

## THE IMPACT OF THE SHELL RULING ON FORMULA ONE

Posted on 27th\_May\_2021 | by Hazel.Alagappan | [Leave a comment](#)



*Written by Abhishek Banerjee, Edited by Hazel Alagappan*

Shell, the Dutch oil giant has been powering Scuderia Ferrari since the 1950s and has had ten constructors' championships and twelve Driver Championships partnered with Ferrari. Shell had announced an extension of the partnership with Ferrari on the 18th of February 2021 up until 2030. As of the Carbon Majors Report 2017, Shell was the 9th biggest polluter in terms of volume in the world and the 2nd highest investor-owned emitting company. Friends of the Earth and others took Shell to court on the 27th of May, 2021, on the behalf of the citizens of the Netherlands.

So what are the wider implications of this on the Formula One world?



Image credit: Twitter

The Royal Dutch Shell (RDS) is the official name of the company. RDS have been ordered by the court to cut emissions by a net 45% by 2030 with reference to its 2019 levels so as to comply with the Paris Agreement (an agreement on climate change mitigation, adaption, and finance). RDS expect to appeal the "disappointing" ruling against them.

The firm has a target of reducing the carbon intensity of its product by 100% before 2050 but the judge, Larisa Alwin defined the target as "not concrete, has many caveats, and is based on monitoring social developments rather than the company's own responsibility for achieving a CO2 reduction".

So, What does this mean for the Scuderia Ferrari Mission Winnow Team? Will RDS and the 92-year-old sponsorship agreement? Absolutely not, the opportunity cost is just too high. Ferrari is a household name and being associated with it gives Shell good PR and advertising. Will Ferrari receive less money? Possibly, Ferrari currently receives €25 million + €4 million (partnership) from Shell, only behind Mission Winnow in terms of money received. The cost of cutting down on carbon emissions, on the RDS side, is going to be monumental as the initial cost of setting up renewable energy is very high not to mention the job losses that would be associated with such a lateral move.

So what does this mean for F1? In the short term, this probably won't affect Formula One at all as it is currently sponsored by Saudi Aramco, which in itself is controversial as it is a Saudi state-run petroleum and natural gas company. In the long term, we may see more eco-friendly companies coming to sponsor Formula One but as of now the court ruling is a small step in the right direction and maybe soon we will see the results of it slowly influencing Liberty Media and the teams on which company or brand to accept as a sponsor.

Follow DIVEBOMB on all our socials:

- Instagram
- TikTok
- Spotify
- YouTube
- Twitter

Share this:



Like this:



3 bloggers like this.

tagged with Formula 1



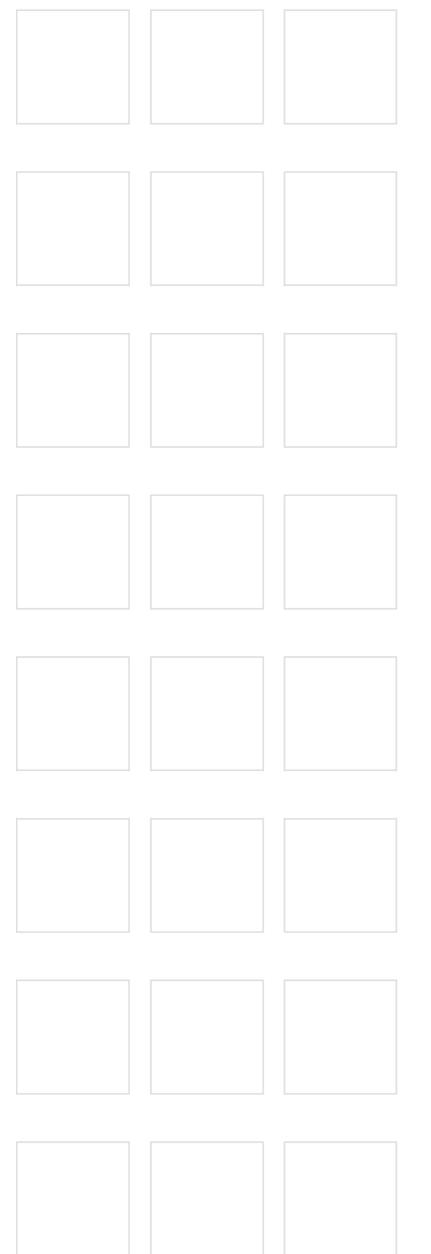
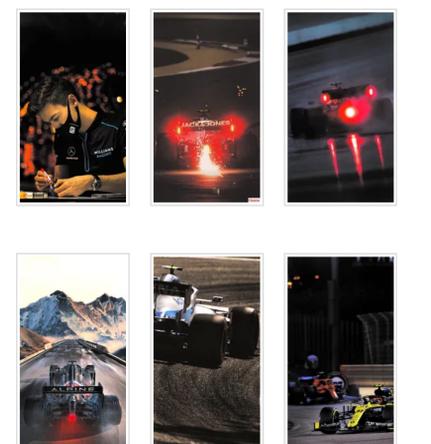
## LEAVE A REPLY

### RECENT ARTICLES

- TBT: The day Michael Schumacher parked his car to secure pole in Monaco
- Rookie Watch – Yuki Tsunoda
- Former F1 Driver Carlos Reutemann Dies at 79
- Woman Crush Wednesdays: The Al Qubaisi Sisters
- WHEN WE WILL HAVE NEW TEAMS IN F1?
- 2021 Australian GP Cancelled
- F1 Hybrid Systems Explained
- America's Top Five F1 Drivers
- Super Max wins the Austrian Grand Prix
- Sebastian Vettel awarded a 3-place grid drop for impeding Fernando Alonso

### FIND ANY ARTICLE

### F1 WALLPAPERS



### FOLLOW US ON TWITTER!

My Tweets