



Oil Companies in Disguise

Are Investors Mispricing
Automotive Climate Risk?



3 June 2026 | 09:00 AM London



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www.carbontracker.org



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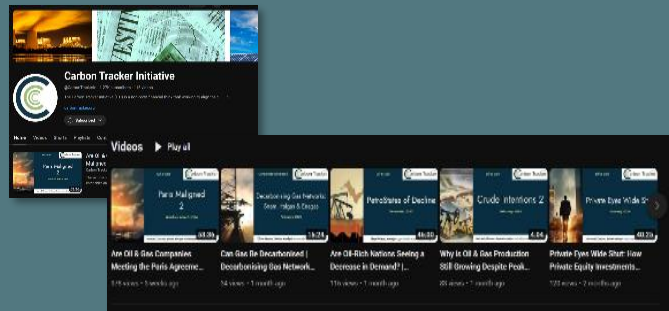
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Who we are

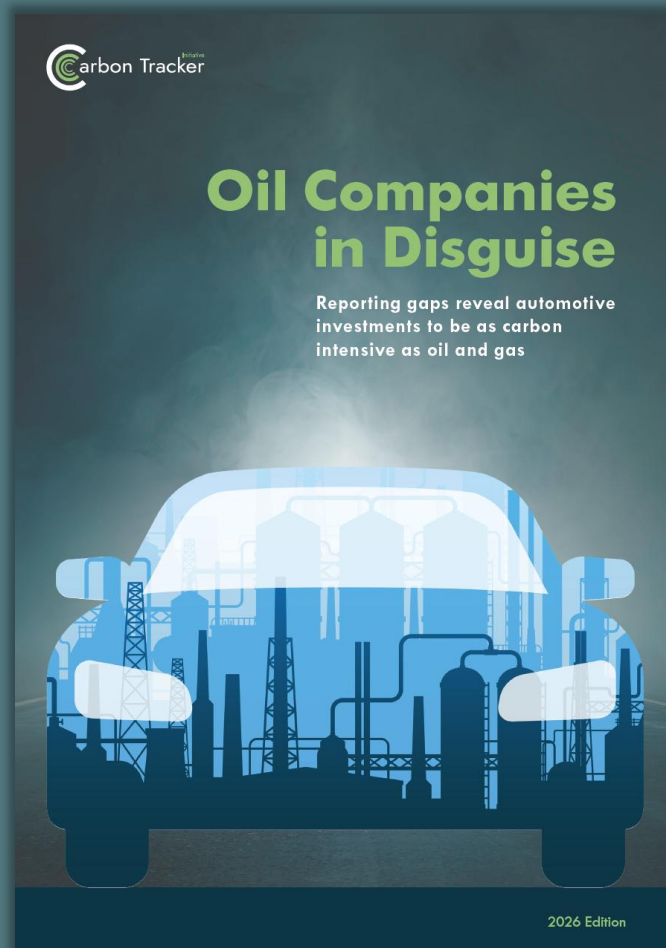


Carbon Tracker is an independent financial think tank working to align capital markets with addressing climate change. Through in-depth research and analysis, we assess the financial and economic rationale of the energy transition and the risks associated with continued fossil fuel investment. Our work empowers investors, policymakers, and companies to make informed decisions that support a just and credible shift to a net zero emissions future.



Oil Companies in Disguise

(2026 Edition)



Agenda

- ☐ Presentation of findings
- ☐ Key-takeaways for investors
- ☐ Panel discussion
- ☐ Q&A

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(A Japanese version of the report is also available)



Speakers (1/2)



Ben Scott

Head of Energy Demand – Carbon Tracker Initiative

Prior to Carbon Tracker, Ben worked at MUFG Bank in London, providing financial and industry analysis on the automotive sector. Previously worked at Aston Martin Lagonda and IHS Markit (acquired by S&P Global), where he led the E-Mobility research.



Ben Youriev

Director of LobbyMap Research on Energy, Mining and Transport – InfluenceMap

Ben leads InfluenceMap's global research on Energy, Mining, and Transport, analysing corporate advocacy on climate regulations. Prior to InfluenceMap, Ben worked on climate change at the UNFCCC and at multiple thinktanks in London.



Speakers (2/2)

Nana Li, CFA

**Head of Sustainability & Stewardship, Asia-Pacific, Director – Impax
Asset Management**

Nana leads Impax's sustainability research, stewardship strategy and policy advocacy across Asia-Pacific. She is the recipient of the 2025 ICGN Excellence in Stewardship Award and the author of Navigating Sustainability in Asia: A Practical Guide for Corporate Leaders and Investors.

Giuseppe (Joseph) Jacobelli

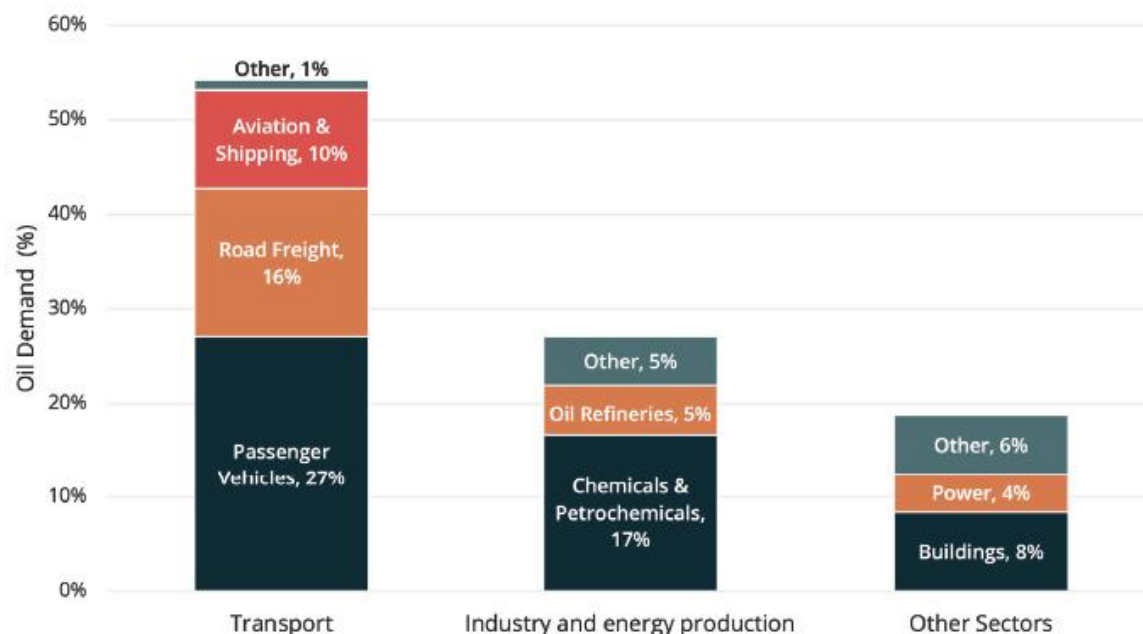
**Managing Partner – Bourne Impact Capital Ltd
Founder – actE**

Joseph manages Bourne Impact Capital, a single-family office, and leads actE, a not-for-profit climate finance and business insights platform, with 35 years of banking and executive experience across Europe and Asia. He wrote two books on the energy transition and hosts the Asia Climate Finance Podcast.



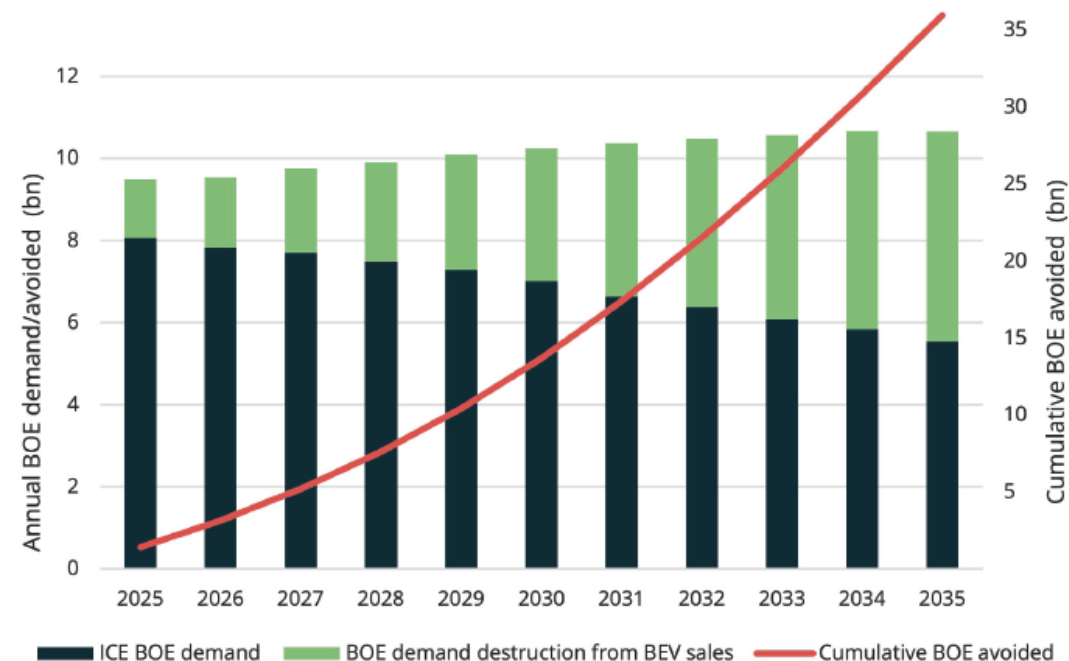
Automotive Sector & Global Oil Demand

Global Oil Demand by End Market



Source: IEA, Carbon Tracker

Passenger Vehicle Oil Demand Destruction (Forecast)



Source: Carbon Tracker, GlobalData



Automotive: The Systemic Carbon Gap

33%

Median Industry Emissions
Underreporting

Carbon Gap is **not a minor auditing discrepancy:**

- Standard risk assessments being used by institutional investors to evaluate transition readiness are structurally understating emissions
- Distortion translates directly into mispriced transition liability and overvalued assets



Drivers of Underestimation and the Carbon Gap



Unrealistic Vehicle Lifetime Mileage



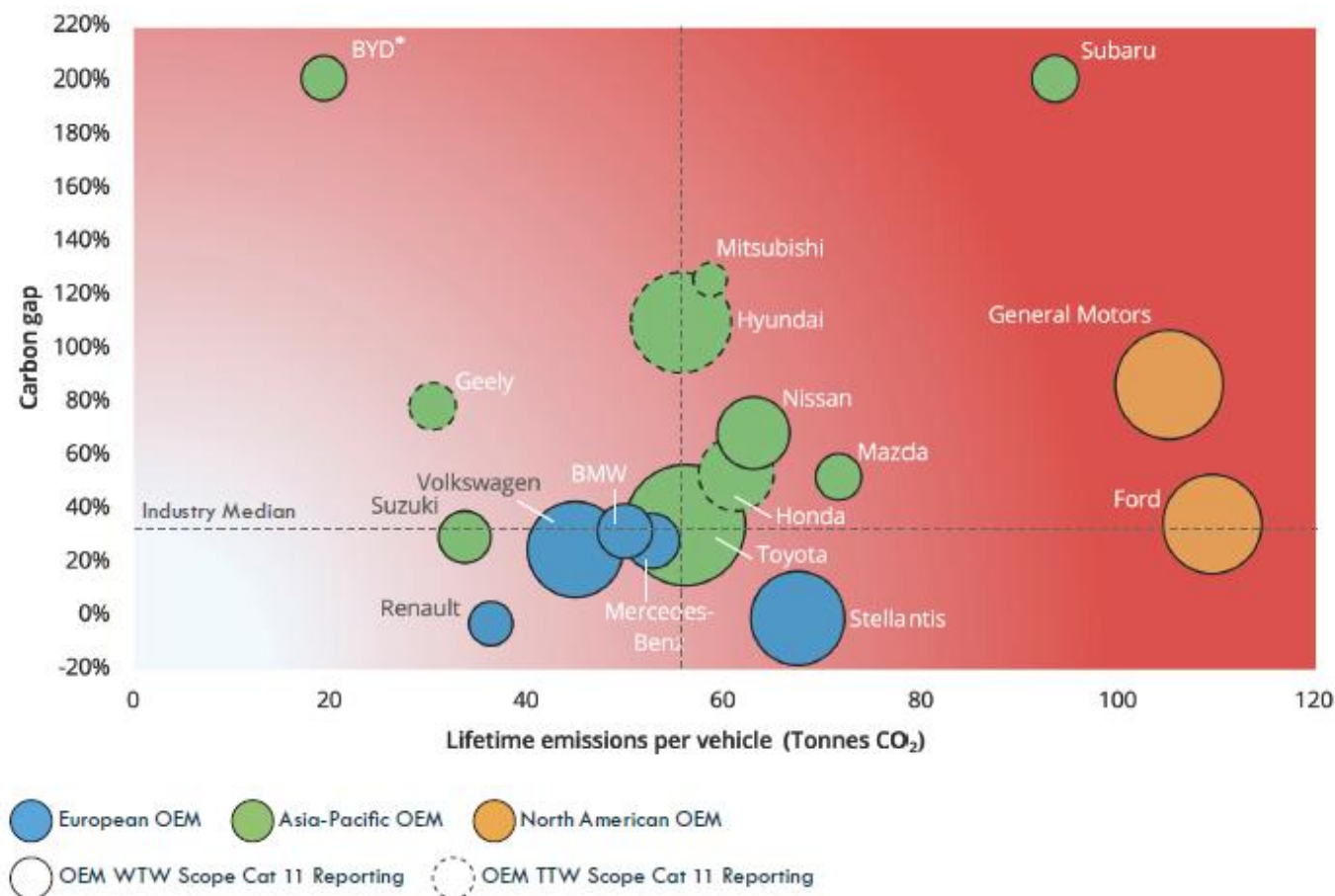
PHEV Real-World Emissions



Exclusion of Fuel Production (Tank-to-Wheel vs Well-to-Wheel)



Global OEMs: The Carbon Gaps

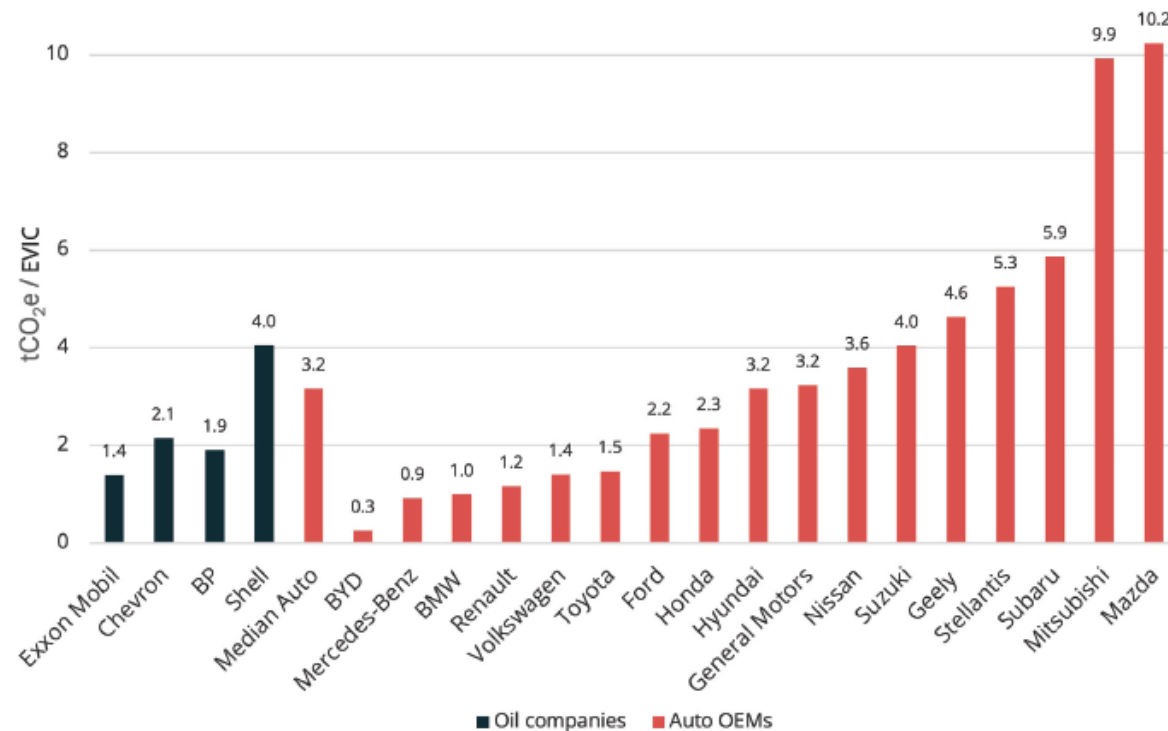


Source: Carbon Tracker, EEA, GlobalData, Company Public Information

Notes: Bubble size is proportional to 2024 total annual emissions. The boundary of BYD's 2024 reported Scope 3 GHG emissions of 3.3Mt is restricted to GHG emissions from employee travel, employee commuting and fuel and energy-related activities. BYD does not report lifetime vehicle emissions leading to a carbon gap of over 2,000%. *For readability, BYD has been capped at the highest displayed emissions gap (201%). Industry Carbon Gap % median is adjusted to not consider outliers (BYD and Subaru).



Carbon Intensity: Oil & Gas vs Automotive



Source: Carbon Tracker calculations, Bloomberg

Notes: Carbon Intensity is calculated as Total GHG Emissions (Scopes 1, 2, and 3) divided by Enterprise Value Including Cash (EVIC), expressed in tCO₂e per \$1M USD.

Energy Sector Data: Emissions for Oil & Gas companies (ExxonMobil, Chevron, Shell, BP) represent total reported Scope 1, 2, and 3 emissions for the 2024 reporting cycle.

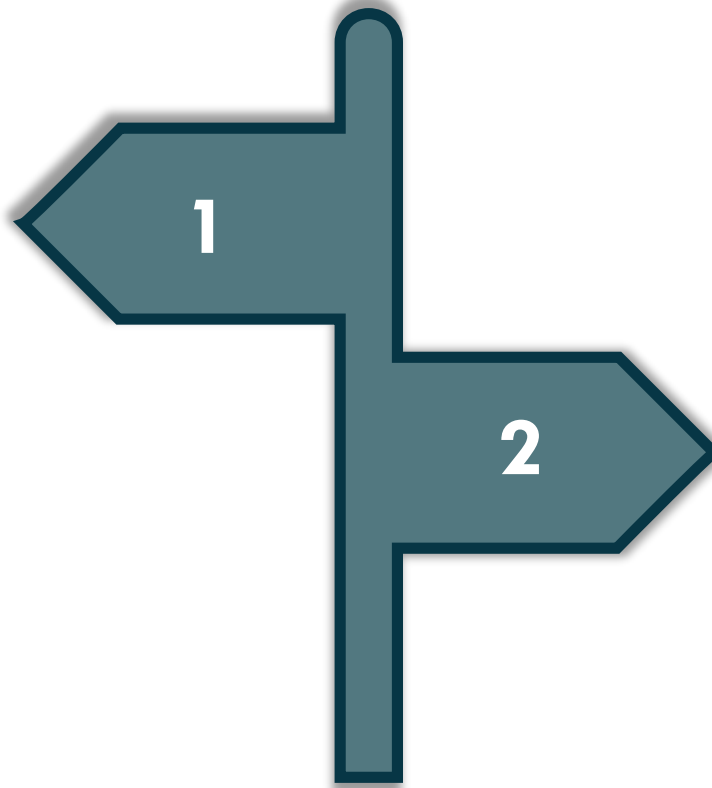
Automotive Sector (Adjusted Benchmark): Automotive emissions are a composite of reported and proprietary figures to eliminate reporting bias. Scopes 1, 2, and 3 (excluding Category 11) are utilised directly from official disclosures. Reported Category 11 (Use of Sold Products) figures have been replaced with Carbon Tracker's estimates, which apply real-world lifetime mileage assumptions and adjusted PHEV utility factors to more accurately estimate these emissions.

Financial Data: EVIC is the sum of Market Cap, Total Debt, Minority Interests, and Preferred Equity. Non-Japanese data is as of 12/31/2024; Japanese data is as of 03/31/2025.



Diverging Powertrain Strategies

**BEV-Focussed
(The Leaders)**

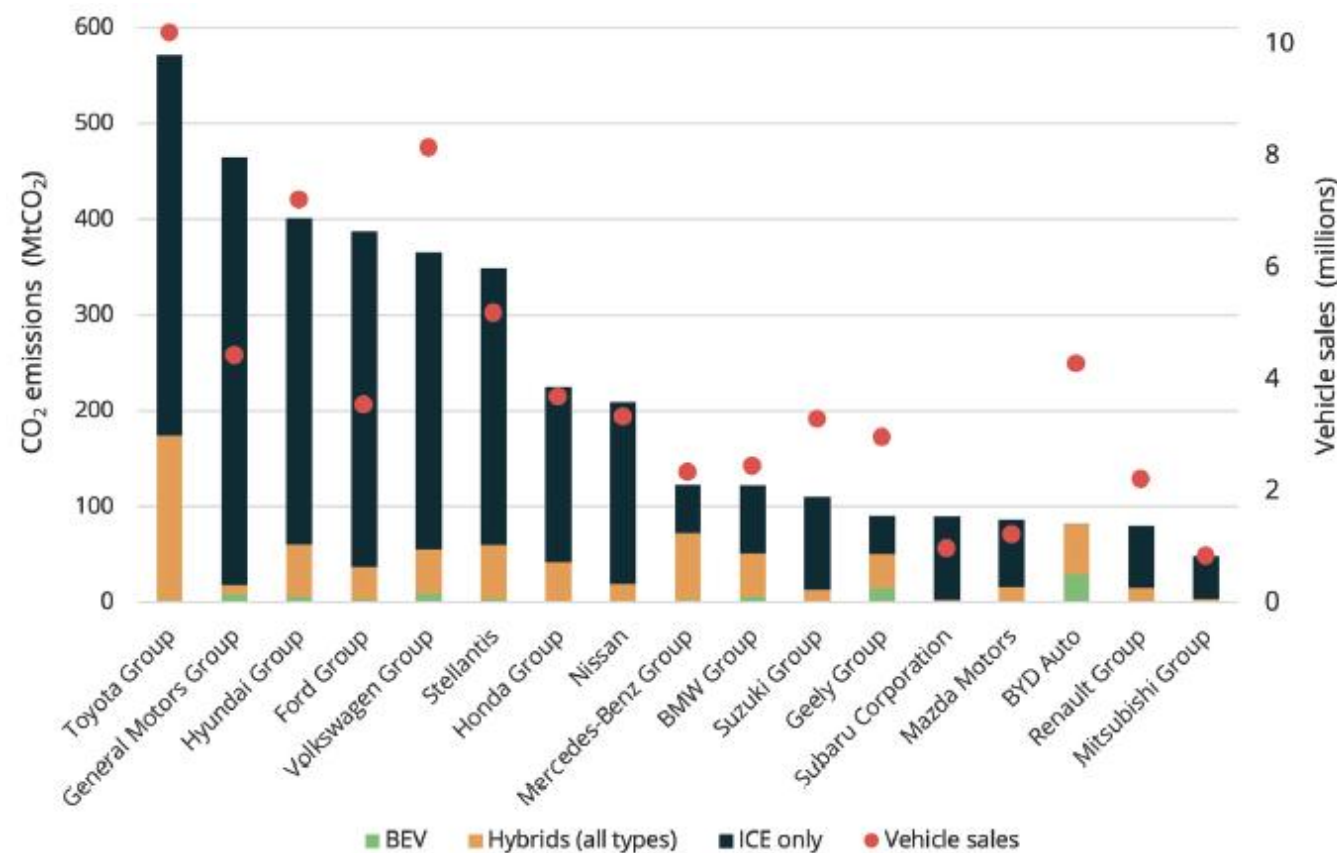


**Hybrid-Heavy
(The Laggards)**



Hybrid Efficiency Trap

- **‘Legacy bolt-on’ Risk:** Adding small batteries to tradition ICE platforms offers marginal emissions reductions while being tethered to legacy architecture.
- **Toyota Overweight on Hybrids:** With a sales ratio of 27 hybrids for every one BEV, Toyota fundamentally tethered to legacy engine technology, leaving the firm highly exposed to tightening global emission mandates.
- **Toyota the Largest Emitter:**
 - Toyota is the largest emitter in the automotive sector, a direct consequence of its global sales volume.
 - Scope 3 Cat 11 emissions generated by Toyota’s hybrid fleet alone exceed the equivalent total for the entire BMW Group.
 - Even if ICE vehicles were excluded from its reporting, Toyota’s hybrid segment would still rank as the 7th largest emitter globally.



Source: Carbon Tracker Calculations



GHG Protocol vs E-Ledgers



CARBON MEASURES

Actions that Count

- **The Industry Baseline:** It represents the established global standard for carbon accounting, classifying emissions into Scopes 1, 2, and 3 to give investors a comprehensive view of corporate climate risk across the entire value chain.
- **Exposes Downstream Responsibility:** By design, it requires automakers to report Scope 3 Category 11 emissions (lifetime vehicle tailpipe use), ensuring that corporate design decisions and fossil-fuel reliance remain visible to asset managers.
- **Alternative Accounting Coalition:** Launched in 2025 by oil majors (including ExxonMobil and TotalEnergies) and joined by Toyota in 2026, this industry coalition champions an alternative approach based on transferable "E-Ledgers".
- **Obscures Carbon Transparency:** From an investor's perspective, this framework risks narrowing corporate accountability by shifting downstream vehicle emissions off the automaker's balance sheet, masking financial exposure to oil demand without changing real-world fuel consumption.



Investor Transition Toolkit

1. Interrogate Scope 3 Methodologies
2. Focus on BEV Sales Share as the Core Transition KPI
3. Identify 'Carbon Gap' Exposure
4. Evaluate Powertrain Strategy
5. Incorporate Standardised Carbon Intensity into Valuation
6. Monitor Alignment With Evolving Reporting Standards



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