

Shell to leave oil lobby group over climate policy concerns



LONDON (Bloomberg) – Royal Dutch Shell’s position on climate change is misaligned with about half of the trade associations it’s a part of, and the disagreement with one is so severe the company will let its membership lapse next year.

The findings were issued in a first-of-its-kind report on whether the company’s association with lobbying groups is undermining its work on climate change. The report is likely to reverberate across the industry, with most of Shell’s peers also members of the same groups and already facing enormous pressure from shareholders to line up their business models with the Paris climate accord.

Shell will leave the American Fuel & Petrochemical Manufacturers association next year because of its climate-change policy stance. It also named nine other groups that it disagrees with, including the powerful American Petroleum

Institute and the U.S. Chamber of Commerce, but said it will “engage further” with them.

Organization – Area of Misalignment

American Fuel & Petrochemical Manufacturers Paris accord, carbon pricing American Chemistry Council Methane rules American Petroleum Institute Methane rules, Clean Power Plan, Paris accord BusinessEurope Carbon trading reform Canadian Association of Petroleum Producers Paris accord, carbon pricing European Chemical Industry Council Carbon trading reform FuelsEurope Carbon trading reform National Association of Manufacturers Carbon tax, CAFE standards, Clean Power Plan U.S. Chamber of Commerce Paris accord, carbon pricing, Clean Power Plan Western States Petroleum Association Carbon pricing, “lobbying approach”

“The publication of this report is a first step to greater transparency around our activities in this area,” Shell said in the report. “Shell’s investors, and more broadly civil society, must be confident that we engage constructively with others on climate change.”

Trade associations have long been a target of environmental activists who support tougher regulation on the industry. Following investor pressure, Shell said last year it would prove through greater reporting that it isn’t funneling money into institutions that hinder progress on cutting greenhouse-gas emissions.

Of the nine groups it’s misaligned with but will stay a member, Shell only disagrees with some of their positions. For example, it said the API fought to repeal rules around methane emissions in 2017, while the company wanted those to stay.

Shell said it found a “material misalignment” with the American Fuel & Petrochemical Manufacturers, something it cannot rectify. Unlike Shell, the group neither supports carbon pricing or hasn’t publicly supported the goal of the

Paris accord, the Anglo-Dutch oil major said.

AFPM works on “myriad issues” for its members, and “like any family, we aren’t always fully aligned on every policy, but we always strive to reach consensus positions on policies that are in the best interest of our membership and the communities and consumers that rely on us,” Chet Thompson, the group’s CEO, said in an emailed statement.