees. In Norway, Equinor has secured its rigs and doubled down on its dual commitment to value creation and environmental sustainability.

In China, utility Capital Water is rebuilding field hospitals in Hubei province and helping transport garbage. In Brazil, Grupo Ultra’s Iparanga put a mask over its official corporate logo, offered fuel discounts to medical workers, while securing the health and wellbeing of its own workforce.

While such measures have been embraced across the sector, major questions remain about the future of communications in a post-pandemic world. Will energy companies’ newfound closeness to their rank-and-file end once a vaccine is developed, or will companies see lasting value in this new technology-led proximity to workers? Externally, will energy company communications on environmental sustainability issues resume with the same level of forcefulness as before, or continue to take a back seat to COVID-related reality as the economic effects of the virus play out?

In the coming months, answers to some of these questions may come into focus. The following review paints an initial picture of the global energy industry in transition, balancing multiple challenges of a tenacious deadly virus, a faltering world economy and a communication manager’s need to maintain appropriate distance while holding energy workers closer than ever before.

Executive Summary

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The energy sector around the world has been dealt significant blows from the drastic reduction in the global price for oil along with a massive reduction in demand as COVID-19 makes travel and manufacturing a challenge.

Canada is no different, but perhaps in a worse position than some other countries around the world, as politics and public affairs dealt a significant blow to the industry prior to the price and pandemic double hit.

In the months preceding the price crash and pandemic, the Canadian energy sector already faced years long difficulties from not being able to get its oil to tidewater due to pipeline activism, rail blockades, and a political climate that is often opposed to the production of carbon based energy. This resulted in the federal governing party having all their seats erased from the energy focused province of Alberta and we now see the flames of separatism being fanned.

Against this backdrop, energy brands in Canada have not had the luxury of responding in meaningful ways which impact the population at large during this crisis. Government funds have been all but absent for the energy sector which historically has made up over 10% of Canada’s GDP. To date, aid focused on funds for properly addressing the abandoned oil well issue in Alberta or of a “green recovery” which has not done much to address the fears of bankruptcies and widespread unemployment, which already saw hundreds of thousands of lost jobs prior to 2020. Additional federal government dollars are more likely to go to individuals that have lost their jobs in the energy sector than it is to go to corporations to save those same jobs.

Brands have had to walk a difficult line. They, like the federal government, have tried to take their messages to the people directly to build good will, brand loyalty, and demonstrate that everyone must help others get through this difficult time. A perfect example of this are retail arms of major energy companies like Petro Canada. With service stations across the country serving as some of the only public washroom facilities still open, Petro Canada has made a major push to welcome transport trailer truck drivers to their service stations. In a country the size of Canada, with a very low population density, these long-haul truck drivers are a critical part of our national supply chain, and Petro Canada has seized on the need to support these workers in their efforts to keep food, medical supplies, and other necessary goods flowing.

The hope for the brand is to create that affinity amongst the population so that when the world goes back to normal, the population will support the brand in their fight for survival against significant global and domestic headwinds.
Norway is a peculiar country in the energy industry – a major oil and gas producer but relatively self-sufficient with renewable energy for the last 50 years.

The oil and gas industry dominates the Norwegian energy industry, and the economy as a whole. Norway’s number one export is oil and gas (representing 47% of the value of total exports, with its second largest export being oil and gas technology and services, followed by seafood), and 20% of total annual capital investments in Norway is in the oil and gas sector. In total, at least 5% of the total population of Norway is employed by the oil and gas industry and taxes from the oil and gas industry have been funneled into the largest sovereign wealth fund in the world.

Given this dependency, the topic of the future of the oil and gas industry is a very important and public debate in Norway, and in recent years this debate has naturally been dominated by the carbon question, and how this question must be answered for the industry to maintain its License to Operate. Equinor (previously Statoil) has been a front-runner both locally and in the international industry in developing low carbon technologies, expanding their footprint into new energy solutions and setting ambitious climate targets like reducing net carbon intensity by at least 50% by 2050.

Other oil and gas companies in Norway, including Aker BP (a joint venture between BP and Norwegian industrial conglomerate Aker ASA) and Vår Energi (a merger between ExxonMobil and ENI’s Norwegian portfolios backed by ENI and PE fund HitecVision) have followed suit.

This carbon focus is a shift from the traditional License to Operate for the industry, where creating value for host communities was the key priority; job creation, tax payments and contracts to suppliers. In recent years, being seen as a constructive partner in solving the world’s climate challenges has come to the forefront, while economic ripple effects have taken more of a backseat position – it’s almost like it’s been taken for granted.

That all changed when COVID-19 hit, the Brent Spot dropped to USD 15, people started receiving lay-off notices and politicians had to be seen to be creating new jobs. Everyone looked to the oil and gas industry to fuel the economy, but with the bottom falling out of the oil market, the oil and gas industry was also in dire straits. At the time of writing, we are still waiting for the final word on a COVID-19-related adjustment in the tax scheme for the oil and gas industry that will stimulate new projects for the coming couple of years, creating jobs and new opportunities despite the challenging market outlook.

Creating jobs will not be enough, though. They must be the right kind of jobs. Even though value creation has taken a front seat again, everyone sees that the industry’s license to operate is not dependent on either delivering on climate or delivering on value creation – it’s about both, and about balancing the two. That is why the investment decision from Equinor, Shell and Total on the Northern Lights carbon storage project in May was so important. It is a great example of a project that can help deliver sustainable development in the true sense of the word – both economically sustainable development and ecologically sustainable development.
Energy brands across the Middle East and North Africa have been responding to COVID-19 and the concomitant oil price shock and global economic crunch with a mix of caution and optimism.

In terms of operations, companies across the energy sector are seeking operational efficiencies and cost savings while dealing with project delays and in some cases cancellations of bids due to supply chain and logistics issues. In the longer term, some off-takers may not be able to fulfill their financial obligations, thus creating contractual issues with partners and potential opportunities for acquisitions of distressed assets in some sectors.

In the oil sector, after ramping up production toward its target of supplying a record 12.3 million barrels a day in April, Saudi Arabia, along with major exporters in the region, agreed to significant production cuts through OPEC, restoring some calm in oil markets. However, while those production cuts have been extended, they still do not match the drop in global demand for crude, according to the International Energy Agency.

In the gas sector, Qatar Petroleum has cut costs by as much as 30%, while also reaffirming its plans to move forward with the expansion of the world’s largest liquefied natural gas project, despite slumping global energy demand and the ensuing supply glut. Dramatic impacts are also being felt in the eastern Mediterranean, where the governments of Israel, Egypt, Cyprus and Lebanon were looking to the potential economic boost and geopolitical stability brought by natural gas discoveries and interstate sales. Broadly speaking, CAPEX spends on LNG projects in the MENA region are likely to be delayed or deferred over the next few years.

From a communications standpoint, companies have largely turned their focus inward, particularly in the case of the national oil companies. Saudi Aramco, for one, refocused its communications strategy in mid-March when the company first acknowledged the COVID-19 crisis. Until that point, Aramco’s recent public communications had largely been a mix of business continuity, environmental sustainability and technical innovation messaging related to the company and the energy business. Since then, however, the company has made the health, safety and well-being of its 76,000 employees the near exclusive focus of its communications.

Similarly, in the neighbouring United Arab Emirates, Abu Dhabi National Oil Company has moved from a steady flow of deal and partnership stories to delivering messages of unity, resilience, continuity, and health and safety. ADNOC has moved much of its attention to its owned digital channels, aiming to inform and reassure its business stakeholders and the broader UAE community. During the Islamic holy month of Ramadan, which often sees the airing of special television series aimed at entertaining and informing families during long days of fasting, the company hosted a “Virtual Majilis” series featuring discussions from remote working and wellness to food security and post-COVID recovery. “It is essential to communicate a message of unity, that we are in this together and will find our way through together,” ADNOC CEO Dr. Sultan Al Jaber said during one program.
While most energy companies have been hesitant to provide outlooks or updates, the renewables sector in the region has been cautiously forging ahead and adding to the growing conversation about a sustainable, low-carbon recovery. Major project updates from companies like ACWA Power, which inked a power purchase agreement for its 900MW plant in Dubai; Emirates Water and Electricity Company, which received a world record-low bid of 1.35 US cents/kWh for a massive 2GW solar PV plant in Abu Dhabi; Marubeni which flagged the opening of a 100MW solar PV facility in Oman, the largest in the country, and; Abu Dhabi-based Masdar, which announced international deals including a refinancing of its stake in the London Array offshore windfarm and the inking of a deal to build 500MW of wind in Uzbekistan. Taken together, these deals highlight the overall strength and resilience of the renewables sector and that projects are still reaching major development milestones, despite global economic challenges.
In response to the COVID-19 pandemic, energy brands in Africa have been forced to hit the pause button on their original marketing plans and quickly adjust their messaging, operations and daily interactions with customers and stakeholders in an effort to keep people safe and healthy. Many brands have stepped up to face these tough times with generosity, creativity and the support so many people need.

Over the past two months, energy companies have shifted their focus to ensure mainly that they continue operations as best they can whilst focusing efforts on supporting their employees, investing in PPE for onsite staff and enabling a work from home environment for everyone else. Investment in local communities is now being redirected towards relief measures for the communities to cope with the pandemic. Brand and product messaging have given way to messaging that focuses on driving responsible behaviour, hygiene tips and messages of support to the communities they operate in as well as their employees. Oil and gas companies are mainly communicating project delays and the reduction in investments in exploration.

Independent Power Producers (IPPs) in South Africa have redirected their investments in the local communities towards COVID relief related activities. Given that, through the government Renewable Independent Power Producer Programme, IPPs are required to invest a certain percentage of their gross revenue towards enterprise development and socio-economic development programmes for the communities in which they operate. The challenge is in directing and balancing the funding between the current programs already committed to contractually, versus the need to respond to the community’s immediate COVID-19 related requirements.

One of the leading South African IPP’s, Pele Green Energy, through its 36 MW Solar CPV 1 project has directed funding to providing local hospitals and clinics with PPE support, the disinfecting of early childhood development centres and old age homes, the distribution of protective masks to the community members and providing information packs and regular communication updates (in the local language) to community members. These information packs aim to minimise the spread of fake news, inform on how to apply for the Unemployment Fund and hygiene and social distancing tips to drive behaviour change. Communication efforts consist of stakeholder communication mainly with little to no media relations.

Sasol in South Africa has been particularly vocal in the media about its new business strategy. A review of how best to position the business for sustainability in a low-oil-price environment was progressing and its expanded asset disposal process has yielded good interest, despite market uncertainty. Sasol has developed a comprehensive response strategy, which is being executed to mitigate the impact of COVID-19 and a lower oil price as far as practically possible. This includes a cash conservation programme, an accelerated and expanded asset disposal and partnering programme, as well as a potential rights issue of up to US$2 billion, which remains subject to the progress of other initiatives. Sasol maintains a long-term commitment to achieving an investment grade credit rating. Further to this, progress has been made on Sasol’s hedging programme in reducing Sasol’s exposure to any further short-term pricing downside risk.
Brazil is the largest crude oil producer in Latin America. In 2019, the country produced 1.018 billion barrels of oil so that, for the first time, a South American nation passed the billion-barrel mark for annual production.

The State-controlled company Petrobras is the biggest oil producer in Brazil by a substantial margin, accounting for over 70% of Brazil's oil production. Petrobras is also the largest Brazilian company among all sectors. The crude oil price decrease caused a negative effect on Petrobras' sales and production, reducing the utilization factor of refineries up to 60%. Despite the operational and financial impact – the company reported a net loss of 48 billion reais (USD 8.4 bn) in the first quarter – Petrobras has donated to the Public Health System 600,000 diagnostic tests for COVID-19 and also about 3 million litres of fuel to supply ambulances from public and philanthropic hospitals across the country. The company announced a partnership with FIRJAN (Rio’s Industries Federation) to foresee the development of a new testing methodology, with the potential to increase the analysis capacity by approximately 10 times and reduce the costs of tests by up to 85%.

Another key player, Ipiranga (Grupo Ultra) is offering a 10% discount on fuel for health professionals on its own gas stations during the pandemic. This initiative benefits about 600,000 registered professionals. The company has also distributed hygiene kits and meals to truck drivers at its gas stations. Ipiranga announced a partnership to distribute hand sanitizer (70% ethyl alcohol) to State Health Departments and Hospitals, as well as partnership for the construction of a field hospital in Rio to assist COVID-19 patients, counting on 200 beds, with 100 of those being ICU beds. Following other brands that inserted a medical mask over their logos to call attention to the pandemic, Ipiranga has also adjusted its own logo to reinforce the importance of using sanitizer.

Cosan, that operates the Shell gas stations under the joint venture Raízen, produced more than 1 million litres of 70% alcohol, which were donated to more than 60 hospitals and to truck drivers on the roads. The company also allocated funds to the construction of two field hospitals for COVID-19 patients in São Paulo and Rio.
The confluence of COVID-19, weakened oil demand and the Saudi-Russia price war has fundamentally shifted the entire energy landscape in the US – especially for oil and gas producers.

The 15-year shale boom that reversed decades of US production declines is uniquely American. While shale has helped support US energy independence, it has been largely uneconomic, with companies investing far more than they made and accumulating unsustainable debt loads.

Consequently, when Saudi Arabia and Russia failed to reach a production agreement in early March, the shale industry was disproportionately exposed to plummeting oil prices. The shock was so severe in the United States that for a moment, crude oil prices were negative.

The oversupply and downward pressure on oil prices created a major rift among producers in terms of how best to keep a lid on US production to buoy prices. Smaller independent companies such as Continental Resources and Pioneer Natural Resources favored government-mandated production cuts and bailouts, but the majors had no interest in or need for government intervention.

These extreme divisive conditions have also highlighted critical principles and attributes oil and gas companies agree on and share: prioritizing safety and accelerating innovation. Without a doubt, recent events have crystallized the fact that the safety and well-being of their employees, partners and communities is their top priority.

Early on, office personnel were designated to work from home. Companies with workers in the field or on offshore platforms took immediate steps to protect them, such as establishing screening protocols, social distancing, staggering and lengthening shift or hitch duration, as well as designating potential isolation rooms on platforms.

And companies rallied to produce and distribute hundreds of thousands of gallons of hand sanitizers to health care providers and donate their time and other resources to help their local communities.

The pandemic has also heightened the urgency for climate action. Despite current challenges, major US oil and gas companies have not wavered on their public pledges to tackle climate change. Chevron, Exxon and Oxy for example reiterated their commitment and pledged to accelerate emissions-reduction efforts in their own companies.

While aligned on addressing the dual challenge of providing reliable and affordable energy while meeting global climate goals, their approaches are different.

For example, European counterparts have set long-term net zero by 2050 ambitions. Yet, US majors have been reluctant for various reasons. Chevron prefers more concrete actions as opposed to multi-decade targets while Exxon believes it's up to consumers and governments to set those targets. Oxy, though, has stated its ambitions to become a carbon-neutral company.
This has put US majors more in the hot seat. Institutional investors are calling for greater action, governance and disclosure. At their annual meetings, Chevron and Exxon faced several climate change-related shareholder resolutions. While those votes failed, they demonstrate the public's growing push for companies to take more serious action.

Today oil prices have somewhat stabilized but are far from recovered. US shale producers remain in survival mode – laying off workers and shutting in production – as they gird themselves for a wave of bankruptcies and massive consolidation. Ironically, it was not the major multinational companies but the smaller, nimble shale companies who unlocked the significant oil and gas supplies that created America's energy dominance. But now it is the majors who are in the right position to buy the shale companies' assets and dominate US oil and gas production.

A consolidated US oil and gas industry bodes well for climate action and should bring greater resiliency to future shocks. Majors have the ambition and resources needed to accelerate emission reductions of shale assets they purchase, and operational scale ultimately leads to lower costs and greater efficiencies, which could help shelter the industry from future crises.
The COVID-19 outbreak brought the Chinese economy to a virtual standstill earlier this winter, resulting in an unprecedented impact across industries. For the energy sector, China’s three energy giants – PetroChina, Sinopec, and CNOOC – were immediately thrust into survival mode like countless businesses. But they were determined to contribute to the fight against COVID-19, and many of their subsidiaries shifted gears to begin production of urgently needed medical supplies, such as masks and ventilators.

In addition to the energy sector, other similar sectors have played a key role in the fight against COVID-19. China’s second-largest water operator, and the world’s fifth-largest, Capital Water is also playing a key role in the fight against COVID-19. The company has long dedicated itself to the imperative of pursuing “clean waters, blue skies, and clean land,” differentiating itself from competitors through its holistic solutions devoted to safeguarding the environment.

The company focused on making certain that its 146 projects across 20 provinces maintained normal operations, ensuring continued water supply security, sewage treatment, garbage removal, and solid waste treatment during incredibly challenging times. These projects achieved daily sewage treatment volumes of 3.5 million tons and provided daily water supply of 303.9 million tons. Furthermore, Capital Water’s local company in Hubei province was deeply involved in prevention and control efforts, helping to complete the construction of emergency medical facilities and carrying out garbage transfers.

Additionally, Capital Water has helped to support the recovery of China’s hard-hit tourism sector. It spent a month-and-a-half delivering a full remediation project in the town of Phoenix in Hunan province. Capital Water supported the ancient town, which is popular among tourists, in upgrading its water and electrical systems.
To present themselves as good corporate citizens, German energy companies highlighted the fight against COVID-19 and the companies’ contribution to programs protecting civil society or supporting employees in the health industry.

Overall, German energy companies continued with communication as usual, where some, such as Shell and Exxon significantly increased their communication around COVID-19 via Twitter.

Most German electricity companies focused on communicating measures to maintain the critical infrastructure and security of supply, and to communicate the robustness of their business model. All reported decreased energy consumption at industrial customers during lockdown.

- The four transmission network operators in Germany (50Hertz, Tennet, Amprion und TransnetBW) provided media with information on measures taken to protect employees

- Open Grid Europe, Germany’s largest gas transmission system operator, also communicated their measures to maintain security of supply

Germany’s largest oil and gas producer, Wintershall Dea, has clearly felt the impact of the fall in the oil price and decreased demand due to COVID-19. The fact that the company makes most of its sales from natural gas, might help in these times as companies that produce more gas than oil are less affected by the supply flood and the drop in prices on the oil market.

Wintershall DEA’s annual meeting was dominated by COVID-19 and the historically low oil prices. The company announced that it would massively reduce its investment program, cut back the exploration budget from EUR 341 million last year to EUR 150 to 250 million and to suspend paying dividends for the time being.

Despite the negative business impact caused by COVID-19 and the fall in the oil price, most energy companies communicated that ‘we must use the current situation as an opportunity for a course correction in the future energy mix.’ Specifically, energy companies with a large share of renewable energy assets pushed this message.

Representatives of foundations from the German-speaking countries are demanding that the EU observe the climate targets in stimulus packages to combat the corona crisis. “2020 is a key year for international climate protection to counteract global warming that can no longer be contained,” they wrote in a letter to Commission President Ursula von der Leyen.

The Corona effect might push coal power out of the market in Germany. A previously unpublished analysis by Aurora Energy shows that despite lower CO2 certificate prices, the competitive situation of coal in the electricity market has improved only minimally. The utilization of the power plants has decreased and will probably continue to fall – lignite is also not spared.
The market volatility triggered by COVID-19 is hitting Asia’s energy sector hard and will continue to do so for several quarters to come.

Oil and gas prices have already fallen dramatically this year as the pandemic has significantly reduced demand. Energy players realise the need to communicate effectively to manage their stakeholders and shareholders, but they are also fully aware of their responsibility as corporate citizens and the need to contribute back to the community. Hence, promotional campaigns were dialled down or cancelled in nearly all instances, and the overarching message during this period was to focus on the safety and the well-being of citizens and staff. Shell, for instance, stopped its marketing communications and focused on highlighting its contributions to frontline workers in healthcare and law enforcement, and how it is supporting employees and customers. Examples include provision of care packs, masks, goggles, medical PPE. And during the month of Ramadan, Shell stations in Malaysia supported small traders and local food vendors by offering space for these operators to sell local delicacies for breaking of fast.

On the business front, refineries in Singapore started to cut output and bring forward maintenance shutdowns amid plunging demand. Production runs are estimated to have dropped to well below 900,000 barrels per day (bpd) in April due to weaker demand in Asia and poor refining margins. According to Kang Wu, head of global demand and Asia analytics at S&P Global Platts, this is 25 per cent lower than pre-COVID-19 levels; in December 2019, Singapore processed a little over 1.2 million bpd of crude oil. Singapore refineries face an even tougher situation than refineries in other Asian countries because Singapore is an oil product trading hub and local refineries are major suppliers.

Shell also took action to reduce spending, increase liquidity and position its business to manage the deteriorating macroeconomic and commodity price outlook. This was evident when Shell cut its dividend for the first time since the Second World War as the coronavirus pandemic exacerbated the negative outlook for the energy industry.

Despite the extremely challenging economic conditions, companies like PETRONAS, Shell (Malaysia & Thailand), PTT Thailand, Bangchak, and Indonesia’s Pertamina continue to play their part in supporting relief efforts and front-liners. Apart from financial contributions to purchase medical equipment and supplies, PETRONAS’s staff also participated in a voluntarily salary contribution to the National Disaster Management Agency. PETRONAS’s efforts didn’t go unnoticed as social media chatter during that period increased with many people urging consumers to switch to PETRONAS due to its larger contribution to support the country during the pandemic.

Indonesia’s Pertamina, on the other hand, offered a Ramadan holiday fuel promotion for purchases of unsubsidized fuels amid the COVID-19 pandemic that has impacted people’s purchasing power.

Meanwhile, Shell in Malaysia and Thailand focused their efforts on protecting its people and supporting local communities where it operates across the region. Shell’s network of retail sites is staying open to provide fuel for cars, trucks and emergency vehicles. The company, like many others, is working to keep its customers safe as they visit petrol stations by enforcing social distancing, boosting cleaning operations and increasing stocks of sanitation products and other essential goods.
We are seeing a mixed reaction across the energy sector due to COVID-19. Electricity demand has dropped with the lockdown and so have emissions. Renewables have enjoyed perhaps the greatest resilience in the category and traditional utilities and grid operators have been sheltered for now – though in the distance looms greater debt delinquency as unemployment levels rise. The biggest changes have been for the large oil and gas companies.

COVID-19 and the demand supply imbalance that saw oil prices drop temporarily into negative territory has meant significant cutting of capital and operating expenditure. For some, it has meant sacrificing some sacred cows, for example Equinor and Shell cutting their dividend. Perhaps surprisingly it has also meant a recommitment by many of the European majors to their climate change commitments, especially Shell and BP whose CEOs slapped backs in public support for each other’s net zero plans on LinkedIn. This is very different to the commitments from the large US oil and gas companies, who had notably different quarterly results presentations and contrasting soundbites from senior executives.

Shell and BP are now firmly on the path to transition and their message is settled on achieving net zero. Ultimately it is the CEOs who have led the narrative and the change in agenda, and their commitment to leadership has been largely welcomed by those concerned about meeting the commitments of the Paris Climate Agreement. The pathways they highlight are different and this has led to media criticism of the difficulties in comparing the commitments of each company. Certainly, Shell’s plan to ultimately take responsibility for scope three emissions – those produced by their customers driving cars or flying in aeroplanes – looks ambitious. Despite this, both continue to be criticised for the pace of transition and the extent to which they are switching a comparatively small proportion of capital expenditure into their low or zero carbon ventures.

The next challenge for communicators though will be engaging with consumers. To take responsibility for scope three emissions requires significant changes in customer behaviours. COVID-19 has certainly provided evidence that massive changes in behaviour are possible and this will have improved the public’s sense of agency in tackling climate change, but for those behaviours to stick will require massive investment in changing lifestyles and creating a new business, with new sources of low carbon revenue. In this sense, for the UK’s biggest oil and gas companies, the challenges facing their business have really only just begun.
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16