

# ‘Worthless’: Chevron’s carbon offsets are mostly junk and some may harm, research says

**Exclusive: investigation finds energy giant’s efforts to offset its huge emissions rely on schemes with little impact**

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- New research finds that more than 90% of the company’s carbon offsets should be classified as worthless or junk. Composite: The Guardian/Getty Images
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A new investigation into Chevron’s climate pledge has found the fossil fuel company relies on “junk” carbon offsets and “unviable” technologies, which do little to offset its vast greenhouse gas emissions and in some cases may actually be causing communities harm.

Chevron, which reported \$35.5bn in profits last year, is the US’s second-largest fossil fuel company with operations stretching from Canada and Brazil to the UK, Nigeria and Australia.



In ‘Cancer Alley’, US chemical giants mount campaign against grassroots organizers

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Despite major expansions in five continents, Chevron has said that it “aspires” to achieve net zero upstream emissions by 2050. To do this, it is mostly relying on carbon offset schemes – environmental projects meant to cancel out its greenhouse gas emissions – and carbon capture and storage (CCS) technologies.

**New research by Corporate Accountability**, a nonprofit, transnational corporate watchdog, found that 93% of the offsets Chevron bought and counted towards its climate targets from voluntary carbon markets between 2020 and 2022 were too environmentally problematic to be classified as anything other than worthless or junk.

A carbon offset is characterized as having low environmental integrity, or being worthless, if it’s linked to a forest or plantation or green energy project, including those involving hydroelectric dams, that doesn’t lead to additional greenhouse gas reductions, exaggerates benefits or risks emitting emissions, among other measures.

Many of Chevron’s offset purchases focus on forests, plantations or large dams.

According to the report shared exclusively with the Guardian, almost half of Chevron's "worthless" offsets are also linked to alleged social and environmental harms – mostly in communities in the global south which are also often the most affected by the climate crisis.

## **Chevron's junk climate action agenda is destructive and reckless**

### **Rachel Rose Jackson of Corporate Accountability**

"Chevron's junk climate action agenda is destructive and reckless, especially in light of climate science underscoring the only viable way forward is an equitable and urgent fossil fuel phase-out," said Rachel Rose Jackson from Corporate Accountability.

The report, *Destruction Is at the Heart of Everything We Do*, comes amid a week of global protests by communities affected by Chevron's oil and gas businesses, as the California-headquartered company prepares for its annual shareholders meeting on 31 May.

On Sunday in Richmond, a majority Black and brown city of 115,000 people just north-east of San Francisco, activists gathered in front of the sprawling Chevron oil refinery. In 2012, 15,000 people required medical help after a **huge fire caused by the company's criminal negligence**. Asthma rates are far higher in Richmond than the state and national averages.



The Chevron oil refinery in Richmond, California. Photograph: Chuck Nacke/Alamy

The report argues that the widespread use of worthless offsets severely undermines Chevron’s climate action ambition, which in any case is limited to a tiny fraction of its business. Chevron’s net zero **aspiration** only applies to less than 10% of the company’s carbon footprint – the upstream emissions from the production and transport of oil and gas, while excluding downstream or end use emissions from burning fossil fuels to heat homes, power factories and drive cars.

“Any climate plan that is premised on offsets, CCS, and excludes scope 3 [downstream] emissions is bound to fail,” said Steven Feit, fossil economy legal and research manager at the Center for International Environmental Law. “It’s clear from this report and other research that net zero as a framework opens the door for claims of climate action while continuing with business as usual, and not moving towards a low-carbon Paris [agreement]-aligned 1.5-degree future.”

Chevron’s **projected emissions** between 2022 and 2025 are equivalent to the emissions from 364 coal-fired power plants annually – and dwarf the total emissions of 10 European countries combined for a similar three-year period: Austria, Norway, Sweden, Switzerland, Denmark, Lithuania, Slovenia, Estonia, Latvia and Iceland.

The Guardian sent Chevron detailed questions about the report's findings, but the company declined to comment.

## Even if Chevron met the goals in its 'net zero' plan, it would ignore over 90% of its emissions

Emissions included in Chevron's 'net zero' plan

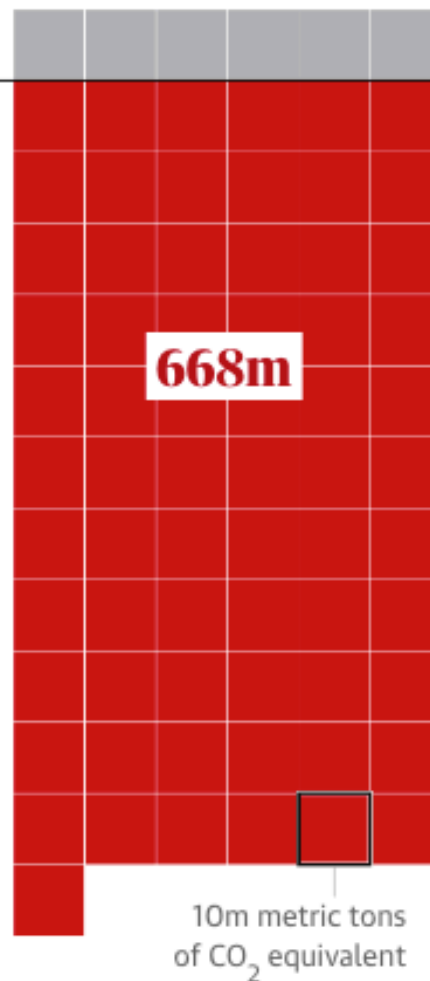
Scope 1 and 2, emissions from operation and production

57m

Emissions not included

Scope 3, emissions from the end use of Chevron's oil and gas products

668m



Guardian graphic. Source: Chevron's 2022 Corporate Sustainability Report

It's the latest research to call out carbon offsets and carbon capture as false climate solutions, given that both enable – even encourage – polluters to keep emitting greenhouse gases.

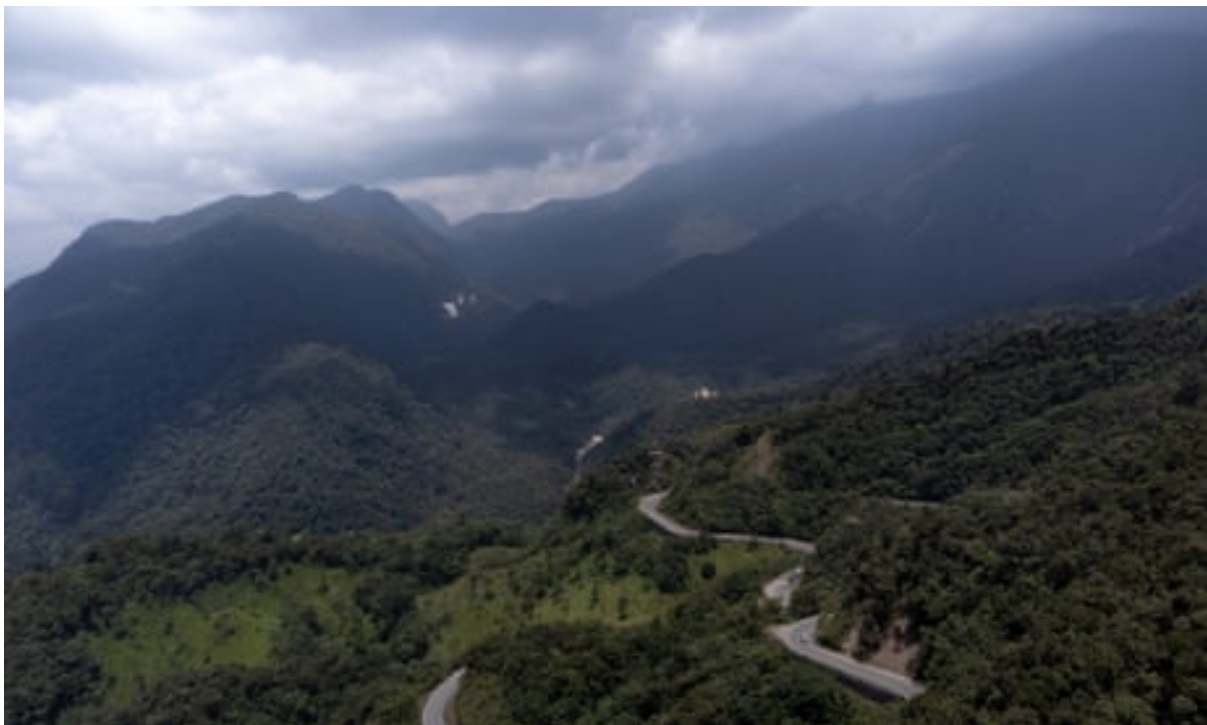
## **This is how we lose a planet: through corporate dishonesty and obstruction**

### **Climate scientist Peter Kalmus**

Earlier this year, a **Guardian investigation revealed** that the forest carbon offsets approved by Verra, the world's leading certifier which is used by Disney, Gucci, Shell and Chevron, are mostly junk and could make global heating worse.

Experts say that the findings shine a light on the broader strategy to undermine and delay meaningful climate action. "This is how we lose a planet: through corporate dishonesty and obstruction," said climate scientist Peter Kalmus.

"This deeply documented history of greenwashing and malfeasance should make every human on Earth who isn't paid by the fossil fuel industry furious," added Kalmus, a data scientist at Nasa.



### CEO of biggest carbon credit certifier to resign after claims offsets worthless

The International **Energy** Agency (IEA) warned back in 2021 that there could be no further expansion of oil, gas and coal production if the world is to stay within the safe limits of global heating at 1.5C and have any chance of avoiding catastrophic climate breakdown.

Yet fossil fuel companies such as Chevron have continued to expand apace, and a recent study found that the world is on track for **an increase of 2.7C**, which will lead to “phenomenal” human suffering.

In recent years, vast amounts of time and resources have been invested into schemes and technologies that trade, cap and capture – rather than cut – greenhouse gas emissions.

Today’s report into Chevron’s climate action found:

### **1. Chevron relies almost totally on junk carbon credits to offset its upstream greenhouse gas emissions**

A carbon offset credit is a tradable “right” or certificate that allows the purchaser to compensate for 1 ton of carbon dioxide or the equivalent in greenhouse gases by investing in emissions-reducing environmental projects elsewhere.

The **voluntary carbon offsets market is worth \$2bn** – and growing rapidly – despite little evidence of positive climate impact.

Between 2020 and 2022, Chevron “retired” or cashed in 5.8m carbon credits – mostly through four major voluntary carbon market project registries, according to the **AlliedOffsets** database.

Corporate Accountability found that almost all of the carbon offsets Chevron bought and counted towards its climate targets had “low environmental integrity” and should therefore be presumed to be junk.

Projects categorized as junk offsets include those certified by a carbon standard with demonstrated low environmental integrity.

## 93% of Chevron's carbon credits went to projects that were either worthless or worthless and harmful

Chevron's carbon credits from 2020 to 2022 categorized by impact

Low environmental integrity



Low environmental integrity and negative environmental/societal impacts



Other



Guardian graphic. Source: Corporate Accountability analysis of AlliedOffsets database.

Almost one-third of Chevron's voluntary carbon market credits were cashed in through Verra's "verified carbon standard" registry – the world's **leading carbon standard**. The Guardian investigation found that over 90% of Verra's rainforest offset credits – among the most commonly used by companies – are likely to be illusory. Verra has **rejected** the findings as "hugely overstated".

Large scale plantations and large hydroelectric dams were among Chevron's other offset projects also categorized as having low environmental integrity. This was because it appears likely that the projects don't lead to additional emissions reductions that wouldn't have happened otherwise, risk actually releasing (rather than absorbing) emissions, overexaggerate project impacts or involve underpriced credits.





Activists in Ecuador affected by Chevron’s business activities demand accountability and justice. Photograph: Union of People Affected by Texaco (UDAPT)

This comes as no surprise for communities **impacted** by Chevron’s oil and gas operations. “Chevron’s shareholders keep signing off on the continued toxification and destruction of communities in Richmond, Africa, Ecuador, Australia – all around the world,” said Katt Ramos, 43, managing director of Richmond Our Power Coalition. “It’s laughable that we would look to a company causing so much harm for the solutions.”

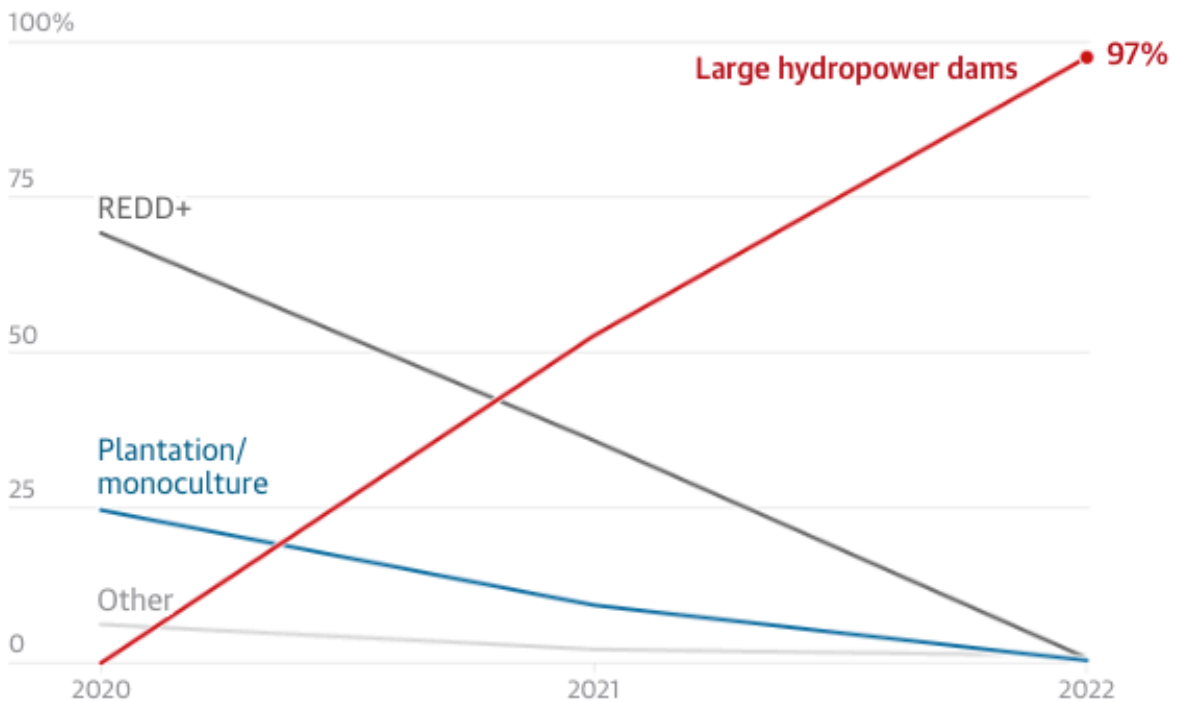
## **2. Chevron increasingly relies on large hydropower dams for offsets**

About half of the carbon offsets that Chevron bought between 2020 and 2022 are associated with hydroelectric dams.

**Studies** have found that large dams do not lead to new or additional emissions reductions, and in some cases have been associated with land disputes, increased poverty and environmental damage – including substantial greenhouse gas emissions. **A 2019 study** found that “some hydropower reservoirs are actually carbon sinks ... while others have carbon footprints equal to or greater than fossil fuels.”

Chevron’s carbon offsets purchased from 2020 to 2022 by project type

### Chevron's carbon offsets purchased from 2020 to 2022 by project type



Guardian graphic. Source: Corporate Accountability analysis of AlliedOffsets database.

Chevron's offsets include two large hydropower dams in Colombia – El Quimbo and Sogamoso – which have both been mired in allegations of major flooding, forced displacement and serious acts of violence, according to Andrés Gómez Orozco from Censat, a Colombian environmental group.

Chevron continues to expand its fossil fuel operations in Colombia – one of the most deadly countries in the world for environmental activists and one of the most vulnerable to the impacts of the climate crisis – with two major offshore exploration projects in the Caribbean.

It's also where a large proportion of all the company's carbon offset programs are based. "This essential report unmasks the tactics and lobbying used by Chevron in order to keep expanding its fossil fuel extraction operations on one hand, while telling the world that it's offsetting its emissions by investing in projects in Colombia that we know don't work," said Gómez, a petroleum and geothermal engineer in Censat's energy and climate justice program.

### **3. Chevron makes claims about its green credentials – while expanding its oil business**

Despite Chevron's "aspiration" to become net zero by 2050, it is planning to invest **\$57.4bn in oil expansion** by the end of 2030.

Amid record profits in 2022, Chevron spent millions of dollars lobbying the US government on more than 150 bills or issues – mostly against policies that would either have strengthened climate accountability and emissions-reducing activities, or for efforts promoting carbon offsets and carbon capture and storage (CCS).

**Chevron and its peers refuse to change their business model, even in the face of the greatest threat we've ever faced**

#### **Environmentalist Bill McKibben**

Yet almost half of Chevron's public communications include green claims, according to **research by InfluenceMap** – despite allocating less than a quarter of 1% of its capital expenditure on low-carbon investments like CCS technologies.

CCS has a "long history of "overpromising and underdelivering", according to the Center for International Law attorney Steven Feit.

Chevron's Gorgon gas facility in Western Australia is the site of the world's largest industrial CCS project, which during its first five years missed its carbon capture **targets by about 50%**. The Guardian recently reported that **emissions at the gas facility have actually risen by 50%**.

"As this report makes clear, these offsets and sequestration schemes don't work, are an affront to physics and economics as well as justice, and serve as cover for yet more expansion of their enterprise," said Bill McKibben, environmentalist and founder of **350.org** and **ThirdAct.org**. "All of this comes down to the fact that Chevron and its peers refuse to change their business model, even in the face of the greatest threat we've ever faced."