



Shell wins appeal against court order to reduce the oil company's carbon emissions

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NEWS

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Highlight: Oil giant Shell wins a landmark case at The Hague, overturning an earlier court ruling ordering it to cut its carbon emissions by 45 per cent.

Body

A Dutch court has accepted Shell's appeal against a landmark climate ruling, dismissing the order for the oil and gas company to sharply reduce emissions.

The appeals court in The Hague said on Tuesday that Shell had a responsibility to reduce greenhouse gas emissions to protect people from global warming.

But it dismissed the 2021 ruling that ordered Shell to cut its absolute carbon emissions by 45 per cent by 2030 compared to 2019 levels, including those caused by the use of its products.

The Dutch court said Shell was already on its way to meet required targets for its own emissions, and it was unclear if demands to also reduce emissions caused by the use of its products would help the fight against climate change.

"Even though Shell bears a special responsibility as a large oil and gas company, that does not mean we can apply a general reduction goal of 45 per cent," presiding judge Carla Joustona said.

In a written summary of the ruling, the court said: "There is currently insufficient consensus in climate science on a specific reduction percentage to which an individual company like Shell should adhere."

Shell's chief executive officer, Wael Sawan, welcomed the ruling.

"We are pleased with the court's decision, which we believe is the right one for the global energy transition, the Netherlands and our company," he said.

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"Our target to become a net-zero emissions energy business by 2050 remains at the heart of Shell's strategy and is transforming our business."

Climate mitigation debate

The ruling coincides with the COP29 UN climate summit in Baku, Azerbaijan, where building on a decision at last year's talks to transition away from fossil fuels is set to be debated.

Climate activist group Friends of the Earth Netherlands, which brought the case forward in 2019, said it would continue its fight against large polluters.

"This hurts," the group's director Donald Pols said.

"At the same time, we see that this case has ensured that major polluters are not immune and has further stimulated the debate about their responsibility in combating dangerous climate change.

"That is why we continue to tackle major polluters, such as Shell."

Friends of the Earth did not say whether it would launch a further appeal at the Netherlands' Supreme Court.

The case in the Hague, where Shell was headquartered until it completed its move to London in 2022, was viewed as pivotal for both sides of the emissions divide and helped to inspire other lawsuits.

In appeal hearings earlier this year, Shell said demands for companies to reduce emissions could not be made by courts, but only by states.

The court agreed with Shell that an absolute order to reduce emissions from its products could have an adverse effect worldwide, as it could lead customers to switch from using Shell's gas to more polluting coal.

"In general, any reduction in greenhouse gas emissions is positive to mitigate climate change," Judge Joustra said.

"But that does not mean that a reduction order for Shell has that same effect."

Shell shares traded down 0.2 per cent in Amsterdam early on Tuesday, broadly in line with the wider index.

Reuters/AP

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