Emissions disclosure study puts Shell bottom of the big oil class

By Carola Hoyos in Vienna
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Royal Dutch Shell's disclosure of its carbon emissions lags behind its closest rivals and falls well short of best practice, a study by an industry consultant has said.

PFC Energy said Shell, which has sought to assert its green credentials, was rated bottom out of six multi-national oil companies surveyed on the level of detail, frequency and coherency of their emissions disclosures.

PFC said BP was ranked highest. ExxonMobil, traditionally seen as a sceptic of global warming, was rated above Shell.

The findings come days after the US said it would force all big emitters of greenhouse gases to disclose comprehensive emissions data by 2011 and as Shell prepares for its annual strategy presentation tomorrow, when it will include the latest emissions data in a filing to US regulators.

PFC, which based its rankings on publicly available data from corporate sustainability reports, annual reports and corporate websites, scored Shell 1.15 out of 5 on its carbon disclosures.

That compares with 3.05 for BP, 2.76 for Exxon, 2.64 for Conoco-Phillips, 2.4 for Chevron and 2.03 for Total.

PFC said Shell's performance on disclosure raised questions about its internal organisation - five years after Shell was hit by a scandal when it was revealed that oil and gas reserves had been overstated.

"The possibility exists that the upheaval Shell has experienced over the last decade - the reserves writedown and massive corporate and business reorganisations - has made it difficult for the group to quantify its emissions thoroughly," PFC said.

Shell pointed out that it had been rated more highly on a broader set of criteria by Carbon Disclosure Project, a UK-based charity. Taking into account factors such as environmental awareness, CDP has ranked Shell at 68 out of 100 compared with 74 for Chevron, 64 for BP and Total, 53 for ExxonMobil and 46 for ConocoPhillips.

"It is still early days on GHG [greenhouse gas] reporting," Shell said.

"No one knows yet what information will most help stakeholders to judge companies' responses to climate change risks. But what is clear is that transparency must be judged widely: not only numbers on company's emissions but understanding how well companies understand and manage risks . . . It is regrettable that this study did not take that wider perspective."

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