



## Users: Net Zero and the Fossil Fuel sector

The fossil fuel sector has played a disproportionate role in perpetuating and deepening the climate crisis. Deep decarbonization of power and transport sectors are critical to keeping warming below 2 degrees. If the world is to avoid climate breakdown, the oil and gas sector must reduce production of fossil fuels and set near-term targets that lead to direct and deep reductions in emissions.

But companies in the oil and gas sector are placing huge reliance on land-based carbon removal to meet their 'net zero' targets. CLARA member OXFAM analysed the policies of the four biggest fossil fuel companies to have made net zero pledges to date—Shell, BP, TotalEnergies and Eni. These four companies were not chosen for analysis because they are sector 'laggards'—on the contrary, they are considered among the more progressive companies in this sector. The following analysis is taken from OXFAM's August 2021 report entitled "Tightening the Net: the implications of net zero climate targets for land and equity."

Full report [here](#); used with permission.

None of the climate plans or pledges made by the oil majors are geared towards achieving a level of decarbonization that is aligned with the Paris Agreement's goal of keeping warming below 1.5°C. Recent analysis of climate commitments made by the big fossil fuel companies shows that virtually none of them has meaningful plans to phase out new production. Some of the biggest players in the sector, from state-owned Saudi Aramco to ExxonMobil and Chevron, have so far declined to set any targets, effectively burying their heads in the sand, and abdicating their climate responsibility. Focusing on the companies that are serious about tackling the issue, this section assesses the extent to which they rely on land-based carbon removals, based on publicly available data. Given that the availability of data is limited, some key assumptions have been made to arrive at these estimates (see Annex for more on the methodology used).

This analysis finds that the four biggest 'net zero' oil majors are planning to remove carbon through nature-based solutions while continuing to make space for more fossil fuel production. Even a conservative estimate indicates that the plans of these four companies alone to remove carbon by planting new forests could require a huge amount of land. Among these four companies, the land area needed in 2030 to contribute reported and estimated land-based removals is between 21,676,000 ha and 27,776,000 ha (an area the size of the UK). Among these four companies, the land area needed in 2050 to contribute reported and estimated land-based removals is between 50,362,000 ha and 69,400,000 ha (an area double the size of the UK).

If all energy companies were to set similar net zero targets by 2050, and even if 15% of that was met through land-based removals, the energy sector could end up using 500m ha of land by 2050 to meet net zero goals—an area that is roughly half the size of the United States and significantly more than the land available for carbon removal that would not compete with crop production.

Fossil fuel companies cannot rely on land-based offsets to meet their climate targets. Exploitation and development of new oil and gas fields must stop now for the world to limit warming to 1.5°C and stay within the safe limit of global heating. In its latest report, the International Energy Agency (IEA) has also warned that there is no place for fossil fuels if the world is to reach net zero emissions by 2050.

