



A Study on Sustainability Issues of Shell Plc With Reference to SDG Set by UN

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Introduction

Shell, established in 1907 in the UK, is a worldwide energy corporation that specializes in exploring, producing, refining, and marketing oil and gas (Shell, 2023a). Apart from which Shell is also involved in manufacturing chemicals. Shell has major projects around the world including Canada, USA, and UK, which has been subject to various controversies for its negative impact on the environment. As of now, Shell owns multiple projects, including Carson, Southern California, Deer Park chemicals, and the Geismar plant in the USA (Shell USA, 2023). These projects have been time and then proven to cause having in the natural ecosystem of the surrounding region.

Objectives of the study:

- To analyze the sustainable issues of Shell Plc. associated with the oil-exploration projects of the company operating in the USA.
- To study the CSR practices adopted by Shell Plc. to overcome these challenges and evaluate its effectiveness.

Methodology:

First, this study will identify the sustainability issue of Shell Plc. and its relevance to the sustainable development goals set by the UN. Further, it will study the CSR actions taken by the company to deal with these issues and evaluate its effectiveness; conclusions will be drawn on the study conducted. The study is based on the secondary sources available on Shell Plc's official releases on their websites, press conferences. The study has also referred to the Sustainable Development Goals set by the United Nations to analyze Shell's alignment with it. Carroll's 3-dimensional conceptual model has been applied to evaluate the action taken by SHell to overcome these challenges.



Sustainability issue of Shell Plc in the USA.

Shell being one of the world's largest oil and gas companies, is a major contributor to greenhouse gas emissions and excessive use of natural resources, which is responsible for more frequent and intense natural disasters such as floods, hurricanes, and droughts. The biggest sustainable issue identified in this study is the impact of Shell's operation on the water resources of the USA. Shell has many deep-water projects, such as Cardamom and Kaikais in the Gulf of Mexico, USA (Shell, 2023b), which may have significant damage including oil spills and damage to the ecosystem. It is a very concerning issue as it disrupts the balance of the oceanic ecosystem. This issue poses a threat of non-compliance with Sustainable Development Goal 14, which aims to protect life below water (United Nations, 2023). Most of these plants require fresh water for their processes. In the year 2021, Shell has withdrawn about 84 million cubic meters of water from the USA (Shell, 2022a), which is contradictory to Sustainable Development Goal 6, which promotes access to clean water and sanitation equitably around the globe. The excessive use of fresh water for industrial use leads to reduction in water resources for the consumption of the general public in nearby states of the water reserve.

Corporate Social Responsibility (CSR) actions taken by Shell to resolve these issues:

Shell Plc., has adopted many CSR practices such as abiding with the Paris agreement , adopting carbon capture technology (Shell, 2023c) and working to reduce GHG emission of the company. Shell Plc. is aiming to reduce its freshwater usage in its plant through a long-term solution for the continuous supply of water, which has minimum impact on the environment to comply with SDG 6 (Shell, 2022b). Shell is also expanding the offshore wind market by increasing its renewable energy capacity in New York, USA (Shell USA, 2022) which does not require water to operate thereby complying with SDG 7 by promoting sustainable energy and complying with SDG 6 by reducing water usage. Overall, these CSR actions taken by Shell demonstrate its commitment to sustainable development and align with the UN's Sustainable Development Goals. While some of these measures are still in progress, the company's efforts to reduce its environmental impact and promote social responsibility are a positive step towards achieving a more sustainable future. To comply with SDG 14 and 15, Shell has implemented a new project of critical habitat in areas rich in biodiversity (Shell, 2023d). This project is expected to provide protection to life under water as well as life above lands.



Evaluation of outcome and impact of the CSR actions taken by Shell plc.

According to Carroll's 3-dimensional conceptual model of social performance, organizations have economic, legal, ethical, and philanthropic responsibilities (Carroll, 1979). Shell has shut down its convent refinery in the USA and reduced the production at the Norco Manufacturing complex in the USA (Shell, 2022a). This represents the economic responsibility of Shell and shows that Shell's actions for SDG 13, SD 14 and SDG 6 are in progress. The freshwater usage of Shell Plc. has been reduced from 109 cubic million meters in 2017 to 84 cubic million meters in 2021 (Shell, 2022a), which shows that Shell's CSR activity and ethical responsibility of reducing the freshwater usage has been effective and complying with SDG 6 and 14. The New York Bight of Shell has the capacity to provide power to over 3.1 million homes (Shell USA, 2022), which aligns with SDG 7. Other than the environmental issues, Shell is also working to contribute towards SDG 8 of decent work and economic growth which is the economic responsibility of Shell, SDG 5 by promoting gender equality in an organization as its ethical responsibility, and SDG 10 by employing diversity and inclusion commitments in their organization (Shell, 2022a). By committing to reducing greenhouse gas emissions to fulfil the legal responsibility, improving access to clean energy for philanthropic responsibility, and supporting social initiatives, Shell is demonstrating its commitment to responsible and sustainable business practices.

Conclusion:

The aim of this study was to analyze the sustainable issues of Shell plc. associated with the oil-exploration projects of the company operating in the USA. Accordingly, the study found that Shell's major sustainability issue is its impact on water resources due to its deep-water project and fresh-water usage in the USA. This issue poses a threat to the SDG 6, 7 and 14 set by the United Nations. However, Shell Plc. has taken several CSR actions, including reducing freshwater usage, expanding the renewable energy market, and implementing a project for critical habitat to address these issues and align with the UN's Sustainable Development Goals. The evaluation of the outcomes of the CSR actions taken by Shell shows that the company is fulfilling its economic, ethical, legal, and philanthropic responsibilities. While some of these measures are still in progress, the company's efforts to reduce its environmental impact and promote social responsibility are a positive step towards achieving a more sustainable future.



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