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Complaint upheld over Shell advert

By Tim Bradshaw

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Royal Dutch Shellfaces fresh criticism of environmental claims in its marketing as the Advertising Standards Authority looks to set stricter standards for "greenwashing".

The ASA will announce today that it has upheld a complaint against Shell by WWF, the environmental charity, about the oil company's claims that oil sands in Canada were a "sustainable" energy source.

Shell's Canadian oil sands projects have proven controversial because they require much more energy and water than in traditional extraction and refining.

The ASA ruling says: "Because 'sustainable' was an ambiguous term, and because we had not seen data that showed how Shell was effectively managing carbon emissions from its oil sands projects in order to limit climate change, we concluded that on this point the ad was misleading."

Under the ruling Shell cannot reproduce the advertisement, which appeared just once, in the Financial Times in February this year.

Shell said in a statement: "We accept the adjudication of the ASA." It declined to comment on how many of

its advertisements contain claims about its environmental credentials, nor whether it would moderate the use of such terms in future marketing campaigns.

Objections to "green" advertisements made to the ASA rose from 117 in 2006 to 561 in 2007, reflecting the increase in such campaigns. Last year's upheld complaints included a Dutch advertisement from Shell with flowers flowing from oil refinery chimneys, which Friends of the Earth claimed was misrepresentative.

"This latest ASA ruling against Shell sets a benchmark for all advertisers about what is and is not acceptable when making environmental claims," said the ASA. "This ruling makes it clear that advertisers need to be especially careful when using terms like 'sustainable' because there is no universally agreed definition about what sustainable means."

David Norman, director of campaigns at WWF UK, said: "We pick our battles very carefully but this particular advertisement stood out

as being something quite extreme."

He added: "Being sustainable should be a source of competitive advantage . . . but it is being undermined by companies investing in green spin rather than genuine investments in their sustainability strategy."

WWF will from today use the ruling in an advertisement on a billboard in London's Waterloo train station.

"We hope that companies will look at [the ASA ruling] and realise they are not going to get away with green spin," said Mr Norman.

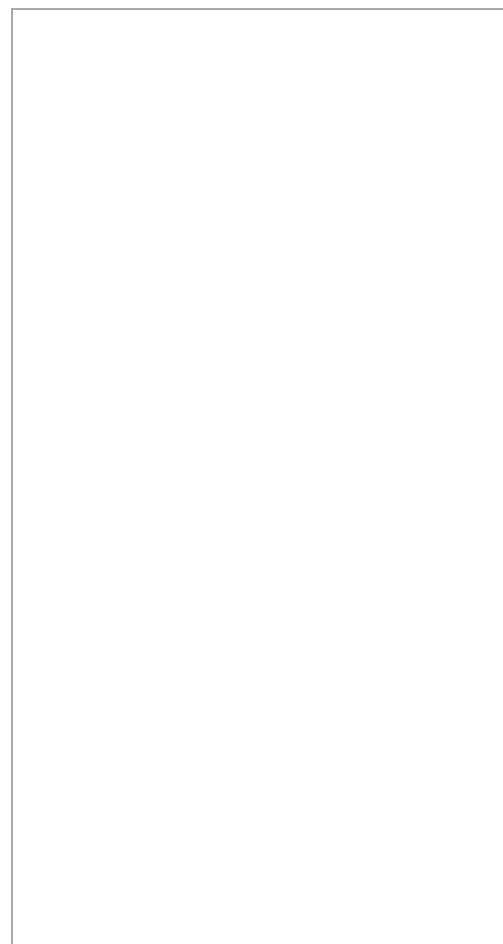
Shell's sustainability report states that it relies upon the definition of "sustainable development" as outlined by the Brundtland Commission, a European Commission body, in 1987, which includes economic and social developments as well as protecting the environment. It claimed this definition would be understood by FT readers. The ASA disagreed, because the emphasis of its advertisement was on environmental sustainability and managing climate change.

While acknowledging Shell's voluntary targets around sustainability and use of carbon-reduction technology, the ASA highlighted a 2006 report by Canada's National Energy Board. It stated that the oil sands projects had "considerable and environmental impacts", such as diverting 370m cubic metres of water from the Athabasca River and producing higher greenhouse gas emissions than conventional crude oil.

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