

Green groups cautious as Shell unveils 'net zero' plan

April 16 2020, by Patrick Galey



Shell intends to reduce the "net" carbon output from both its operations and products

Green investors welcomed Thursday's pledge from energy giant Shell that it will be carbon neutral by 2050, but environmental groups

cautioned its commitment still fell short of the drastic emissions cuts required to avert climate breakdown.

Following a string of climate-related disasters and a global protest movement inspired by Swedish wunderkind Greta Thunberg, more and more companies have signalled their intention to curb their [carbon emissions](#) in line with goals of the 2015 Paris climate agreement.

That deal enjoins nations to limit global warming to "well below" two degrees Celsius (3.6 Fahrenheit) above pre-industrial levels.

The accord also aims for a harder cap of 1.5C of warming through sweeping [emissions cuts](#) and other measures.

Following a similar announcement by BP in February, Shell said Thursday it planned to have net zero emissions from the manufacture of all its products by mid-century "at the latest".

These emissions—known as Scope 1 and 2—are the direct emissions from a company's operations as well as the emissions derived from any electricity it uses.

For Shell, these amounted to 70 million tonnes of CO₂ equivalent in 2019.

But it is Scope 3 emissions—those caused by the burning of the oil and gas it sells and emissions across its entire supply chain—that make up the vast majority of Shell's [carbon](#) footprint.

The Anglo-Dutch major said it will reduce the "net carbon footprint" of the products it sells by 30 percent by 2035, and reaching 65 percent by 2050.

Shell's most recent environmental figures say emissions from "use of our refinery and natural gas products" were 576 million tonnes in 2019.

The Intergovernmental Panel on Climate Change says that for the 1.5C target to be reached without reliance on the vast deployment of carbon capture technology, emissions from oil and gas must fall 87 percent and 74 percent respectively by 2050.

Carbon emissions overall must fall 7.6 percent annually to 2030 to stay on a 1.5-C course, the United Nations said last year.

'No new fossil resources'

In its announcement Shell kept the door open for oil and gas by saying it would continue to sell "some energy products that create emissions".

"But that does not mean Shell cannot be a [net-zero emissions](#) energy business, because our customers can themselves take action on their emissions," it said.

Donald Pols, director of Milieudefensie, the Dutch outpost of environmental group Friends of the Earth, welcomed Shell's commitment but said it did not make it Paris compliant.

"We can only reach those 1.5 degrees if no new fossil resources are tapped," he said.

"Meanwhile, Shell continues to invest billions a year in finding new oil and gas fields."

Friends of the Earth Netherlands is pursuing a legal case against Shell.

'Red flags'

The Institutional Investors Group on Climate Change, a collection of more than 450 fund managers, welcomed Shell's announcement.

"It's imperative we see companies across the entire oil and gas sector put strategies in place to achieve net zero emission if we are to tackle [climate change](#)," said Stephanie Pfeifer, IIGCC CEO.

"This applies to the fuels and products companies sell, as well as emissions from operations."

Shell said it planned to use "projects which protect, transform or restore land" as well as carbon capture and storage (CCS) tech as part of its emissions reductions plan.

Teresa Anderson, climate policy coordinator at ActionAid International, said there were concerns over the lack of detail in Shell's climate plan.

"Shell plans to continue extracting and selling their oil and gas," she said. "But they hope to keep their social license by trying to suck carbon from the air through vast tree plantations and storing emissions underground."

"The fact that the technology they are relying on does not yet work at scale, and that massive land grabs would be needed to fulfil their tree planting ambitions, should raise huge red flags."

Shell has several CCS schemes in operation, including the Gorgon project in Australia that will eventually suck out 3 to 4 million tonnes of CO₂ annually.

Citation: Green groups cautious as Shell unveils 'net zero' plan (2020, April 16) retrieved 24 April 2024 from <https://phys.org/news/2020-04-green-groups-cautious-shell-unveils.html>

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