

## Shell Game

by Erik Assadourian and Joy Chen

**Eureka!** Royal Dutch Shell, the world's second largest oil company and producer of 2.5 percent of the world's oil, has finally acknowledged that we live in a closed environmental system. The acknowledgment goes beyond ads: in the company's 2006 *Sustainability Report*, Chief Executive Jeroen van der Veer declared, "For us, as a company, the debate about whether man-made climate change is happening is over. The debate now is about what we can do about it." But do the company's actions reflect its words, or is Shell just spewing hot air?

**"Greenhouses use our waste CO<sub>2</sub> to grow flowers."** Shell's Pernis refinery in the Netherlands pipes carbon dioxide waste into local greenhouses to assist plant growth. According to company figures, this saves the refinery about 325,000 tons of CO<sub>2</sub> each year. But how long do the plants lock up that carbon? In any case, the company's direct annual CO<sub>2</sub> emissions are 98 million tons—not including the CO<sub>2</sub> that consumers of Shell's gas and oil emit. So the greenhouses reduce Shell's direct emissions by a little over 0.33 percent. Time to build another 300 greenhouses?



### The fine print:

"If only we had a magic trash can that we could throw stuff in and make it disappear forever. What we can do is find creative ways to recycle. Greenhouses use our waste CO<sub>2</sub> to grow flowers. And our waste sulphur to make super-strong concrete. Real energy solutions for the real world. [www.shell.com/realenergy](http://www.shell.com/realenergy)"

**“Don’t throw anything away.”** To suggest that Shell operates its business according to that statement is dreadfully misleading. According to the World Bank, Nigeria flares (burns off at the wellhead) 75 percent of the gas it produces every year. About half of it is Shell’s. This gas accounts for emissions of roughly 148,000 tons of CO<sub>2</sub> and annual losses of about \$2.5 billion. Flaring causes numerous environmental and social problems, including air pollution, asthma, and acid rain. Shell has no plans to end gas flaring before 2009; its previous targets to reduce flaring have not been met.



Akintunde Akinleye/REUTERS © 2006

Woman winnows grain next to a gas flare in Nigeria.

**Flowery Claims.** Shell’s claims that it’s cleaning up its act are nothing new to the people of Durban, South Africa. In February 2000, the management of SAPREF Refinery, co-owned by Shell and BP, admitted to underreporting sulfur dioxide emissions by as much as 12 tons a day since 1995. Researchers found that 53.5 percent of students in the suburbs south of Durban suffered from asthma, four times more than similar populations elsewhere. The study linked exposure to air pollution to the higher incidence of asthma. If only Shell’s refineries emitted roses, daisies, and sunflowers instead of sulfur dioxide, hydrogen fluoride, and tetra ethyl lead.

**“A Magic Trash Can” would be nice.** Over the past 50 years, an estimated 9 to 13 million barrels of oil, much of it Shell’s, have been spilt in the Niger Delta. Though many people live within a few meters of contaminated lands and water ecosystems, Shell has yet to clean up its mess. Locals from the United States, the Philippines, Russia, Brazil, and Peru voice similar grievances.



Environmental Rights Action/Friends of the Earth Nigeria

Oil spill and abandoned drilling gear, Niger delta, Nigeria.

**“Disappear forever.”** If we had Shell’s magic trash can, maybe we should make the company’s corporate charter “disappear forever.” There is a growing movement to revoke the corporate charters of the world’s worst companies. Why not Shell’s? Then the company and its empty words would go away. That *would* be progress.

**“Real energy solutions for the real world.”** Since 2000, the company has invested \$1 billion in Shell Renewables, its renewable energy division. But in 2005 alone, Shell invested \$15.6 billion in production and refining. How’s this for a “real energy solution”: capture the natural gas flared in the Niger Delta. Shell would collect over \$1 billion in revenue from its share, use the resource rather than waste it, reduce pollution and sickness in the region, and possibly even reduce guerrilla activity against oil industry personnel in Nigeria. Then put those profits into Shell Renewables rather than slick advertising campaigns.



For the sources used in this Between the Lines, visit [www.worldwatch.org/ww/shell](http://www.worldwatch.org/ww/shell).