

Spillover

**Shell and TotalEnergies' expansive roles
in the voluntary carbon market**

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**CARBON
MARKET
WATCH**

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Introduction

More than [70% of anthropogenic industrial CO2 emissions](#) since the industrial revolution can be attributed to just 180 corporate and state-owned entities. The largest private emitters within this group, including Shell and TotalEnergies, account for more than 24% of global emissions between 1854 and 2024. Both [Shell](#) and [TotalEnergies](#) have communicated targets to reach net-zero emissions, but [neither has a plan in line with the Paris Agreement](#) nor [is taking meaningful action](#) to meet them.

Beyond failing to set or achieve ambitious decarbonisation goals, fossil fuel companies often use carbon credits to create an illusion of progress towards reaching their climate targets. Significant evidence from diverse sources including [academics](#), [civil society](#) and the [media](#), demonstrates that most carbon credits are unlikely to represent the climate impact they promise.

Fossil fuel companies engage in the voluntary carbon market beyond the mere purchase of credits. They are active across the entirety of the voluntary carbon market ecosystem from the development of projects, drafting of methodologies, facilitation of the trade of credits, to [influencing the rules and requirements governing credit quality and use](#).

Shell and TotalEnergies, but not only limited to these major oil and gas companies, often use carbon credits to make compensation claims and to promote themselves as climate leaders. However, this often acts as a smokescreen to avoid necessary structural changes in their supply chains.

Building on existing literature, this report aims to analyse, and highlight the dominant role fossil fuel companies play in the voluntary carbon market. It reveals that no assessed fossil fuel company has established a net-zero commitment aligned with the Paris Agreement 1.5°C goal, using carbon credits to obscure their inaction.



A track record of pollution and inaction: big oil's retreat from net zero

In recent years major oil and gas corporations have publicly committed to achieving net-zero emissions by 2050. However, these announcements were built on fragile foundations. For example, Shell opted to pursue a target measuring “Net Carbon Intensity” (NCI)¹ rather than absolute emissions reductions. This decision enabled fossil fuel production and sales to continue and grow, so long as the average emissions per unit of energy declined.

Regarding its 2030 target, Shell revised it in 2024, altering an initial pledge to reduce emissions by 20% to a looser, flexible 15-20% relative to 2016 levels. It also scrapped a key 2035 target altogether. Under the direction of new CEO Wael Sawan since 2023, Shell has clearly shifted its strategy, refocusing on higher-margin oil and gas projects and cutting back from earlier investments in renewables.

In 2025, Shell also indicated that achieving its net-zero target is conditional and should be considered parallel to decarbonisation efforts by society at large, as well as claiming their 2050 net-zero target to be “outside the company's planning period”. In response to Shell's climate backpedalling, Milieudefensie (Friends of the Earth Netherlands) launched a climate case against the company in order to hold them accountable for their continued oil and gas exploration and production (the case builds on Milieudefensie's successful first lawsuit against Shell).

According to Influence Maps' Carbon Majors Platform, Shell has been responsible for 41.5 billion tonnes of CO₂e (2.02% of global emissions) since the company started, ranking them as the 4th largest cumulative polluter in the history of all investor-owned companies. In 2024, they were responsible for a total 426 megatonnes of emissions, more than what the whole of Italy produced in 2023 (423 Mt).

Similar patterns can be observed in the strategy of the French major oil and gas company, TotalEnergies. In 2020, the fossil fuel company announced its ambition to reach net-zero emissions by 2050, placing strong emphasis on reducing the carbon intensity of the energy

¹ Shell uses its Net Carbon Intensity (NCI) as a metric to measure the average CO₂ emissions per unit of energy product sold. In 2024, Shell's NCI was calculated at being 71 grams of CO₂ equivalent per megajoule (gCO₂e/MJ).



it sells by up to 60%, rather than committing to tangible, absolute reduction targets. As in Shell's case, this approach retains a structural reliance on fossil fuels by allowing for continued fossil fuel production, as long as the energy mix appears less carbon intensive.

At the same time, TotalEnergies promotes its investment into nature-based carbon crediting projects to address so-called unabatable "residual emissions", without clarifying the exact total of these emissions. In 2026, it further back-tracked by announcing that it would reassess its 2050 net-zero ambition, arguing that the global energy transition is progressing too slowly and that achieving carbon neutrality is dependent on external factors, such as public policy, technological developments and consumer behaviour.

According to Influence Maps' Carbon Majors Platform, TotalEnergies has been responsible for 18.6 billion tonnes of CO₂eq (0.91% of global emissions) since the company started, ranking 7th largest cumulative polluter in the history of all investor-owned companies. In 2024, they were responsible for 352 total megatonnes of emissions, more than what the whole of France's emissions were in 2023 (346 Mt).

Collectively, these developments point to a widening gap between the alleged climate commitments of oil and gas companies and their continued investment in business-as-usual polluting activities, without actually making the required structural changes necessary for a genuine energy transition.

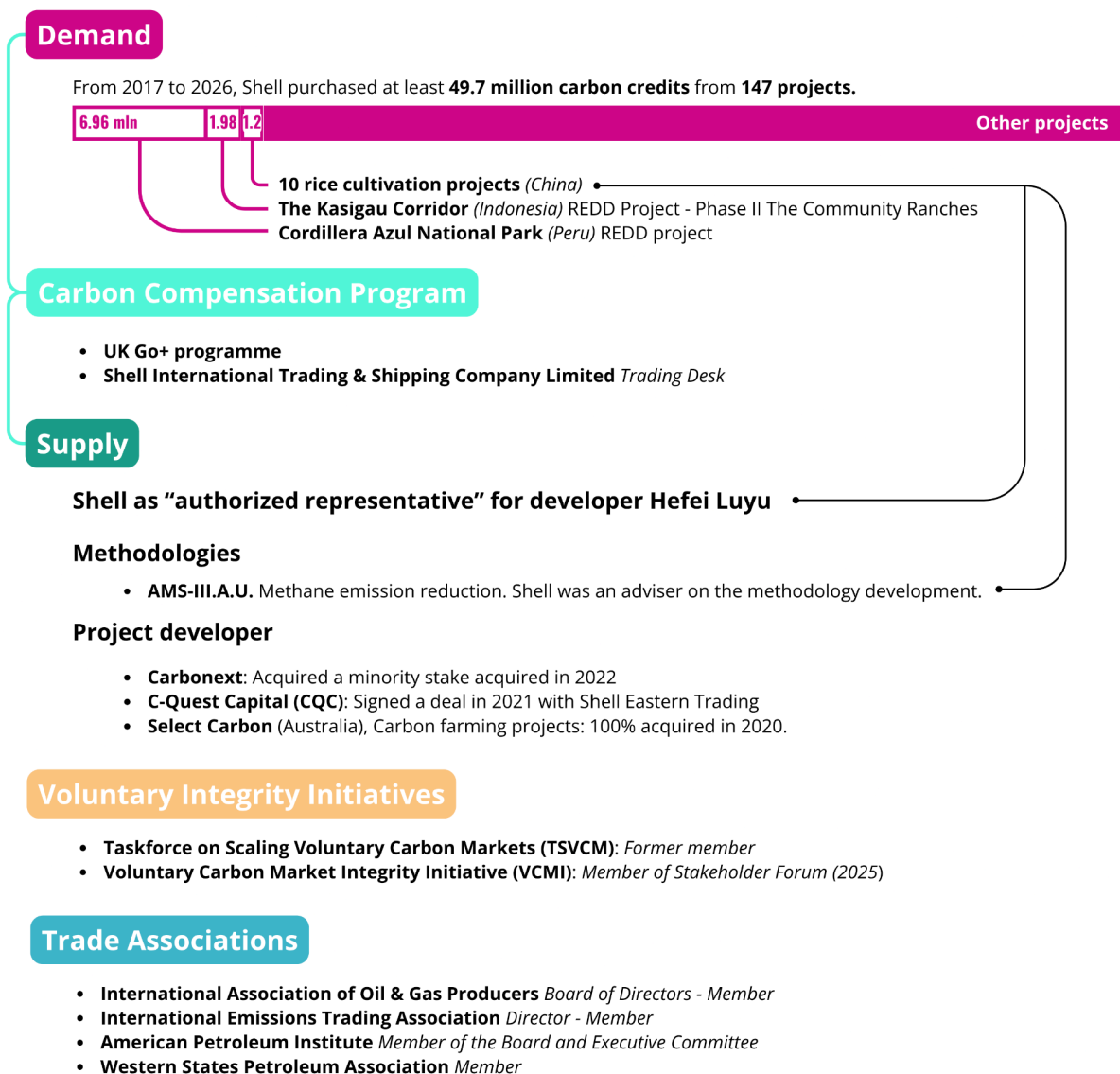
Shell and TotalEnergies permeate the VCM ecosystem

Major oil and gas companies such as Shell and TotalEnergies hold a structurally dominant position within the voluntary carbon market. Beyond purchasing large volumes of carbon credits, these fossil fuel majors also influence the supply of credits by financing projects and possessing financial stakes in project developers, determining which credits can enter the market, and leveraging their transfer through trading desks. Shell for example has also sought to influence the rules and requirements around the quality and use of carbon credits.

The graph below elaborates on this, and exposes this dominant role.



Shell's dominant role in the VCM ecosystem





● Shell supplying the VCM

Shell has been active in the development, trade and sale of carbon credits. Shell acquired [SelectCarbon in 2020](#), a nature based project developer which develops and aggregates carbon-farming projects in Australia and works with landholders across more than 9 million hectares. In 2022, [it acquired a minority stake in Carbonext](#), a Brazilian forestry based carbon credit developer. Carbonext has developed a number of nature-based projects in Brazil, several of which have been linked to serious scandals.

In 2023, Carbonext was accused of deceiving Indigenous communities in Brazil by securing carbon credit contracts without proper consent or full transparency. [Reports claim](#) communities were misled about the terms of the project's contracts, excluded from decision-making, and in some cases pressured into agreements affecting their land rights and revenues. These complaints have since escalated into a formal legal case, with critics arguing the situation amounts to a serious violation of indigenous rights. In 2024, Brazil's Federal Public Prosecutor's Office (MPF) - [a Brazilian public institution](#) responsible for defending federal law, the public interest, and constitutional rights - [filed a Public Civil Action](#) challenging Amazonian REDD+ initiatives over alleged failures to obtain Free, Prior and Informed Consent, and [in 2025 the court granted preliminary measures suspending parts of the programme](#) pending consultation procedures. MPF alleges that Carbonext played a central technical role in certain REDD+ projects.

Additionally, the developer was criticised for its involvement in carbon credit projects that have reportedly been associated with operators linked to illegal logging. Moreover, [Carbonext is reported](#) to have developed several REDD+ projects in partnerships with logging companies and landowners that have previously been fined for illegal deforestation, suggesting an alignment of interests between the project developer and these operators was in place prior to the development of the project. This raises concerns that the developer is reputation washing operators that have been historically involved in deforestation, allowing them to re-enter forest economies under the guise of conservation action.

Furthermore, it has also been revealed that Carbonext has actively sought influence over the rules and standards governing the use of carbon credits. As highlighted in Carbon Market Watch's [Oil Spill report](#), Carbonext engaged in lobbying efforts aimed at widening the eligibility of carbon credits under the [VCMi's beta scope 3 Claim](#) which was



controversially developed as a possible solution for companies to use carbon credits to address their Scope 3 emissions.

Beyond these known investments, Shell said in its [2023 Sustainability Report](#) that it deployed \$86 million into projects that generate carbon credits, including \$52 million for nature-based projects and \$34 million for technology-based projects. The same report states that Shell launched Greenline Climate in the United States - in cooperation with Spatial Informatics Group - to provide development services for forest-carbon-credit projects; they also invested in U.S.-based project developer Kateri Carbon with a focus on supporting grazing-management projects in the US. Additionally they financed a household-efficiency programme in India called Project SHINE I - developed by the U.S.-based project developer C-Quest - to replace incandescent bulbs with LEDs in more than 8 million households.

In 2021, Shell partnered with C-Quest to produce over [60 million carbon credits from cookstove projects across Africa](#), as part of a broader plan to scale its use of credits. [In 2024, Verra, which operates the world's most widely used voluntary carbon-crediting standard, the Verified Carbon Standard \(VCS\) suspended 27 C-Quest cookstove projects and launched a review following concerns over overcrediting and allegations of falsified emissions-reduction data linked to the company's former CEO.](#)

The Verra investigation later found that [22 projects had overstated their climate impact](#), and generated around five million excess credits that C-Quest was required to replace. The controversy also extended beyond methodological concerns, with reports of implementation failures in some project communities, including implementation of cookstoves which were of poor quality, broke easily, or were not consistently used over the long term. In 2025, following these fraudulent cases, [C-Quest filed for bankruptcy](#) citing financial distress and insufficient capital to sustain operations.

More broadly, concerns over the credibility of cookstove methodologies have attracted increasing scrutiny across the voluntary carbon market. A 2025 [study commissioned by Plan 1.5 \(authored in part by Carbon Market Watch\)](#), found that certain cookstove methodologies (AMS-II.G and AMS-I.E) granted projects the flexibility to issue in excess of 18 times more carbon credits than they should. This is particularly relevant since C-Quest Capital developed a cookstove project in Mexico using the AMS-II.G methodology. Peer-reviewed research, led by [Annelise Gill-Wiehl](#) evaluated several methodologies used by carbon registries to estimate carbon generation in cookstove projects and found that



their design allows for considerable flexibility, creating the potential for substantial overissuance of credits. The climate benefits of these projects are further called into question by evidence that recipients of improved cookstoves continue to use traditional stoves alongside them, limiting the expected emissions reductions.

Collectively, the controversies surrounding carbon credit project developers and projects linked to Shell, point to recurring concerns over the environmental and social integrity of the credits underpinning the company's climate strategy. Across multiple project types, including REDD+, afforestation and cookstove projects, investigations and independent assessments have clearly raised serious questions over the integrity and ability of these supposed emissions reduction actions to guarantee climate impact, while also generating a harmful impact on indigenous peoples and local communities.

● Shell carbon trading and compensation programme

Shell's role extends beyond investing in the generation of carbon credits as it also facilitates their transfer and encourages customers to use them to compensate for their emissions.

Shell Energy Europe says its carbon trading desk offsets carbon credits from a portfolio of over 70 screened projects from more than 25 countries. Shell markets carbon credits directly to customers as a way to "compensate" for emissions associated with fossil fuel consumption. For example, Shell Fleet Solutions offers the [Carbon Compensation Programme \(CCP\)](#) through the Shell card. [Shell's UK Go+ programme](#) declares that Shell will buy and retire carbon credits to compensate for fuel purchased by opted-in customers at Shell stations. Under these initiatives, the company calculates the lifecycle emissions linked to a customer's fuel use and offsets them using poor quality credits drawn from its own portfolio of projects.



● Shell's carbon credit purchasing behaviour

According to [AlliedOffsets Data](#), Shell retired nearly 50 million credits from 147 projects between 2017 and 2026 (Table 1). Of any company over the last three years, Shell was also the [biggest purchaser of carbon credits](#), with retirements exceeding 10 million credits in 2025 (Figure 1). The actual retirement figure is likely far higher since there are currently no rules requiring carbon crediting registries to disclose the purchasers of carbon credits, allowing leniency for companies to anonymously retire their credits.

Table 1: Shell carbon credit retirement by project type from 2017 to 2026

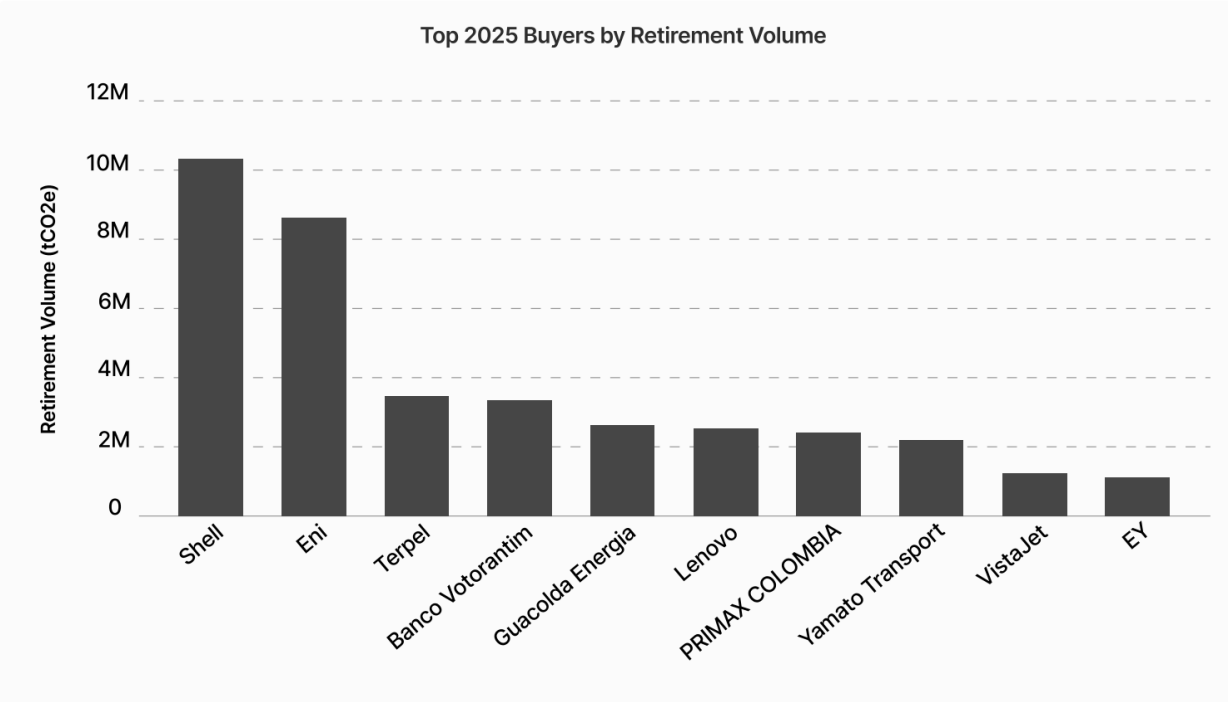
Project type	Number of projects Shell purchased credits	Number of credits Shell retired per project type
Forestry and Land Use	39	35,076,668
Household Devices	39	3,484,923
Agriculture	11	2,318,804
Renewable Energy	24	1,994,559
Chemical Processes/Industrial Manufacturing, Energy Efficiency/Fuel Switching	9	1,758,936
Agriculture, Waste Disposal	4	1,722,716
Energy Efficiency/Fuel Switching	4	1,544,362
Waste Disposal	7	1,355,058
Chemical Processes/Industrial Manufacturing	10	490,828
Total	147	49,746,854

[AlliedOffsets Voluntary Carbon Market Database](#)



Figure 1: Top 10 VCM carbon credit buyers in 2025

Top 10 Buyers in the Market



Source: [AlliedOffsets Voluntary Carbon Market 2025](#)

Shell’s carbon credit investments extend across the globe and to a wide range of project types, reflecting the company’s strategy to source carbon credits from diverse geographic locations. Its portfolio predominantly consists of nature-based solutions such as avoided deforestation (REDD+) and afforestation and reforestation projects, alongside other approaches including household and community projects like cookstoves and renewable energy generation.



● Shell's reliance on forestry-based carbon credits

In 2021, Shell announced its target to offset 120 million tonnes of emissions annually by 2030 through the purchase of nature-based carbon credits. However, nature-based credits have faced mounting criticism over their environmental and social integrity.

Research has increasingly questioned the effectiveness of forestry based projects' to deliver long-term solutions for the climate. Critics highlight that such projects often rely on uncertain assumptions about how much carbon forests conserve, remove and store over time. They also encounter the risk of impermanence, meaning that carbon stored in forests can later be released back into the atmosphere through natural and human factors, and leakage risk - where protecting one forest area may simply shift deforestation activities to another location rather than preventing them.

Researchers further note that many forestry projects overlook major land-use and social considerations, including unclear land tenure rights, disputes over land ownership, and the impacts actions will have on indigenous peoples and local communities whose livelihoods depend on forests.

Shell has, in particular, focused its purchasing strategy on nature-based projects, which generate avoidance credits from projects that prevent or reduce deforestation of forests which claim to be at risk of deforestation.

Specifically, they have been actively supporting 'Reducing Emissions from Deforestation and forest Degradation' (REDD+) projects that have been the subject of increasing scrutiny for having deep structural flaws that undermine their environmental credibility. These projects, which depend on assumptions over how much deforestation would have occurred in the absence of project intervention, have been criticised for overstating their climate benefits, as evidenced by a body of research.

A comprehensive study conducted by UC Berkeley (funded by Carbon Market Watch), found that the four methodologies used by most REDD+ projects provide substantial flexibility in baseline quantification. Researchers found that on average the highest baseline values were 14 times higher than the lowest, demonstrating significant variance in baseline calculations and a huge risk of overcrediting. Other research of 17 REDD+ projects analysed that only 1 out of every 13 REDD+ credits represented a genuine emissions reduction, while earlier studies flagged similar major issues regarding overestimated benefits and the need to significantly revise REDD+ methodologies. Additionally, according



to Allied Offsets Data, more than 34.4 million carbon credits purchased by Shell since 2017 have belonged to REDD+ projects.

● Cordillera Azul and Kasigau Corridor REDD+ Projects

Two major REDD+ projects from which Shell has purchased credits, the Cordillera Azul National Park project in Peru and the Kasigau Corridor Phase II project in Kenya, have faced significant scrutiny over their climate integrity and social impact. Based on [Allied Offsets Data](#), Shell has purchased nearly seven million credits from Cordillera Azul, while it has acquired nearly two million credits from Kasigau Corridor project.

Both projects have been criticised for the credibility of their claimed climate benefits. [Critics argue that Cordillera Azul](#) used reference regions with substantially higher deforestation rates, inflating its baseline and overstating its impact, while the Kasigau Corridor developer reportedly failed to provide substantive evidence that carbon finance was necessary to protect the project area and also relied on an inflated baseline.

Carbon credit rating agencies have also expressed their concerns about both projects. BeZero rated [Cordillera Azul - BB](#) and [Kasigau Corridor - BBB](#), indicating respectively a moderately low and moderate likelihood that each credit represents one tonne of CO₂e avoided or removed. Sylvera rated the projects - [B](#) and [BB](#), respectively, while Calyx placed both [Cordillera Azul](#) and [Kasigau Corridor](#) in Tier 3, reflecting significant risks related to issues such as additionality, over-crediting, and permanence.

● Invalidated Chinese projects

According to reports, Shell has sourced [340,000 credits by the end of 2025](#) from Afforestation, Reforestation and Revegetation (ARR) projects in Guizhou, China alongside other major corporate buyers including Apple² and PetroChina. However, [following investigations and a quality control review by Verra](#), the projects were rejected after official documentation relating to land tenure and project authorisation were found to be inauthentic, breaching China's national land-use and forestry regulations. As a result, Verra sought the replacement of 4.42 million carbon credits issued by the project developer. However, in May 2026, [Carbon Pulse reported that Verra was "unable to reach"](#) the developer responsible for replacing the credits. Additionally, Shell purchased and retired

² [Apple](#) in recent months has faced legal scrutiny over its "carbon neutral" marketing claims, with a lawsuit alleging that the company relied on poor quality credits.



over one million credits from nine Chinese rice farming projects registered under Verra's now-withdrawn AMS-III.AU methodology, despite longstanding concerns flagged by [Climate Home News](#) that their emissions reductions were significantly overestimated. Shell was not only a buyer but also the projects' authorised representative and exclusive agent. While Verra subsequently sanctioned projects and proponents associated with the methodology and sought compensation for excess credit issuance, Shell walked away without liability. Shell's involvement with these projects is examined in greater detail in the [Oil Spill 2 report](#).

Box 1: Shell greenwashing cases

[In 2020, Shell UK advertised its Shell Go+ scheme as allowing customers to "drive carbon neutral," which triggered complaints.](#) Regulators ruled the adverts were misleading because they relied on carbon offsetting to present Shell's fuel as carbon-neutral. The campaign was found to breach advertising rules, and Shell has faced further criticism over similar claims.

Similar rulings have been reached in other jurisdictions. In 2021, the Dutch Advertising Code Committee determined that Shell's ["CO₂ neutral driving"](#) advertisements were misleading following complaints by Vrije Universiteit Amsterdam, Reclame Fossielvrij, and Greenpeace Netherlands. In Canada, [Greenpeace challenged Shell's "Drive Carbon Neutral" campaign](#), arguing that it relied on low-credibility forestry carbon credits to greenwash continued fossil fuel use, prompting the company to withdraw the advertisement. In 2024, the [Hamburg Regional Court likewise found Shell's advertising of "CO₂-neutral" products misleading](#) because it relied on forestry carbon credits that lacked sufficient long-term assurance to justify offsetting fossil fuel emissions.

● Shell's participation in carbon market institutions

Shell has held formal roles that are in close proximity to the institutions tasked with defining and safeguarding carbon market integrity. As explored in both [Oil Spill 1](#) and [Oil Spill 2 reports](#), representatives of Shell have had access to key stakeholder fora and committee structures responsible for developing guidance on carbon market integrity, disclosure, and safeguards. For example: Kevin Soubly, Senior Advisor, Environmental Markets & Nature-Based Solutions at Shell International, held a seat on the Voluntary Carbon Market Integrity initiative (VCMI) [Stakeholder Forum](#) a multistakeholder group that provides input to VCMI, while Matthew Picardi a senior regulatory-affairs executive at Shell Energy North America was appointed as an associate member of the Commodity Futures



Trading Commission (CFTC) Energy and Environmental Markets Advisory Committee (EEMAC), a statutory advisory body that advises the CFTC on energy and environmental markets.

Shell is also a member of trade associations, industry coalitions, and business groups, which have a track record of lobbying carbon market rule making bodies, including the International Emissions Trading Association (IETA), American Petroleum Institute (API), Western States Petroleum Association and California Chamber of Commerce. Through these collective platforms, Shell is able to amplify its policy positions and indirectly contribute to shaping regulatory frameworks governing the use of carbon credits in both voluntary and compliance markets.

Additionally, in its [2025 Climate and Energy Transition Lobbying report](#), Shell states that it worked to support investment in carbon credits and their “responsible use” through contributions to the [Coalition to Grow Carbon Markets](#), which is supported by the VCMI and trade associations like IETA. Furthermore, the same report points out how a member of Shell staff provided input to the Integrity Council for the Voluntary Carbon Market (ICVCM) on its Sustainable Development Benefits and Safeguards work programme, and that the expert is an elected member of the Natural Climate Solutions Alliance steering committee.



TotalEnergies dominant role in the VCM ecosystem

Demand

From 2019 to 2026, TotalEnergies has purchased **1.43 million** carbon credits from **196 projects**.

48,715 K

31,283 K

Other projects

Kariba REDD+ Forest Protection Project

Hebei Guyuan County Dongxinying 199.5 MW Wind Power Project

“Carbon neutral” LNG

Credits to be retired by TotalEnergies after 2030

- 20 IFM Projects in United States
- 200,000 ‘high-performance’ cookstoves in Rwanda
- 13 IFM Projects in United States

Supply

Project developer

- **Anew Climate and Aurora Sustainable Lands**: Signed a deal in 2021
- **DelAgua**: Signed a deal in 2025
- **NativState**: Signed a deal in 2025

Business Coalition

- **Nature Climate Solutions Alliance** Member

Advisory group

- **Zero Emissions Platform** Member

Trade Associations

- **International Association of Oil & Gas Producers** Board of Directors - Member
- **International Emissions Trading Association** Member

● TotalEnergies supplying the VCM

TotalEnergies plays a significant role in the supply of carbon credits within the Voluntary Carbon Market (VCM), acting in a quasi-developer capacity across several projects.

In 2024, TotalEnergies entered into a 100 million dollar agreement with Anew Climate and Aurora Sustainable Lands to develop 20 Improved Forest Management (IFM) projects across the United States. These projects span approximately 300,000 hectares across ten states. Furthermore, TotalEnergies stated its intent to retire credits produced by these projects after 2030 to offset its remaining scope 1 and 2 emissions. Notably, Anew Climate



has also been active in California climate policy, supporting legislation to curb greenwashing rules while opposing proposed legislation relating to carbon credit quality.

Similarly, in 2025, TotalEnergies signed an agreement with NativState to launch 13 additional IFM projects covering around 100,000 hectares across the United States. The resulting credits are set to be certified by the American Carbon Registry (ACR), and similarly used by TotalEnergies as part of its long-term offsetting strategy after 2030.

Box 2: Issues with Improved Forest Management projects

Improved Forest Management (IFM) projects aim to reduce emission and increase the storage of carbon by altering forest management practices relative to a baseline scenario. Through this, projects create additional revenue streams for forest owners and managers. Although the projects Anew Climate and Aurora Sustainable Lands have agreed to develop with TotalEnergies are yet to issue credits, IFM projects have faced significant scrutiny for overstating credited emissions reductions and failing to deliver the climate benefits claimed.

Peer-reviewed research by Barbara Haya Director of Berkeley Carbon Trading Project has identified several structural concerns that undermine the environmental integrity of many IFM projects. A central issue is the flexibility of existing protocols, allowing project developers to set artificially low baselines by overstating expected carbon losses, thereby inflating the number of credits issued. Additionally, existing protocols are flexible enough that they can allow for inflated baseline assumptions, as landowners may overstate the amount of harvesting that would have occurred in the absence of the project; claims that are difficult to verify and may not reflect realistic management practices. Haya further demonstrates that existing protocols often apply relatively low leakage rates, despite evidence that reduced harvesting in one area often leads to increased logging elsewhere. Additional peer-reviewed research found no statistically significant emission reductions from a sample of 106 IFM projects.

TotalEnergies' investments in carbon crediting projects extend beyond forestry and renewable energy initiatives. Toward the end of 2025, TotalEnergies announced an agreement with DelAgua to distribute 200,000 "high-performance" cookstoves within one year, targeting more than 800,000 people in rural Rwanda. In line with investments



discussed previously, the carbon credits generated by this cookstove initiative support the fossil fuel company's long-term offsetting strategy beyond 2030.

In its press release, TotalEnergies emphasises the anticipated health benefits of these cookstoves but provides limited detail to define supposed "high-performance". While DelAgua's cookstoves meet the [World Health Organisation \(WHO\)](#) health-based standards for clean cooking technologies, this does not make them suitable for offsetting fossil fuel emissions, since among other issues, cookstove projects have been associated with [a significant risk of overcrediting](#) as outlined earlier.

In combination, these factors cast significant doubt on the quality of credits that TotalEnergies is using to claim Scope 1 and 2 emission reductions. More fundamentally, however, using carbon credits to compensate for fossil fuel emissions is inherently problematic, as it equates emission reductions outside the company's value chain with emission reductions within the company's value chain. This creates a highly misleading impression of TotalEnergies' actual climate impact: even if the underlying credits were of the highest integrity, offsetting would not eliminate the company's continued fossil fuel emissions. It's therefore of immense concern to notice TotalEnergies' plans to buy millions of carbon credits as a way to project compliance with its weak climate targets without real-world impact.

● TotalEnergies' carbon credit purchasing behaviour

TotalEnergies has repeatedly argued that carbon credits are a legitimate corporate tool for reaching climate goals. For example, in its response to the [U.S. Securities and Exchange Commission climate-disclosure proposal](#), TotalEnergies stated that it supports carbon crediting mechanisms and considers them as necessary to achieve carbon neutrality.

Furthermore, TotalEnergies has also committed by 2030 to dedicate [an annual budget of \\$100 million to nature-based credits](#). In 2025, it spent [approximately \\$73 million](#) on carbon credits, underscoring the company's growing commitment to scaling this strategy as a component of its [wholly inadequate climate plan](#). While there is limited transparency regarding the specific projects and credits that make up the full list of investments, and since there are no formal requirements obliging buyers to disclose their carbon credit purchases, public disclosures indicate that TotalEnergies has been active across a range of renewable energy, nature-based and clean cooking projects. According to [Allied Offsets](#)



Data, TotalEnergies has purchased more than 1.4 million credits from 16 projects, mostly renewable energy credits from 2019 to 2026 (Table 2).

Table 2: TotalEnergies carbon credit retirement by project type from 2019 to 2026

Project type	Number of projects credits were purchased	Number of credits retired per project type
Renewable Energy	6	1,007,239
Forestry and Land Use	5	232,335
Household Devices	3	187,645
Energy Efficiency/Fuel Switching	2	40
16		1,427,259

AlliedOffsets Voluntary Carbon Market Database

Additionally, nature-based projects have become one of TotalEnergies' main pillars in its current carbon market strategy, with the major polluter aiming to build a portfolio of approximately 50 million nature-based credits by 2030. These credits are intended to be used from 2030 onward to offset a portion of its scope 1 and 2 emissions, with a projected retirement rate of around 5 million credits per year.

TotalEnergies has bought carbon credits from one of the most controversial projects in the history of voluntary carbon markets, the Kariba REDD+ Forest Protection Project, in Zimbabwe. A report by Bloomberg Green suggested that TotalEnergies purchased carbon credits from the project to support claims that its liquefied natural gas (LNG) was carbon neutral. As a consequence, analyses indicate that TotalEnergies generated approximately 17 million dollars from LNG cargo marketed as "carbon neutral", while only spending around \$600,000 on credits from the Kariba project. This highlights how low-cost, dubious carbon credits enable companies to substantiate misleading climate claims while continuing fossil fuel consumption. In addition, a Belgium-based subsidiary of TotalEnergies, named ProxiFuel, was reported to have retired approximately 190,000 credits from the Kariba project between 2021 and 2023.



TotalEnergies also used the Hebei Guyuan Wind Power Project in China, registered under Verra, to support its “carbon neutral” LNG claim. The project was developed using the ACM0002 methodology, originally created under the UN’s Clean Development Mechanism (CDM) for grid-connected renewable energy projects. However, both the CDM and ACM0002 have faced extensive criticism as many credited renewable energy projects were unlikely to be genuinely additional. The project also received a score of “B” from rating agency BeZero, indicating a low likelihood of achieving the claimed mitigation.

While it is already completely inappropriate to claim LNG is “carbon neutral” via the purchase of carbon credits, the issue is further compounded by TotalEnergies use of such low quality carbon credits. There is little reason to believe that TotalEnergies will become more responsible in marketing its future carbon credit purchases, given that the company has a problematic intention to continue using them as a means of offsetting its emissions.



Conclusion

The evidence presented in this report illustrates that oil and gas companies such as Shell and TotalEnergies pursue a clear and consistent strategy to occupy influential positions throughout the voluntary carbon market.

Shell has established a particularly extensive presence, spanning the supply, demand, transfer, and governance of carbon credits, making it one of the most deeply embedded companies operating in the market.

TotalEnergies has increasingly expanded its stake in developing projects, investing directly in carbon credit generation through project development, acquisitions, and strategic partnerships. Although its current involvement is less extensive than Shell, TotalEnergies has made clear its ambition to significantly expand its investment in carbon markets, positioning them as an increasingly important component of its inadequate long-term climate strategy.

Carbon credits are often presented by these companies as a legitimate and important solution to achieve their climate targets, while continuing to extract, produce and combust fossil fuels. Their extensive involvement and strong foothold across the supply, demand and trade of carbon credits demonstrates that they are not simply participating in the market, but embedding themselves in the VCM infrastructure throughout its value chain.

This raises significant concerns regarding the potential conflicts of interest in the voluntary carbon market arising from the participation of fossil fuel companies whose core business depends on the continued production and sale of fossil fuels. Their influence across multiple functions of the voluntary carbon market creates the potential to shape its development in ways that prioritise commercial interests and market growth over environmental integrity, credibility, and meaningful emissions reductions.



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