Shell says it will halve some of its emissions by end of decade following Dutch court ruling

Shell says it plans to halve emissions in two categories by the end of this decade but its pledge does not include a third category that accounts for more than 90% of its total.

The oil company said the measure will be assessed against 2016 levels and will cover its Scope 1 and Scope 2 emissions – those from its own production sites and the energy it buys from elsewhere.

But it will not include Scope 3 – emissions caused by customers burning its fuels. Shell says on its website that these account for over 90% of its total emissions.

The move comes in response to a **ruling by a Dutch court in May** that Shell must cut emissions in all three categories by 45% before 2030.

Shell plans to appeal against the part of the decision affecting Scope 3 emissions, which it has said will reach net zero by 2050.

The company said its promise regarding Scope 1 and Scope 2 was "an important step as we rise to meet the challenge of the Dutch court's ruling".

It added: "Our 2022 business plan will reflect this new target, which we are committed to delivering regardless of whether we win or lose our appeal against the ruling."

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A Shell spokesperson told Sky News: "Emissions from our own operations make up less than 10% of our total emissions.

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"Customers' emissions from the use of the energy we sell generates most emissions, so we must also help our customers cut their emissions when they use that energy.

“We will increasingly offer low-carbon products and solutions, such as biofuels, charging for electric vehicles, hydrogen and renewable power, as well as carbon capture and storage and nature-based offsets.

“In this way, we expect to build low-carbon businesses of significant scale over the coming decade.

“In addition, we will drive down emissions from our own operations as we continue to provide the oil and gas products our customers need today, while at the same time helping them move to a low and zero carbon future.

“To be clear, the best way for Shell to contribute to the energy transition is to work with our customers to help shape demand for low-carbon energy products and services.

“In turn, the increasing need to supply low-carbon energy products and services will accelerate Shell’s transition to net zero.”

Shell has also said it will stop routine gas flaring by 2025, five years earlier than planned.

Routine flaring, also known as production flaring, is a way of disposing of large amounts of unwanted gas during crude oil extraction.

Sometimes this gas is used for energy but this is often not financially advantageous, so it gets burnt onsite.

The World Bank says this is a “monumental waste of a valuable resource”, adding that the amount flared each year – about 142 billion cubic meters – could power sub-Saharan Africa.

A Shell spokesperson acknowledged that routine flaring contributes to climate change and wastes valuable resources but said that as a signatory to the World Bank’s Zero Routine Flaring Initiative, Shell “continues to pursue our 2015 commitment to eliminate associated gas flaring at our facilities".

They added: "Since 2016 we have cut routine flaring in our Upstream division (the division that produces oil) by more than 60%."

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Also on Thursday, the oil company posted a £719m loss in its third financial quarter, compared to a £129m profit at the same time last year.

The company is under pressure from activist hedge fund Third Point to split itself into "multiple standalone companies", including a "legacy" arm focused on oil and gas that could "slow capex beyond what it has already promised".

According to a report in the Financial Times, the hedge fun owns a stake in Shell worth close to $750m (£545m).

The newspaper cited a letter to Third Point shareholders which accused Shell of having "too many competing stakeholders pushing it in too many different directions, resulting in an incoherent, conflicting set of strategies attempting to appease multiple interests but satisfying none".