# Do sustainability criteria affect the valuation of companies? Evidence from an oil giant

**García, Antonio** [a]

[a] University of Almería, Almería | Spain

https://doi.org/10.35609/gcbssproceeding.2022.2(30)

## ABSTRACT

Nowadays we see how many media, governments and international organizations are echoing the serious consequences of climate change on our planet. A report recently published by the United Nations Climate Change Organization (UN Climate Change News, 2022) reiterated that the practices currently being carried out by governments are not sufficient to keep the temperature increase to 1.5ºC compared to the pre-industrial era. Moreover, it predicts that if we continue with business as usual, the increase will be 2.5ºC by the end of the century. One of the solutions to this problem is the energy transition, understood as a paradigm shift in which the system gradually stops relying on fossil and non-renewable energy sources, to make way for the exploitation, use and consumption of alternative energy sources that will reduce CO2 emissions and improve waste and water management, among many other advantages (Edenhofer et al. 2012). According to the latest report published by the British oil company BP (BP Statistical Review, 2022), 55% of the energy consumed by The Earth in 2021 will come from oil and gas, compared to 7% from renewable energies.

**Keywords:** O&G sector | DCF Method | Sustainable criteria | Investment | VDA approach