Shell’s response re an Influence Map report raising concerns about its alleged use of shareholder funds for misleading climate-related branding and lobbying.

10 May, 2019

Business & Human Rights Resource Centre invited Shell to respond to the following item[s]:

- "Big Oil’s Real Agenda on Climate Change", InfluenceMap, March 2019: <https://influencemap.org/report/How-Big-Oil-Continues-to-Oppose-the-Paris-Agreement-38212275958aa21196dae3b76220bddc>

Shell sent us the following response:

May10th 2019

We firmly reject the premise of this report. We believe InfluenceMap has taken an overly simplistic view of climate policy, the value of engagement, and the complexity of the required transition to a lower carbon energy system. We also don’t agree with the Report’s implication that Shell’s spending on (direct and/or indirect) climate related engagement and corporate messaging is ‘in conflict with the goals of the Paris climate accord’.

We make no apology for talking to policy makers and regulators around the world to make our voice heard on crucial topics such as climate change and how best to address it. But Shell has clear guidelines on political activities. In line with our General Business Principles and Code of Conduct, Shell companies do not make payments to political parties, political organizations or their representatives. We require industry associations to confirm that Shell funds or resources are not used for payments to political parties, political organizations or their representatives either directly or indirectly.

We recognize the need for greater transparency as raised by the InfluenceMap report. Shell recently published an [Industry Associations Climate Review](https://www.shell.com/sustainability/transparency/public-advocacy-and-political-activity.html), which assesses Shell’s alignment with 19 key industry associations on climate-related policy. The report details new governance principles to improve how Shell manages its memberships with these associations in the future, and why Shell chose not to renew one of its memberships because of misalignment on our approach to climate and energy policy. We have been clear about our support for the Paris Agreement and the need for society to transition to a lower-carbon future, but the InfluenceMap report appears to suggest that any extended role of fossil fuels in the energy system is incompatible with the goals of Paris. This is not the case. IEA data suggest that natural gas will have a role to play and, according to the IEA, natural gas emits around half the greenhouse gas emissions than coal when burnt to generate electricity. For certain heavy industries, such as the production of iron, steel and cement, oil and gas will still be required to produce the extremely high temperatures needed at scale. Heavy transport by road, air or water, will also require the energy density of oil and gas for some time to come, and natural gas has the benefit of being one of the few energy sources that can be used across all sectors of the global economy – to fuel transport, heat and light homes, and power industries.

Shell recognizes that the future energy system must be made of products which, on average, have a lower carbon intensity. The products in the new energy system will include renewable electricity, biofuels and hydrogen, alongside oil and gas. Society must also contend with the carbon dioxide emissions that cannot be avoided. We are strong proponents of government led carbon pricing, carbon capture and storage, and nature-based solutions as means of addressing emissions.

Shell is taking concrete steps to address our own carbon footprint and we intend to cut the carbon intensity of the energy products we sell in step with society as it moves towards the goal of the Paris Agreement. That means fewer greenhouse gases emitted on average with each unit of energy we sell – by around 20% by 2035 and by around half by 2050. This is what we call our [Net Carbon Footprint ambition](https://www.shell.com/energy-and-innovation/the-energy-future/what-is-shells-net-carbon-footprint-ambition.html), and it includes all the emissions from the life cycle of each of our energy products. To operationalize this ambition, Shell has committed to set shorter-term targets. In 2019, Shell set its first Net Carbon Footprint target for 2021 of 2-3% lower than its 2016 baseline and has linked it to executive pay.