Shell’s Green Ads Take New Tack

Campaign Stresses Potential Role of Innovation in Fighting Climate Change

By GUY CHAZAN

LONDON -- Royal Dutch Shell, censured twice by Britain's ad police for exaggerating its commitment to green issues, is hoping to avoid controversy in its latest ad campaign. It isn't clear if it has succeeded.

The Anglo-Dutch oil giant drew fire from activist groups like Greenpeace and Friends of the Earth for past attempts to extol its environmental responsibility. It tended to boast of its investments in alternative energy with ads that spoke of the "power to create a cleaner, safer world."

Now, in a campaign designed by ad agency JWT, part of London-based WPP, Shell is stressing technology and innovation and its potential contributions to fighting global warming. Shell, its ads say, is working on ways to squeeze out "difficult" oil trapped in sand, rock and in the deepest seas. And it is trying to capture carbon-dioxide, a global-warming gas, and store it safely underground.

But alternative energy is still part of the mix. One of Shell's new print ads features a diagram of a human brain full of "unexpected" fuel sources like algae and woodchips.

The ad has revived old allegations that Shell is "greenwashing" its business. Shell is trying "to hide the fact that the company is actually going backward when it comes to renewable energy," says Greenpeace climate campaigner Jim Footner. Last year, Shell spent "billions of dollars extracting dirty oil from Canada's tar sands" while pulling funding from wind- and solar-energy projects in Europe, he says.

In response to such criticism, Shell says its campaign "highlights our belief that the world will need many types of energy...to meet the energy challenge, including, for the foreseeable future, oil and gas. Accordingly, we are investing in a diverse portfolio of energy sources."

The skepticism toward Shell, however, shows the risks big oil companies take in touting their environmental awareness. Last year, BP used slogans like "The best way out of the energy fix is an energy mix." But environmental activists objected, arguing that alternative energy accounted for just 7% of the British company's spending.

BP said its ads reflected that its investments in wind, solar, biofuels and carbon capture were "real and very significant," and were "generating real growth."

In 2007, Britain's Advertising Standards Authority, a self-regulatory body set up by the ad industry, censured Shell for an ad showing how it was using waste carbon dioxide to grow algae. It "failed to provide a real reason for the investment in alternative energy," the ad regulator said.

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industry, censured Shell for an ad showing how it was using waste carbon dioxide to grow flowers. The ASA said the ad was misleading, because it implied all the CO2 Shell produced was being used in this way.

Bjorn Edlund, Shell's executive vice president for communications, describes the incident as embarrassing. "We were kicking ourselves," he said in an interview.

The ASA cited Shell again last year for an ad in the Financial Times that claimed its oil-sands project in Canada was "sustainable." The body said it concluded the ad was misleading because it hadn't seen any evidence Shell was managing the project to limit CO2 emissions.

Shell says its project is "sustainable," in the sense it could meet "the needs of the present generation without compromising the ability of future generations to meet their own."

JWT says the problem lies in the ASA's lack of experience with energy issues. The ASA, says Stef Tiratelli, JWT's global manager for the Shell account, didn't have a particularly deep understanding of complex issues like CO2 management.

Still, its criticism sparked changes at Shell. "Until about 2006, everybody in the industry talked about what people wanted to hear, rather than what we were actually doing," says Shell's Mr. Edlund. Lately, Shell's ads have more broadly addressed climate change. "The idea is to try and get people onto the Shell Web site...and get into a dialogue," says Mr. Edlund. Many have joined Web chats on the site about climate change and carbon capture, he says.

Shell made other changes too. The company started giving the ASA a sneak preview of its ads, to make sure it wouldn't raise objections. "We regularly talk to them," says Mr. Tiratelli. "You're forever in some kind of discussion with the ASA about whether the claims you're making are allowable."

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