Oilsands profits remain high, but companies are putting the brakes on energy transition spending, with no new investment in reducing emissions.

Waiting to Launch
2023 mid-year update

Profiles remain high

Halfway through 2023, profits are on track for the second-strongest year in the last decade.

Cash being returned to shareholders remains high

In the first half of 2023, returns to shareholders remained high, with 75% of all available cashflow returned to shareholders in the form of share repurchases and increased dividends.

Emissions didn’t increase in 2022

Suncor putting the brakes on energy transition focus

Suncor’s new CEO recently signalled a change in direction for the company, with a greater focus on its core business of producing oil and less on preparing for the energy transition.

Why this matters

- Investing in emissions reductions is also the best way for the industry to prepare for a low-carbon future and create jobs in the years ahead.
- The oilsands must also do their fair share in meeting Canada’s climate targets. Yet emissions remain high while investments to reduce them remain low.
- Companies are focusing on their core business at the expense of preparing for the energy transition.
- Since our last update six months ago, there are still no new investments in reducing oilsands emissions.
- These trends underscore that federal rules to reduce oil and gas emissions are urgently needed to drive investments in reducing emissions.

Sources

- Financial data is from individual company quarterly financial statements listed on Marketwatch.
- Amanda Stephenson, “Suncor has been too focused on energy transition, must get back to fundamentals: CEO,” CBC, August 15, 2023.

Suncor joins Shell and BP, which signalled a similar shift earlier this year. Indeed, financial reports from oilsands companies show no new investments or actions to reduce emissions in the last six months.

Some positive news: S&P reports that oilsands emissions stayed steady in 2022.

For the sector to do its fair share in helping Canada meet its 2030 targets, emissions must now rapidly decline.

Cash (C$ billions)

Cash dividends Shares repurchased


Profits (C$ billions)

10 0 5 15 20 25 30

CNRL Suncor Cenovus MEG Imperial


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