

STILL A ~~THE~~ BIG CON

How Big Polluters are using “net zero” to block meaningful action at COP26

OCTOBER 2021

On the road to COP26, corporations are using “net zero” to block effective climate policy and greenwash their image while maintaining business-as-usual. This fact file details the “net zero” conning and COP26 greenwashing of six major corporate players, but they’re not alone.

In June 2021, more than 70 climate justice groups around the world launched a report, “[The Big Con](#)”. This report built on previous [reports and analysis](#) of “net zero” and revealed how Big Polluters across various economic sectors are advancing a “net zero” agenda to delay climate action, deceive the public, and deny the need for real, urgent, and meaningful action. This fact file builds on “The Big Con” by providing more detail on the “net zero” agendas of six major corporate players. These corporate actors include COP26 sponsors, Big Oil and Gas majors, and key influencers in the United Nations Framework Convention on Climate Change (UNFCCC), as well as in other “net zero” related initiatives such as the Taskforce on Scaling Voluntary Carbon Markets (TSVCM) and the Race to Zero.

COP26: NO TIME FOR A “NET ZERO” COP

Amidst the COVID-19 pandemic, the UK government is forging ahead with plans to host COP26 in Glasgow from October 31 - November 12, 2021. It is being billed as a “[safe and inclusive](#)” COP, but it is set to be anything but. Widespread vaccine apartheid has left more than [97 percent of the Global South](#) without access to vaccines, while the UK government’s failure to distribute vaccines proactively and globally, combined with other barriers to participation, has meant many from the Global South have been de facto excluded from participating. A broad range of civil society groups [called for the postponement](#) of the conference until safety can be ensured and equitable participation is guaranteed. In reality, COP26 will be an exclusive and exclusionary COP, where the interests of the global (mostly white and Northern) elite, and especially polluting countries and corporations, will be heavily represented.

COP26 is increasingly being nicknamed the “[net zero Cop](#)”, because of the promotion of the idea that climate-wrecking emissions can continue so long as they are compensated for by carbon removals and offsets. But this is a distraction, at a crucial moment where the only way forward must entail *real* action, *real* solutions, and systems change pathways to urgently and equitably get us to [Real Zero by cutting emissions at source](#). If Big Polluters and governments like the U.S., UK, and EU are allowed to succeed in promoting their polluting “net zero” agenda, the main policy outcomes at COP26 will be weak regulation of carbon markets, and a parade of self-regulated “net zero” pledges from polluting countries and corporations that are heavy on the PR and light on the action. Without a drastic change of course away from industry-backed false solutions and inadequate pledges, world leaders may miss the only remaining chance we have of keeping global temperature rise to below 1.5° C.



DIRTY CLIMATE FOOTPRINT

In 2020, BP's CEO **proclaimed to the world** "...for BP to play our part and serve our purpose, we have to change. And we want to change - this is the right thing for the world and for BP".

Yet, it continues to act like the quintessential fossil fuel giant it has been for more than 100 years, parroting the need for climate action while continuing to extract, sell, and burn fossil fuels at an alarming rate. BP has shared plans to:

- Spend **US\$71 billion extracting fossil fuels** over the coming years (its intention before the pandemic).
- Launch no less than **seven new hydrocarbon projects** in 2022 as part of a broader multi-year plan to promote hydrogen from fossil gas in the energy transition. Hydrogen is billed as a 'green' gas, but it could actually **imply more fossil fuels** (see Annex 2 on dangerous distractions for more info).

BP's public messaging glosses over these dirty facts, trumpeting the company's miniscule investment in renewables. But actually BP—like other major oil and gas corporations— has a decades-long history of greenwashing its image while delaying and weakening regulations that could force it to keep fossil fuels in the ground. So it's no wonder that recently, the U.S. Congress has asked the executives of BP— along with Shell, Exxon, and Chevron— **to testify** about industry efforts to mislead the public and prevent action to fight climate change. BP is not just in trouble in the U.S. though—in 2019 a **South African court found BP guilty** of being an environmental criminal.



BP'S "NET ZERO" CON

False solutions and continuing pollution

In February 2020, BP applauded itself for its "ambition" to be a "net zero" company by 2050, via an **announcement** that included zero plans or targets about how it achieve this laudable goal. Further analysis reveals an essentially meaningless pledge offering way too little way too late. For example:

- BP plans for its absolute level of emissions resulting from its marketed products to continue to grow until **at least 2030**.
- The corporation is planning to allocate a further **US\$9 billion** to its oil and gas business in 2021, including towards **destructive projects** such as the Vostok project in the Arctic (via its Russian partner Rosneft). This project intends to produce 100 million tonnes of oil a year.

Despite its promises of change, analysis of BP's business and climate plans shows they are **not aligned with the Paris Agreement**. Instead, the corporation is seeking to advance false climate solutions such as fossil gas, a fuel that can be as **bad for the climate as coal**. In addition, it relies on other **false solutions** and failed technologies such as hydrogen, carbon capture, utilisation and storage (CCUS) and carbon offsets. BP is the **biggest shareholder** of the U.S.' largest forest carbon offsets developer, as well as a big backer of 'blue' fossil fuel-based hydrogen, a false solution that would keep Big Oil in business by ensuring the continued **burning of fossil fuels**.

BP is using the "net zero" agenda to advance polluting interests. One way it does this is through its prominent position of power within the Taskforce on Scaling Voluntary Carbon Markets (TSVCM) (for more info see Annex 1 on "net zero" initiatives). Jeff Swartz, BP's director of climate, sits on the **board of directors** of the Taskforce.



GREENWASHING AND LOBBYING ON THE ROAD TO COP26

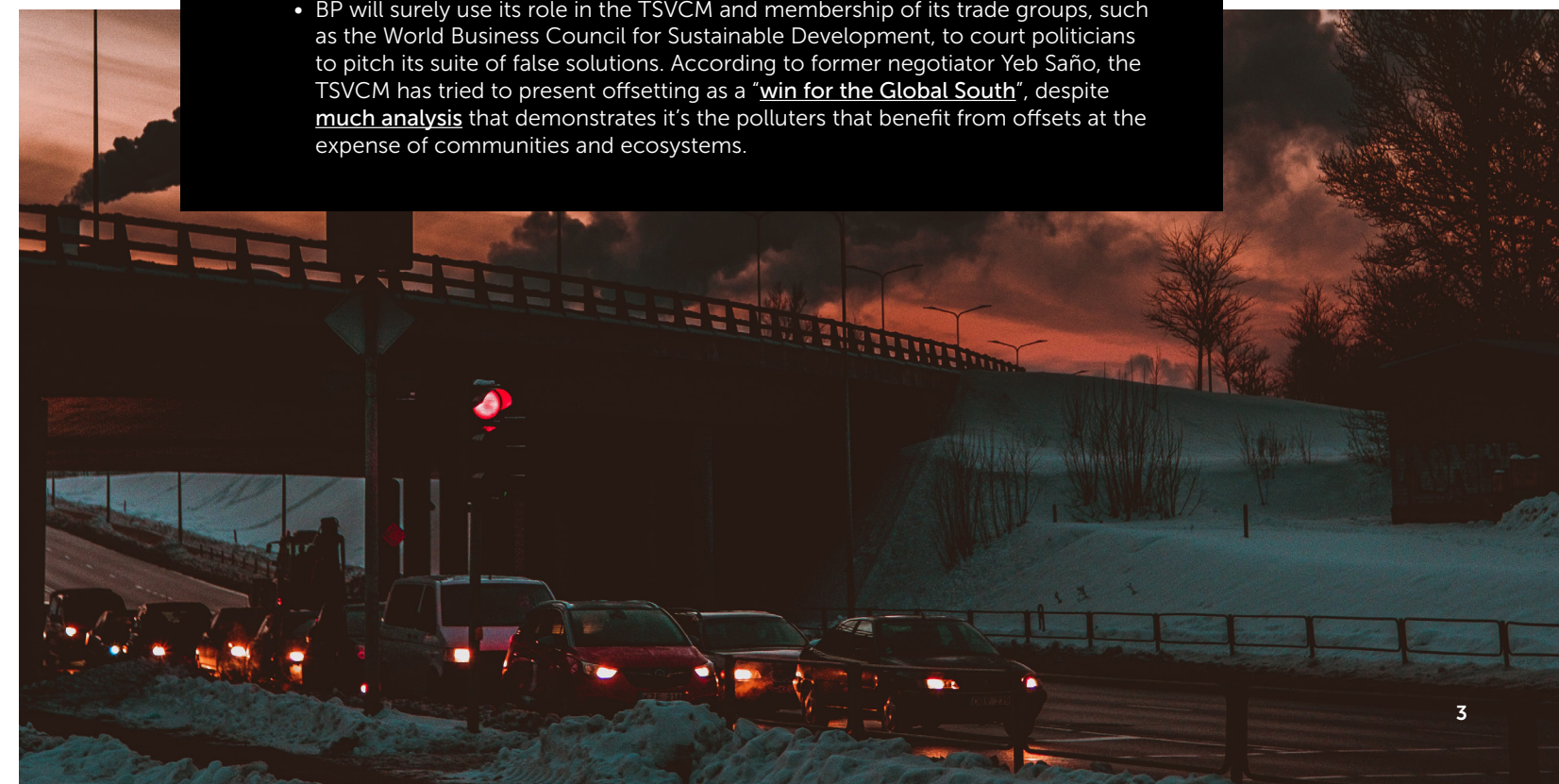
BP has been very active in the run up to COP26, where critical decisions on dangerous carbon markets will be negotiated. In the UK, host of COP26, it met with ministers from the Department for Business, Energy and Industrial Strategy a whopping **58 times** between July 2019 and March 2021.

BP has also used its involvement at conferences to promote its false solutions and cosy up to politicians:

- In September 2021 it took part in a conference on "**The road to COP26: what is the role of biofuels?**" There the corporation's chief economist, Spencer Dale, aggressively promoted the trio of hydrogen, gas, and CCUS as central to the Paris Agreement goals.
- In October 2021 another BP executive spoke at the *Economist's* "Sustainability Week: **Countdown to COP26**" event, alongside many high-level decision-makers, including various ministers, a prime minister and the deputy executive secretary of the UNFCCC.

Despite being **rejected as a sponsor** of COP26, BP is still able to reap the benefits of making public appearances alongside COP sponsors. On October 28, COP26 Principle Partner SSE is hosting an event "**Rais[ing] the Curtain on COP26**" and has invited a BP executive to speak on a panel about "Net Zero Generation & Distribution". At the COP:

- The oil and gas giant has partnered with British Airways and its "**BA Better World**" initiative to supply flights during the COP26 climate summit between London, Glasgow, and Edinburgh with supposed "sustainable aviation fuel", a claim that is wanting least of all because the fuel it is promoting consists in part of traditional jet fuel.
- BP will surely use its role in the TSVCM and membership of its trade groups, such as the World Business Council for Sustainable Development, to court politicians to pitch its suite of false solutions. According to former negotiator Yeb Saño, the TSVCM has tried to present offsetting as a "**win for the Global South**", despite **much analysis** that demonstrates it's the polluters that benefit from offsets at the expense of communities and ecosystems.





DIRTY CLIMATE FOOTPRINT

Ahead of COP26, **Microsoft has touted** that it “*believ[es]* deeply in the power of COP26 to bring together the people needed to focus clearly on the necessary commitments and pathways”. And as a **Principal Partner** for COP26, one would hope it does. But behind its green façade hides the tech giant’s role as a global enabler of the continued extraction and burning of fossil fuels. Microsoft is the **biggest tech partner** to the oil and gas industry, selling artificial intelligence that helps to discover and extract oil. According to Greenpeace, the corporation’s contract with ExxonMobil alone “could lead to emissions greater than 20 percent of Microsoft’s **annual carbon footprint**”.

Though reaping all the benefits reserved especially for sponsors of the climate talks, Microsoft has never **named a date** for when it will end its dirty business with fossil fuels. And with a “net zero” plan that relies heavily on using technology to soak up emissions and offsets (the corporation may have to purchase **6 million carbon offsets** every year by 2030) rather than actually decreasing emissions and deals with Big Polluters, it doesn’t seem set to actually get serious about climate action anytime soon.



MICROSOFT’S “NET ZERO” CON

“Moonshot” pledges and trickery

A COP26 sponsor is being afforded the highest praise as a climate champion, despite a) being the largest tech partner of fossil fuels and b) having a “net zero” climate plan based on dodgy accounting, forest offsets that are burning down, and non-existent technology.

Microsoft’s **“moonshot”** pledge plans to go beyond “net zero” by becoming a “carbon negative” company by 2030, implying it will remove more carbon from the atmosphere than it emits.

However, the “moonshot” pledge is riddled with false solutions and problematic strategies, including an overreliance on carbon removal technologies and offsets schemes instead of reducing emissions at source. It has purchased the ‘removal’ of 1.3 million metric tonnes of CO₂ from 26 carbon removal projects around the world. But even the tech giant acknowledges the weaknesses underpinning these presumed “solutions”.

Some examples include:

- **“Ambiguous and discretionary”** methods for carbon accounting, which means Microsoft cannot “ensure that progress reported on an accounting statement is truly progress in the real world”.
- Some of its carbon offsets are **up in flames**: Fires in the U.S. earlier in 2021 burned through the forests in the U.S. that form the basis of carbon credits purchased by Microsoft and others (including BP). In the words of Elizabeth Willmott, Microsoft’s carbon program manager, “We’ve bought forest offsets that are now burning”.
- The technology its “net zero” plans rely on **does not yet exist**: Even Microsoft admits “...today there is no real existing carbon removal ecosystem and the world must build a new market on an unprecedented scale and timeline, from nearly scratch”.
- Despite these loopholes, its “net zero” plan gets public attention and validation via the “net zero” initiatives it is part of, including the Science Based Targets Initiative and the Race to Zero (see Annex 1 for more information on these initiatives).

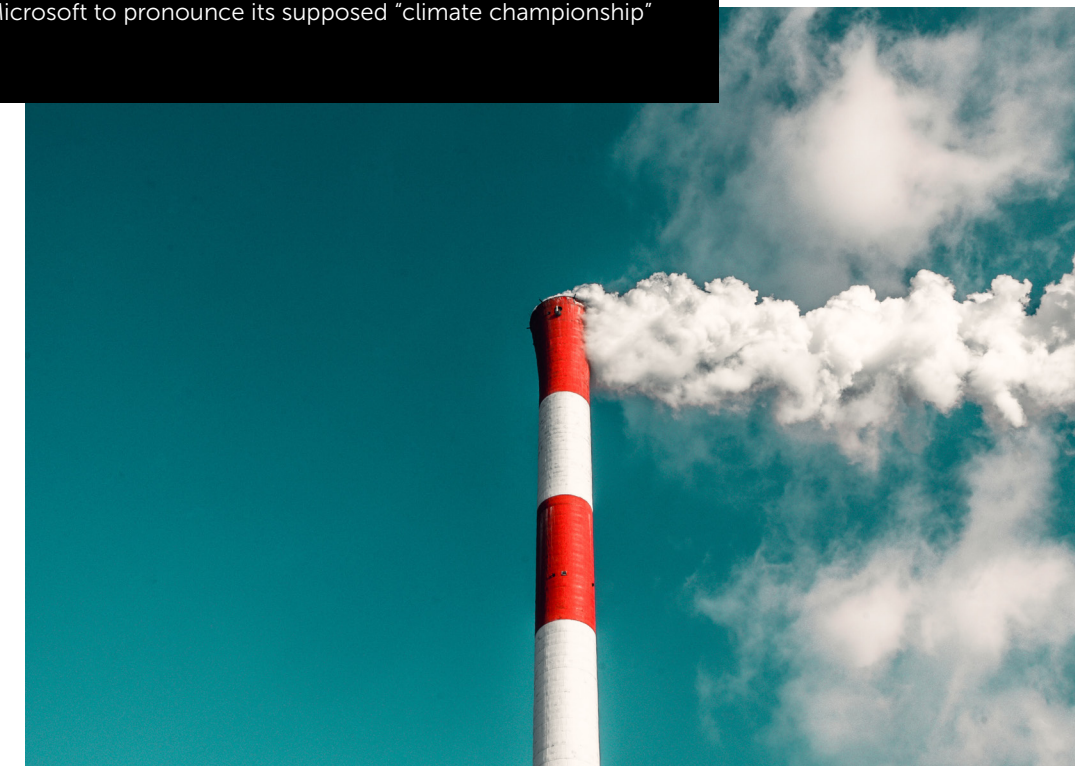


GREENWASHING AND LOBBYING ON THE ROAD TO COP26

As a COP26 Principal Partner, Microsoft will have unrestricted access to policymakers and heads of state, and will be allowed to promote its polluting brand, placing its logo alongside that of the UNFCCC. To add to the greenwash:

- It has made multiple lofty announcements in the months before COP26, presumably to help garner public and political goodwill, including a donation of **US\$100 million** to Gates’ “Breakthrough Energy Catalyst” project, towards the acceleration of false solutions including hydrogen and carbon capture (see Annex 2 for more information) and a pledge to begin a **US\$1 billion** “Carbon Innovation Fund” over four years in the development of “innovative” climate technologies.
- Microsoft and its subsidiaries reportedly spent more than US\$5 million on **lobbying in the U.S.** in 2021 so far, and more than **US\$9 million** in 2020, deploying over 100 lobbyists each year. Recent analysis revealed that Microsoft was part of a group of corporations that were publicly pledging to combat climate change while “backing business groups that are **fighting landmark climate legislation**”.
- In Brussels it spent more than **€5 million** on lobbying in the last financial year, declaring as a key target the EU’s “Fit for 55” climate package, which in part focuses on carbon markets and delivering “net zero” by 2050.

During COP, keep an eye out for a virtual **Children’s Parliament** that was organised by a PR firm hired by Microsoft and two other companies. And expect many opportunities for Microsoft to pronounce its supposed “climate championship” on the world stage.





DIRTY CLIMATE FOOTPRINT

Drax insists that “Tackling climate change is at the heart of our purpose and we are committed to helping the UK and the wider world to achieve its climate change targets”. On the surface, the corporation might seem ‘greener’ than the rest – the biomass burner even markets itself as a “renewable energy pioneer”. But don’t be fooled: Drax remains the UK’s biggest single source of CO₂ emissions and third biggest in Europe among coal plants when biomass emissions are included – burning wood for electricity can lead to higher emissions than burning coal. In fact, Drax’s power plants burn more wood than any other plant in the world, destroying biodiversity hotspots and driving deforestation amongst the native hardwood forests in the U.S. it regularly sources from. Its business plan is centred on the conversion of natural land into monoculture tree plantations, that are then cut down and burnt for high-emitting energy. But thanks to its “renewable energy” label, it receives more than £2 million a day in public subsidies for burning millions of tonnes of trees every year.



DRAX’S “NET ZERO” CON

Accounting loopholes and forest destruction

Despite being more polluting than all-but-two of Europe’s dirtiest coal-fired power plants, Drax has announced its ambition to be the world’s first “carbon-negative company” by 2030.

Drax claims it will capture and store up to 16 million tonnes of CO₂ a year using a dangerous and untested technology called Bioenergy with Carbon Capture and Storage (BECCS - for more information see Annex 2). But to be “carbon negative”, Drax would have to somehow “make up” for all of Drax’s emissions, which is where the accounting loophole comes in. So far, Drax, in partnership with C-Capture, is struggling to capture 1/100th of the emissions it was expected to by the UK government, and is then releasing them directly into the atmosphere. Drax is able to promote its profit-driven agenda through its association with prominent “net zero” initiatives such as the Race to Zero.

The polluter isn’t afraid to promote its false climate solutions to even the youngest in society. During the UK lockdown, Drax published online educational materials and produced interactive webinars and virtual tours for parents, teachers, and students as young as seven, that promoted BECCS and the corporation’s “renewable energy” rebranding.



GREENWASHING AND LOBBYING ON THE ROAD TO COP26

Drax is certainly one for cosying up to politicians and policymakers. Its lobbyists met UK ministers 31 times between July 2019 and March 2021, including a site visit by UK’s Business Secretary Kwasi Kwarteng to the corporation’s main power station in Yorkshire. Kwarteng is an admirer of Drax- in the run-up to COP26 he wrote in a local Yorkshire paper that the firm was the “world’s leading sustainable biomass business”. Last year he also shared a platform with its CEO Will Gardiner during the Conservative Party Conference. At this year’s conference it sponsored multiple fringe events, including a lunchtime meeting where Gardiner shared a panel with decision-makers.

Drax’s close relationship to politicians also extends to the COP26 UK team:

- Drax CEO Gardiner personally welcomed COP26 President Alok Sharma to Drax’s exhibition stand at this year’s Conservative Party Conference.
- Ex-COP26 President-Designate, Claire O’Neil, publicly defended Drax on Twitter in response to a critique about its sustainability and negative emissions claims.
- The UK government invited Gardiner to speak at its COP25 side event, where the major emitter could promote its greenwashed image as a re-branded “renewable energy company” promising negative emissions.

Drax has been using public events and conferences to build support for its false solutions in the run-up to COP26:

- A month ahead of the climate talks, Drax enjoyed direct access to a line-up of prominent politicians and policymakers via its sponsorship of the Net Zero Festival, where it was given prominent air time to “Zoom in on Net Zero”.
- It was also chosen as one of the “green dozen” British companies invited to the Global Investment Summit by the UK government, taking place about 10 days before the COP. It was invited to showcase its “innovative bioenergy with carbon capture and storage (BECCS) technology”. This was quite convenient, as Drax is also angling for more public subsidies for its deployment of the technology.

Europe’s third biggest polluter is positioned to be a prominent influencer at COP26, where it will benefit from direct access to high-level decision-makers via its role as a partner of the Sustainable Innovation Forum, which is happening during the talks. During the event, Drax is slated to speak alongside the Swedish Minister for Environment and Climate. Be on the lookout for it to be re-branding its polluting activities as “green” at every turn, and for it promoting BECCS as central to “net zero” pathways given its intention to expand these risky BECCS plants globally.



DIRTY CLIMATE FOOTPRINT

The International Emissions Trading Association (IETA) is an industry group funded by fossil fuel giants like BP, Chevron, and Shell as well as other **Big Polluters** like Drax and Rio Tinto, not forgetting the firms that finance them, Bank of America Merrill Lynch. Its **Board of Directors** includes current representatives from Shell, Chevron, and Bank of America Merrill Lynch; its board Chairman is the principal advisor for Rio Tinto; and its honorary board member frequently has **negotiated** on behalf of Global South country governments at the climate talks.

IETA has **said** that *"...climate change implores us to think differently – to think about 'us together' on a common journey, rising to the challenge of our lives"*. Yet for more than 20 years it has existed solely to **promote the failed model of carbon markets** and other false solutions favoured by its polluting members, at the cost of everything else. And it has an impressive **track record** of doing just that. It can be considered one of the most influential fronts for polluter interests at the UNFCCC.



IETA'S "NET ZERO" CON

False dichotomies between carbon markets or multilateral breakdown

Digging deeper into IETA's proposed global plans reveals some very worrying thinking. IETA has **pledged** to advance "net zero" policies that have carbon markets and emissions trading schemes at their heart. Its 2020 Annual Report, "**Vision 2050**", charted two contrasting future scenarios: one with global collaboration focused on advancing carbon markets as a global success", and one where global collaboration does not lead to a unified carbon markets system, a scenario which it paints as leading to a "breakdown of multilateralism".

IETA wants to **expand carbon markets** to fund climate adaptation measures, which is effectively trying to replace public finance commitments for adaption from richer countries with profit-motivated private finance. In short it is trying to eradicate the climate debt owed to Global South countries by Global North countries who are most responsible for historical emissions. IETA also assumes technologies can achieve offsets of an "unprecedented size", which would allow its members in the Global North to keep on emitting.

The future global scenarios that IETA has conjured up completely ignores the principle of "common but differentiated responsibility" that underpins the Paris Agreement, as well as the plethora of real and proven non-market solutions that world leaders could instead advance through global coordination to address the climate crisis. It is worth noting IETA's own self-acknowledged **omission** in these market-centric scenarios: "we do not make conclusions about the impact... on societies and ecosystems. Our focus has been exclusively on carbon markets".

IETA plays a leading role in efforts to advance and seed global carbon markets via its newly appointed position in the **executive secretariat** of the TSVC (see Annex 1). It also leads the **Markets for Natural Climate Solutions** initiative, which seeks to establish global markets for Nature-Based Solutions like offsetting through tree-planting. Another industry-backed false solution (see Annex 2 for more), its steering committee includes the likes of Shell, Chevron, and BP.



GREENWASHING AND LOBBYING ON THE ROAD TO COP26

Given that IETA **defines** "net zero" as the "ultimate ambition of international climate policy", expect it to use every opportunity on the road to COP26 to advance its polluter-backed and funded agenda. If past experience is anything to go by, expect it to have a high number of "boots on the ground" at the negotiations. Its delegation frequently dwarfs the **average size of government delegations**.

- COP11, 2005: IETA sent a 402-strong delegation compared to an average government delegation of 15 that year. At this COP, a historic 21 decisions were adopted that officialised carbon market and offsetting schemes in the Kyoto Protocol, displacing pathways for real emissions reductions.
- COP13, 2007: IETA sent 381 delegates to the negotiations, where the Bali Action Plan was adopted, part of which paved the way for weak, self-regulatory climate action and ultimately for mechanisms such as carbon markets to take hold. IETA's presence was the largest non-government delegation.
- COP24, 2018: IETA had a delegation of 103, nearly twice the size of the average government delegation that year. During these talks, governments intensively negotiated the "rules" for the use of carbon markets to achieve climate commitments as part of the Paris Agreement.
- COP25, 2019: IETA had 129 delegates, twice the average government delegation size. In Madrid, polluting interests tried to ram through Article 6 "rules" for carbon markets that were riddled with loopholes and weaknesses.
- UNFCCC intersessional, June 2021: IETA had the largest **polluter-interests delegation**, which according to the UNFCCC's **provisional participants list** included Shell's Chief Climate Change Advisor David Hone and honorary board member Andrei Marcu on a government delegation as a negotiator.

Within a month of COP26 IETA hosted a **climate summit** for Latin America and the Caribbean, bringing together governments and businesses to discuss carbon markets pathways.

At COP26 itself:

- It will host its traditional **Business Hub**- a series of events by its members. The programme has not yet been released at time of writing, but at **COP25 IETA's Business Hub** was packed with polluter greenwash and public displays of business partnerships with decision-makers and U.N. figureheads, especially for **Hub-sponsors like Chevron**. Over the two weeks the Hub featured **74 side events**, five of them giving a platform to Shell to present its Nature Based Solutions initiatives (see Annex 2 for more) alongside other big polluters like BP and Enel.
- IETA will be releasing a news-style programme to promote its "net zero" agenda, with carbon markets and nature based solutions at its core. The teaser for the programme, called "**Blue Sky Thinking**", features the head of IETA at home on his ranch speaking about the personal impacts of the climate crisis. Though IETA might be trying to humanise the people pushing dangerous carbon markets schemes, it remains beholden to advancing the polluting interests of its hundreds of corporate members.



DIRTY CLIMATE FOOTPRINT

Despite BlackRock CEO Larry Fink having committed to exit coal and start investing sustainably, the world's largest asset management firm remains the **second biggest institutional investor in coal**, with a reported US\$85 billion held in companies such as Glencore and RWE. It also holds US\$75 billion in companies involved in **tar sands production**, which has led to severe human rights and environmental abuses, as well as representing a ticking time bomb for the climate. In Europe it retains 5 percent or more of shares in the continent's **top oil and gas majors**, and despite **public outcry**, is heavily involved in companies behind deforestation, including in the Amazon. A **report** from Friends of the Earth, Amazon Watch, and Profundo concluded: "BlackRock is among the top three shareholders in 25 of the world's largest publicly listed deforestation-risk companies, and among the top ten shareholders in 50 of the world's top deforestation-risk companies".

Earlier this year, Larry Fink, BlackRock's CEO **wrote** "No issue ranks higher than climate change on our clients' lists of priorities". The claim does not seem very credible, in light of the information outlined below.



BLACKROCK'S "NET ZERO" CON

Loose commitments and wanting climate targets In 2021 BlackRock CEO Larry Fink sent a **letter** to its clients' CEOs outlining the firm's "net zero by 2050 or sooner" commitments. However, according to **Reclaim Finance**, the letter "does not offer a clear pathway for how BlackRock will decarbonize its portfolios", while a **report** it co-published with the Sunrise Project notes that the loopholes in its plan ensure that any move to keep temperature rise below 1.5°C while leaving fossil fuels in the ground is highly unlikely. BlackRock has no short or medium-term **benchmarks on emissions reductions**, and has no short-term plans to exclude climate laggards from its portfolios, including fossil fuel companies planning to develop new reserves. And expecting it to become an activist shareholder is highly unlikely: BlackRock's record of opposing shareholder resolutions was even worse in 2020 than 2019, **voting down 88 percent** of climate-friendly resolutions.

BlackRock's Senior Managing Director, Sandra Boss, is **closely involved** in the Taskforce for Scaling up Voluntary Carbon Markets (TSVCM, see Annex 1). The TSVCM was created by the former Bank of England governor and Goldman Sachs banker, Mark Carney, who is now the U.N. Special Envoy on Climate Action as well as the UK Prime Minister's Finance Advisor for COP26. BlackRock's Boss is not just a supporter of the TSVCM but also a member of its **Senior Advisory Council**. BlackRock is also well placed to push "net zero" within the finance sector thanks to being a key member of another Mark Carney-linked initiative, the Glasgow Financial Alliance for Net Zero (GFANZ, see Annex 1). GFANZ is intended to be the "strategic forum" to guide the rest of the financial system to transition to "net zero", as well as coordinate the other existing "net zero" finance initiatives such as the **Net Zero Asset Managers** initiative, which BlackRock is **also part of**. CEO Larry Fink is even part of the **Alliance's 'Senior Group'**, having attended the first meeting alongside other senior finance CEOs and COP26 President Alok Sharma. Those assembled discussed the Alliance's "priorities, workstreams and deliverables for COP26".



GREENWASHING AND LOBBYING ON THE ROAD TO COP26

Ahead of COP26, BlackRock has displayed some of the greatest lobbying might of any corporation:

- In the U.S., BlackRock declared spending US\$1.83 million on lobbying in 2020, with the **top target** being now U.S. president Joe Biden.
- In the EU, it declared spending exceeding €1.25 million in 2020 on **lobbying**. But when combined with the **23 lobby groups** it is a member of, the full figure exceeds €28 million.

COP26 is being lauded as a cop for "net zero" **finance**, with the UK as president alongside other Global North countries trying to build a "**private finance system** for net zero" that can be unveiled at the meeting. That means BlackRock and its financing cohorts will be highly sought after in the run up to and during the COP, taking in numerous conferences and high-level events both virtually and in person that will likely influence proceedings and outcomes.

BlackRock has already been busy, speaking at **multiple** climate-themed finance **conferences** in the run up to COP26. Ten days before the COP, BlackRock's CEO Larry Fink was set to **attend** an event with the Queen at Windsor Castle, who was enlisted by UK Prime Minister Boris Johnson to co-host a **green finance conference**. The '**Global Investment Summit**' was seen by the UK government as a chance to present itself as "rolling out the green carpet for some of the world's leading businesses". In return, BlackRock and other financiers have a chance to show-off their "net zero" commitments, and hammer home the importance of private finance.

At the COP itself, the world's largest asset manager will participate in numerous **panels** and **conferences** about the move towards "net zero", alongside decision-makers and fellow senior financiers. Wednesday, 3 November 2021, the **COP26 Finance Day**, will be a key moment for BlackRock and the 'Glasgow Financial Alliance for Net Zero' to make announcements.



DIRTY CLIMATE FOOTPRINT

Shell is one of the world's largest oil and gas companies and a major emitter. It is **historically responsible** for 2 percent of the world's total CO₂ and methane emissions between 1854 and 2018. Add this to a record of human rights abuses and environmental destruction, and it's no wonder activists describe it as a **climate criminal**.

In May 2021, a Dutch court heeded the demands of activists **legally challenging** Shell's climate inaction and ordered Shell to reduce its CO₂-emissions by 45 percent by the end of 2030 (compared to 2019). Even though its actions are now being found legally wanting, Shell **insists** it "will play [its] part...respect human rights...and fully support the Paris Agreement's goal...". A recent **study** examining Shell's activities in Indonesia, South Africa, Mozambique, Nigeria, and Canada concluded that its business model thrives on inequality and violence and that the corporation had "silenced and side-lined frontline community perspectives, lives and livelihoods". Court cases against Shell are mounting, and in January another **court ruled** that Shell should compensate Nigerian farmers for oil spills which continue to ruin their land and livelihoods.



SHELL'S "NET ZERO" CON

Progress through business-as-usual

In February 2021, Shell presented its "**Powering Progress**" strategy to "accelerate the transition of our business to net-zero emissions". Unsurprisingly, analysis from multiple groups has found gaping loopholes in its plan, instead revealing that the corporation is using its "net zero" PR to advance a business-as-usual approach. Its plans include:

- Increasing its liquefied natural gas (LNG) operations by **20 percent** for at least the next few years, rather than decreasing emission at source.
- Spending **US\$8 billion** annually on oil and gas production.
- Relying on being able to offset 120 million tonnes of CO₂ a year—requiring land by 2030 that is equivalent to **three times the size** of the Netherlands, where Shell's headquarters are.

Professor Wim Carton of Lund University **summarises** the flaws in Shell's plans: "If we start normalising the use of these planetary scale negative emissions, it allows a company like Shell to basically claim they are in line with apparently whatever climate target you come up with, just by assuming large-scale negative emissions and at the same time saying we need to invest in oil and gas development".

Shell promotes its "net zero" greenwash individually and through the multitude of trade groups (such as **IETA**, the World Business Council for Sustainable Development (**WBCSD**)), and schemes it is affiliated with, including the TSCVM, (for more information see Annex 1).



GREENWASHING AND LOBBYING ON THE ROAD TO COP26

Shell has successfully influenced UNFCCC climate policy to advance schemes such as carbon markets and offsets. Its own Climate Change Advisor, David Hone, was **quoted** as "tak[ing] some credit" for successfully embedding carbon markets into the Paris Agreement.

It has also been active in lobbying the UK and EU governments:

- Between July 2019 and March 2021, Shell met **57 times** with ministers from the UK Department for Business, Energy, and Industrial Strategy.
- In June, it took part in the UK's Economic Recovery **Roundtable**, which focused in part on "[h]ow to capture economic growth opportunities from the shift to net zero carbon emissions". Central to this **agenda** was a discussion on "what are the key regulatory barriers weakening incentives to invest in net zero, and how do we address them"?
- Shell also spent more than €4.25 million lobbying decision-makers in 2020 in the EU, employing **16 lobbyists**.
- Documents obtained through Freedom of Information rules reveal that Shell has been busy intensely promoting its "net zero" strategy, "Powering Progress", in the months leading up to COP26. Specifically, the polluter held **meetings** with EU Commission Executive Vice President Frans Timmermans, who leads on the EU's flagship climate programme, the European Green Deal.

Shell consistently sends its executives to COPs, and COP26 will be no exception. Though it did not meet the **requirements** to be a COP sponsor, it has nevertheless created a variety of avenues to still exert its influence, for example through its lobby groups IETA and the World Business Council for Sustainable Development. Shell is a partner of Sustainable Energy for All (**SEforALL**) which will host a dedicated pavilion inside COP26 on the importance of closing the energy access gap in concert with the 'Race to Zero' on emissions.

Annex 1: Prominent “net zero” initiatives

Glasgow Financial Alliance for Net Zero (GFANZ)

The Glasgow Financial Alliance for Net Zero (GFANZ) was launched in April 2021 and chaired by Mark Carney (U.N. Special Envoy on Climate Action and Finance) in partnership with the U.N.-led Race to Zero and the UK COP26 Presidency. It unites the various “net zero” initiatives across the financial system, including the Net Zero Asset Managers Alliance and the Net Zero Banking Alliance, and brings them under the U.N.’s Race to Zero initiative. According to Carney, the umbrella alliance is intended to be a “strategic forum to ensure the financial system works together to broaden, deepen, and accelerate the transition to a net zero economy”, acting as a “gold standard for net zero commitments in the financial sector”. Aiming to mobilise “the trillions of dollars necessary” to meet the Paris Agreement, GFANZ is yet another industry-led initiative that puts those responsible for the climate crisis in charge of steering a path out of it. Many CEOs of the biggest financial institutions financing climate breakdown are involved, like BlackRock, the world’s biggest asset management fund which is heavily invested in the polluting status quo, [see BlackRock]. The Net Zero Asset Managers Alliance, whose members pledged to set short-term emissions reductions targets across their portfolios, has already received criticism for delivering pledges but no action.

Science Based Targets Initiative (SBTi)

The Science Based Targets initiative (SBTi) is the latest U.N.-initiated voluntary multi-stakeholder climate initiative backed by Big Green NGOs and with heavy industry involvement, as it avoids binding regulations. SBTi was set up following the 2015 Paris Agreement to help businesses meet the target of “net zero” by 2050 and limit temperature rises to 1.5°C. More than 1,000 businesses have signed up, while the UK, the U.N. and Glasgow City Council have all encouraged businesses to adhere to the initiative if they want to sponsor the COP talks or hire space. However, the initiative has come under fire for a lack of transparency, as well as for including the same corporations who are supposed to follow its guidance in the creation of those guidelines. The working group developing guidance for the oil and gas sector currently includes Shell and BP. Its credibility has also been questioned by campaigners fighting coal, as some of the biggest emitters are continuing to attract investment thanks to seemingly flimsy SBTi plans. Bill Baue, one of the initial SBTi instigators and a former technical advisor, even lodged an official complaint against the initiative, saying it was not necessarily aligned with a science-based approach and also raised questions about “significant self-dealing and conflict of interests concerns”. On 28 October, the eve of COP26, SBTi will be launching its new “Global Net-Zero Standard”.

Race to Zero

The U.N.-convened Race to Zero aims to gather non-state actors such as businesses, financial institutions, and cities around “net zero” in the run-up to COP26. It is led by two High Level Champions, one of whom is the UK’s Nigel Topping, ex-CEO of the We Mean Business Coalition, which was instrumental in bringing the voice of business into the Paris Agreement. Signatories first pledge to reach “net zero” before producing a plan, taking action and publishing the results. Members include COP26 sponsors SSE Power and National Grid, as well as Europe’s third biggest polluter, Drax Power Station. One hundred days before COP26 it released a master plan for COP26, endorsing a massive roll-out of Carbon Capture, Usage and Storage (CCUS) and “engineered carbon removal” techniques which include “Bioenergy with Carbon Capture and Storage (BECCS); Direct Air Capture and Storage (DACS), biochar, mineralisation and ocean-based approaches”. The U.N.-led Race to Zero remains another industry-focused voluntary initiative with no accountability or consequence for those that miss their self-set targets, all the while promoting non-existent techno-fixes and other false solutions like carbon offsetting. Topping himself has publicly said that “offsets are at the heart of credibility of net-zero commitments”.

Taskforce on Scaling Voluntary Carbon Markets (TSVCM)

The Taskforce on Scaling Voluntary Carbon Markets (TSVCM) was set up by Mark Carney, ex-Governor of the Bank of England and currently the U.N. Special Envoy for Climate Action and Finance. He is also is also the UK Prime Minister’s Finance Advisor for COP26, while maintaining his role as Vice Chair of fossil fuel investor Brookfield Asset Management where Carney came under fire for a “net zero” scandal. The TSVCM is dedicated to scaling carbon markets, a “false solution” which has caused much havoc and prevented real action to fight climate change (see Annex 2). The TSVCM has proposed an offsetting market worth up to US\$100 billion a year. This is the amount that the Global North had promised every year to the Global South for climate action, and which has never materialised. It’s deeply inequitable that this amount is now conveniently proposed as offset schemes by the bankers which will benefit from them and by the industries that will be allowed to keep burning fossil fuels. As Greenpeace Southeast Asia director and former climate negotiator for the Philippines puts it, “Buying up our forests, our lands, our nature to greenwash their business as usual is no substitute for climate finance to empower and enable economic transformation”. As if to ward off such criticism, the TSVCM new governance body has reserved three spaces for “Indigenous Peoples and Local Communities”, alongside BP and numerous other representatives from the world of carbon trading such as IETA- part of the new executive secretariat. Expect a public announcement by the new governing body at COP26.

Annex 2: Big Polluters’ Dangerous Distractions (From “The Big Con”)

Big Polluters use “net zero” climate plans to unite a variety of risky technologies, including geoengineering technologies, and deeply flawed schemes. Some of the most common dangerous distractions are below. The bottom line is that each of them is a smokescreen that allows for continued emissions, and, if deployed at large scale, will have significant detrimental social, equity, and environmental consequences. Equally fundamentally, they distract from the rapid implementation of real solutions that are needed.

Burning Trees or Biomass (dubbed Bioenergy): Spinning the burning of trees to produce bioenergy as a carbon neutral form of renewable energy and therefore a “net zero” solution. Evidence suggests that burning trees emits more greenhouse gas emissions than coal or natural gas, when taking into account the lifecycle of the emissions and when implemented at commercial scale. If carried out at the scale suggested by Big Polluters, burning trees for energy is also likely to give way to land grabs, biodiversity loss, and rights violations for Indigenous Peoples, local communities, women, and frontline communities.

Carbon Capture and Storage (CCS/CCUS): One of the two technological proposals that makes up BECCS (see below), called Carbon Capture and Storage (CCS) or Carbon Capture, Utilization and Storage (CCUS) is the proposition by Big Polluters that it’s ok to continue to pollute, if they can somehow suck up that carbon dioxide, store it in the ground or use it in other production to postpone emissions. However, nearly all existing CCS is used in service of Enhanced Oil Recovery (EOR), a process developed by the oil industry to reach deep oil reserves that would otherwise be inaccessible and non-viable. The rebranding to ‘Carbon Capture and Storage’ is misleading because it portrays CCS as a net benefit to the climate when it is mostly used to exploit more oil and because the process itself requires fossil fuels to carry out and to power CCS, the consumption of fossil fuels could increase by up to 40 percent.

Bioenergy and Carbon Capture and Storage (BECCS): A combination of two large scale technologies that involve growing and burning biomass, such as trees, to produce energy and then simultaneously sucking the emissions back out of the air and somehow storing it underground with Carbon Capture and Storage (CCS). Not only is it energetically and ecologically viable and therefore essentially guaranteed to fail, it is also a threat to human rights, environmental justice, and food security given the amount of land that would be needed to grow enough biomass to burn, as well as the particulate matter and harmful pollution that arises from the combustion of biomass to produce energy. As with CCS, Big Polluters intend to use this process not only to continue polluting but for Enhanced Oil Recovery (EOR) to reach and extract oil in hard-to-reach places, leading to even more emissions.

Carbon markets: These allow Big Polluters to continue polluting and supposedly achieve their emissions reductions by purchasing “carbon credits” from other countries or actors that have contributed less to climate change. They are proven to lead to fraud and speculation, and haven’t substantially reduced emissions. Not only do they attempt to compensate for emissions after the fact and fail to hold Big Polluters accountable, they often provide a further money-making opportunity for corporations. For example, Cargill is seeking to become a carbon offset developer itself, selling these dangerous schemes to others.

Direct Air Capture (DAC): The notion that Big Polluters can keep polluting and develop technology down the line that sucks the carbon dioxide from back out of the air. Like BECCS, this technology is untested at large scale, is very risky and extremely energy-intensive, and is unlikely to ever work at the scale required on the timeline needed in a fair manner. In order to store the carbon dioxide once it has been extracted from the atmosphere, DAC technology will likely need to work in combination with CCS or CCUS. It is therefore additionally dependent on yet more technologies that may never be effective at scale

Nature-Based Solutions (NBS): When used by Big Polluters, this is a new name for the old idea of promoting large scale plantations and conservation projects as an “offset” for continued fossil fuel use. It is used by Big Polluters to commodify nature, by allowing a corporation or government to compensate for their emissions by funding projects meant to absorb carbon emissions (by creating carbon sinks through, for instance, monoculture plantations and other forms of afforestation and agricultural practices) and claim that the carbon removal via these projects can balance out their continued high levels of emissions. Many of these schemes have been widely discredited and shown to not only fail to offset the emissions in question or only do so temporarily, but also often drive human rights abuses. For more info, see more on REDD+ below.

Carbon offsets: The idea that a polluting actor can “cancel out” its emissions by investing in projects that store or reduce carbon, such as forest “conservation” schemes, that often displace communities, claiming to reduce deforestation that is usually insignificant, not permanent or verifiable, as well as monoculture plantations that once cut down for logging, re-emit the carbon dioxide into the atmosphere. These have been proven to not provide real benefit, and risk the same abuses on people and the environment as the other Dangerous Distractions above.

Hydrogen: This is the latest silver bullet promoted by Big Polluters, which they claim will decarbonise the economy. But in reality, polluting industries’ ‘hydrogen hype’ is about ensuring they can carry on with business as usual. Big Polluters insist that hydrogen is ‘green’ and will be produced using renewable electricity, but globally less than 0.1 percent of hydrogen production is ‘green’, with the rest coming mainly from fossil gas. Big Polluters claim that CCUS technology will make hydrogen ‘clean’ and ‘low carbon’, while maintaining their destructive business models—and even receiving massive public subsidies to do so. So-called ‘green’ hydrogen is also highly problematic: Northern countries and their corporations are planning to exploit Southern communities and their resources to produce it for their own ‘green’ consumption. Hydrogen is now a main stay within the “net zero” plans of all Big Oil and Gas majors.

NET ZERO DISTRACTION PLAN

- 1) Make net zero commitments that are heavy on the PR and light on the detail.
- 2) Make sure timeline is far off - the later the better so we don't actually have to reduce emissions.
- 3) Use announcements to greenwash our image.

GOAL: HAVE OUR CAKE AND EAT IT TOO.

FOCUS SHOULD BE PR - MAKE SURE KEY MARKETS SEE OUR ADS ABOUT OUR NEW PLAN.

KEY QUESTION: HOW CAN WE CONTINUE BUSINESS AS USUAL BUT CONVINCe POLICYMAKERS AND PEOPLE THAT WE'RE CHANGING?

Acknowledgments (all listed in alphabetical order):

Research and writing team

Belen Balanya, Ashka Naik, Rachel Rose Jackson, Pascoe Sabido

Contributors

Dipti Bhatnagar, Souparna Lahiri, Sara Shaw