



**Shell plc**  
**Climate and  
Energy Transition  
Lobbying Report**  
for the year 2023



**#PoweringProgress**

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# Executive summary

Our advocacy, directly with governments, and indirectly through industry associations and coalitions, is a key part of our strategy.

02 Executive summary



## Executive summary

Our target to become a net-zero emissions energy business by 2050 remains at the heart of our strategy to deliver more value with less emissions. We are transforming our business, reducing emissions from our operations and energy products, while growing sales of low-carbon solutions.

We support a balanced energy transition, one that maintains secure and affordable energy supplies as the world moves to net zero. Shell has an important role to play in providing the energy the world needs today, and in helping to build the low-carbon energy system of the future.

Comprehensive, coherent and consistent government policies will play a crucial role in the world's journey to net zero. Public policy, along with developments in technology and infrastructure, and a functioning carbon market, are essential to create the demand signals for the private sector to invest at scale. It will require collaboration between policymakers, customers and private organisations like Shell that have the financial strength, experience and capabilities to help build the low-carbon energy system of the future.

The right policy and regulatory conditions could help to provide more profitable investment opportunities through the energy transition. We advocate robust policies, legislation and regulations in areas where we can best support the decarbonisation of our customers and reduce our own emissions.

Our advocacy, directly with governments, and indirectly through industry associations and coalitions, is a key part of how we implement our strategy. Shell engages with governments, regulators and policymakers in different ways to help shape policy, legislation and regulation. In 2023, we supported the outcome of the UN Conference of Parties (COP28) in the UAE where nearly 200 countries agreed to transition away from fossil fuels.

We believe that lobbying transparency is important. We engage with investors, international and civil society organisations, companies and industry associations as we further develop our approach to lobbying transparency. Initiatives such as the Global Standard on Responsible Corporate Climate Lobbying and the Climate Action 100+ Net Zero Company Benchmark aim to encourage greater transparency around climate-related lobbying by companies and industry associations.

This report provides an update on our direct and indirect climate and energy transition lobbying in 2023. It is the sixth year that we have reported on our industry associations and provided updates about our advocacy related to climate and the energy transition.

### Paris alignment

The Paris Agreement aims to strengthen the global response to the threat of climate change by "holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels".<sup>[1]</sup> Shell supports the more ambitious 1.5°C goal of the Paris Agreement.

To limit the temperature increase to 1.5°C, the world would need to reach net zero by around 2050, according to the Intergovernmental Panel on Climate Change (IPCC).<sup>[2]</sup> Shell has set a target to achieve net-zero emissions by 2050.<sup>[3]</sup>

We are committed to lobbying for policy positions that we believe are in line with the goals of the Paris Agreement and the world achieving net-zero emissions by 2050. This applies to our direct and indirect lobbying.

Within the industry associations we are members of, we are committed to advocating policy positions that we believe are in line with the goals of the Paris Agreement and the world achieving net-zero emissions by 2050.

### Policy positions

Our climate and energy transition policy positions serve as a global framework for our advocacy with governments, international organisations, industry associations, and other stakeholders, globally, regionally and within countries. In using the positions, we recognise that the pace of the energy transition will vary around the world.

In March 2024, we updated our climate and energy transition policy positions to be in line with our Energy Transition Strategy 2024.<sup>[4]</sup> We believe our positions support the goals of the Paris Agreement and the world achieving net-zero emissions by 2050.

The positions focus on the policies that we believe are needed to support the development of critical technologies and infrastructure, and encourage customers to choose low-carbon alternatives. They cover net-zero emissions policies and specific policy areas relating to the secure supply of energy, changing energy demand in the transport and industry sectors, and growing low-carbon solutions such as biofuels, renewable power, carbon capture and storage (CCS) and hydrogen.

### Direct lobbying transparency

In this report, we review key aspects of our climate and energy transition advocacy in 2023. We focus on advocacy in relation to our public policy positions on net-zero emissions, carbon pricing, oil and gas, methane emissions, road transport, aviation, shipping, power, CCS and hydrogen.

We also provide more detailed information on our website about our positions and advocacy on key policies, legislation and regulations related to climate and energy transition at an international and country level.<sup>[5]</sup>

### Indirect lobbying transparency

We value our memberships of industry associations, which provide a platform for industry-wide engagements with governments, regulators and communities on a range of issues. Many of the associations we are members of engage on public policy, legislation and regulation. They play an important role in developing and implementing industry standards and best practices in areas such as health, safety, security and the environment.

We have updated our principles for participation in industry associations. These principles set out our governance of our memberships. They describe how we review the climate and energy transition policy and advocacy positions of key associations, and how we address misalignment.

In line with our principles, we publish a review of the policy and advocacy positions of our key industry associations every two years. Where we identify misalignment with our positions, we set out how we plan to address this and provide an update the following year.

We published our last detailed review in our Climate and Energy Transition Lobbying Report in March 2023. We reviewed 39 key industry associations and found some misalignment in positions with 10 associations. In this update, we provide an overview of the actions we have taken over the past year to address these differences in our positions. We also provide an update about the Queensland Resources Council, which we left in September 2023.

In May 2024, we published an updated list of some of our memberships of industry associations and similar organisations on our website.<sup>[6]</sup>

We plan to publish our next detailed industry associations review in 2025.

### Next steps

Over the coming year, we intend to publish information about our direct and indirect climate and energy transition lobbying in some additional countries that are significant for our strategy. This includes:

- Adding information about our lobbying in these additional countries to our website;
- Expanding the scope of our list of industry associations and similar organisations to cover these countries; and
- Expanding the scope of our Climate and Energy Transition Lobbying Report to cover these countries. This includes providing information about our direct advocacy and reviews of some additional industry associations.



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# Our approach

Read about our approach to lobbying, including our internal governance and commitment to transparency.

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## Informing the policy debate

Comprehensive, coherent and consistent policies are a crucial part of the journey to net zero. The right policy and regulatory conditions could help to provide more profitable investment opportunities through the energy transition. We advocate robust policies, legislation and regulations in areas where we can best support the decarbonisation of our customers and reduce our own emissions.

Our advocacy, directly with governments, and indirectly through industry associations and coalitions, is a key part of our strategy. We engage with governments, regulators and policymakers in different ways to help shape policy, legislation and regulation. We provide information, views and recommendations on new proposals, and highlight where we believe there are policy gaps.

We also engage with governments and policymakers indirectly, for example through our participation in industry associations and coalitions. We recognise that industry associations may represent many members and sometimes we may have different views on a topic. We review our key industry association memberships every two years. We join coalitions where there is likely to be a common advocacy objective.

We aim to help inform the wider debate around the energy transition in other ways, including through our energy security scenarios and scenario sketches,<sup>[7]</sup> and through speeches and media engagement.

## Increasing transparency

We believe that lobbying transparency is important. We engage with investors, international and civil society organisations, companies and industry associations as we further develop our approach to lobbying transparency. Initiatives such as the Global Standard on Responsible Corporate Climate Lobbying and the Climate Action 100+ Net Zero Company Benchmark aim to encourage greater transparency around climate-related lobbying by companies and industry associations.

Our main lobbying disclosures are summarised in Table 1.

### Overview of our main lobbying disclosures, available on [www.shell.com/advocacy](http://www.shell.com/advocacy) (Table 1)

Disclosures	Purpose
<b>General</b>	
Corporate political engagement statement	Provides details of our approach in four areas: <ul style="list-style-type: none"> <li>◦ internal governance;</li> <li>◦ political payments;</li> <li>◦ responsible lobbying; and</li> <li>◦ recruitment and secondments between government bodies and Shell.</li> </ul>
List of industry associations and similar organisations	Provides a list of industry associations and similar organisations that we are a member of in key countries or regions and pay a membership fee of \$50,000 or more in a specific year.
Regulated lobbying disclosures	To meet regulatory requirements. Some submissions are required to include lobbying expenditure.
<b>Climate and energy transition</b>	
Global climate and energy transition policy positions	Provides a global framework for our advocacy with governments, international organisations, industry associations, coalitions and other stakeholders.
Climate and Energy Transition Lobbying Report (this report)	Provides a review of our direct and indirect lobbying on key climate and energy transition topics.
Climate and energy transition advocacy updates webpage	Provides periodic updates about our advocacy on key policies, legislation and regulations related to climate and energy transition at international and country level.

## Policy and advocacy internal governance

Our policy principles for responsible lobbying apply to all Shell staff. We advocate on public policy issues in line with these principles.

### Our principles for responsible lobbying

- **Integrity:** We are committed to ethical behaviour, integrity and responsibility in political engagement.
- **Legitimacy:** We are committed to complying with all applicable laws and regulations of the countries in which we operate. Our political activities support our strategy.<sup>[8]</sup>
- **Accountability and oversight:** The Shell plc Board sets the Shell General Business Principles that guide all Shell activities, including political engagement.
- **Consistency:** We carry out political engagement activities consistent with our values and the Shell General Business Principles.
- **Transparency:** Our Corporate Political Engagement Statement provides transparency about our approach.

Our advocacy is a critical part of our strategy. Shell has the following internal governance structures and processes:

- The Board of Shell plc reviews our energy transition strategy periodically and oversees its implementation and delivery.<sup>[9]</sup> The Board has oversight of climate change risk management.<sup>[10]</sup>
- The Chief Executive Officer (CEO) has the delegated authority from the Board to manage Shell's actions in relation to Shell plc's strategy.<sup>[11]</sup>
- The CEO is assisted on climate-related matters by members of the Executive Committee to review and implement Shell's energy transition strategy and ensure that such matters are appropriately monitored.<sup>[12]</sup>
- A senior executive decision-making body has oversight of Shell's public policy and advocacy priorities and positions, including on climate and energy transition. The Executive Committee oversees this body. The decision-making body also provides updates to the Shell plc Board's Sustainability Committee (SUSCo).



## Internal governance of industry association memberships

In 2024, we updated our principles for participation in industry associations. These principles set out our governance of our memberships. They also describe how we review the associations' climate and energy transition policy and advocacy positions, and how we address misalignment.

The updated principles include our commitment to advocate policy positions that we believe are in line with the goals of the Paris Agreement and the world achieving net-zero emissions by 2050.

### Our principles for participation in industry associations

#### Our approach

##### Governance

We have an internal management framework for industry associations. This builds on the foundations of the Shell Performance Framework, which is the governance framework adopted by Shell plc to deliver on its strategy. Our management framework for industry associations builds on Shell's General Business Principles, Code of Conduct and Ethics and Compliance Manual.<sup>[13]</sup>

##### Climate and energy transition policy and advocacy alignment

- Within the industry associations we are members of, we are committed to advocating policy positions that we believe are in line with the goals of the Paris Agreement and the world achieving net-zero emissions by 2050.
- We publish our climate and energy transition public policy positions on [www.shell.com/advocacy](http://www.shell.com/advocacy). They serve as a global framework for our advocacy on climate and energy transition topics. Shell Relationship Managers for industry associations are provided with guidance about advocating in line with these positions. We have processes in place to guide staff if we identify misalignment with an industry association.
- Every two years, we publish a review of the policy and advocacy positions of key industry associations, which includes the methodology for selecting and assessing the associations. Where we identify misalignment with our positions, we set out how we plan to address this and provide an update the following year. Important decisions relating to the review are discussed by the senior executive decision-making body with oversight of Shell's public policy and advocacy priorities and positions. Where necessary, issues can be escalated in accordance with our usual escalation protocol. This is part of our annual assurance process.
- To address cases of misalignment with industry associations, Shell will take one or several of the following steps depending on our assessment of the importance of the topic, the extent of the misalignment, and the broader value of our membership:
  - Continue to be transparent about our own policy and advocacy positions, and the differences with our key industry associations, by publishing this information on our website;
  - Remain in the association and engage with it in areas where we have different views;
  - Pursue our advocacy independently or through other associations or coalitions; and/or
  - Reassess our membership where we identify material misalignment with our climate and energy transition positions. This includes weighing up the broader business value of remaining in the association, and the likelihood of the association changing its position(s), against ending activities such as board and committee participation, or ending overall membership.

#### Our expectations of industry associations

##### Climate and energy transition policy and advocacy

We believe that any industry association we are a member of, and that is involved in climate and energy transition policy and advocacy, should lobby in line with the goals of the Paris Agreement and the world achieving net-zero emissions by 2050.

##### Transparency

We believe that the industry associations we are members of should publish the following information on their websites:

- List of member companies, including members of governing body/bodies; and
- Main public policy positions, consultation submissions and other evidence of advocacy positions (if appropriate).

We encourage industry associations to be transparent about their fee structures for membership.

# Our lobbying

We advocate robust policies, legislation and regulations in areas where we can best support the decarbonisation of our customers and reduce our own emissions.

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## Paris alignment

The Paris Agreement aims to strengthen the global response to the threat of climate change by “holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C above pre-industrial levels”.<sup>[14]</sup> Shell supports the more ambitious 1.5 °C goal of the Paris Agreement.

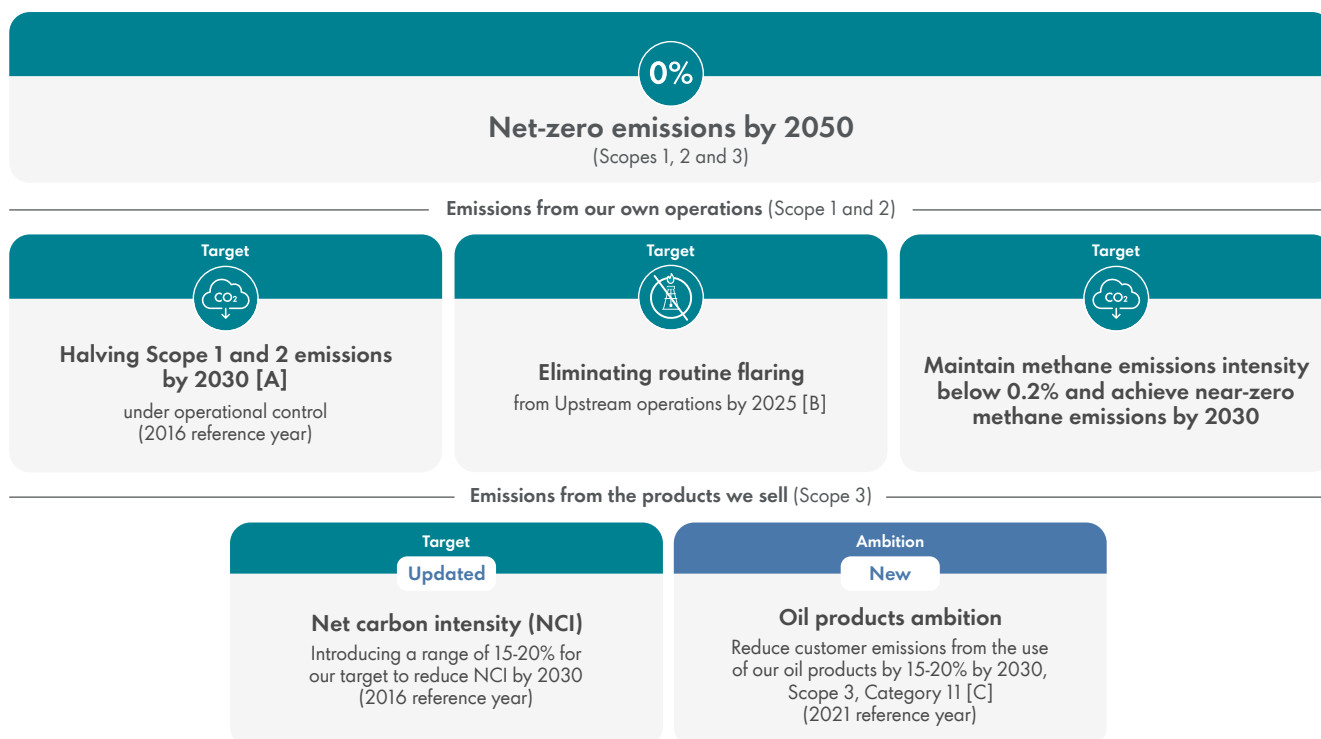
To limit the temperature increase to 1.5 °C, the world would need to reach net zero by around 2050, according to the Intergovernmental Panel on Climate Change (IPCC).<sup>[15]</sup>

Shell has set a target to achieve net-zero emissions by 2050.<sup>[16]</sup> We have set targets to reduce the net carbon intensity of the energy products we sell by 9-12% by 2024, 9-13% by 2025, 15-20% by 2030, and 100% by 2050. We believe these targets are aligned with a 1.5 °C pathway derived from scenarios developed for the IPCC’s Sixth Assessment Report. In 2023, we met our short-term target to reduce the net carbon intensity of the energy products we sell, with a 6.3% reduction against our target of 6-8% compared with 2016. We provide further information in our Energy Transition Strategy 2024.<sup>[17]</sup>

We are committed to lobbying for policy positions that we believe are in line with the goals of the Paris Agreement and the world achieving net-zero emissions by 2050. This applies to our direct and indirect lobbying.

Within the industry associations we are members of, we are committed to advocating policy positions that we believe are in line with the goals of the Paris Agreement and the world achieving net-zero emissions by 2050.

### Our updated targets and ambitions



[A] On a net basis.

[B] Subject to the completion of the sale of Shell Petroleum Development Company of Nigeria Limited (SPDC).

[C] Customer emissions from the use of our oil products (Scope 3, Category 11) were 517 million tonnes carbon dioxide equivalent (CO<sub>2</sub>e) in 2023 and 569 million tonnes CO<sub>2</sub>e in 2021.

## Policy positions

Our climate and energy transition policy positions serve as a global framework for our advocacy with governments, international organisations, industry associations, and other stakeholders, globally, regionally and within countries. In using the positions, we recognise that the pace of the energy transition will vary around the world.

In March 2024, we updated our climate and energy transition policy positions to be in line with our Energy Transition Strategy 2024.<sup>[18]</sup> We believe our positions support the goals of the Paris Agreement and the world achieving net-zero emissions by 2050.

The positions focus on the policies that we believe are needed to support the development of technologies and infrastructure, and to encourage customers to choose low-carbon alternatives. They cover net-zero emissions policies and specific policy areas relating to the secure supply of energy, changing energy demand in the transport and industry sectors, and growing low-carbon solutions such as biofuels, renewable power, carbon capture and storage, and hydrogen.

In this latest update of the positions, we have focused on the policy topics that are critical to our strategy. This includes adding policy positions on upstream, low-carbon fuels and carbon credits. We have also made changes throughout to reflect the evolution of our strategy and the external environment.

We have set out our approach and priorities on other issues such as a just transition, nature and human rights on our website.<sup>[19]</sup>

By evolving our policy positions, and sharing these with stakeholders, we aim to increase collaboration and help to create the policy frameworks we believe are needed for the world to achieve net-zero emissions by 2050. Our positions will continue to evolve as the world moves through the energy transition.

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## 2023 direct lobbying review

We use our global climate and energy transition policy positions to inform and guide our advocacy. We prioritise and adapt these positions at an international and country level, ensuring we support our strategy while taking account of the local political and policy landscape.

We support a balanced energy transition, one that maintains secure and affordable energy supplies as the world moves to net zero. Shell has an important role to play in providing the energy the world needs today, and in helping to build the low-carbon energy system of the future.

In this section, we provide a review of key aspects of our climate and energy transition advocacy in 2023. This includes:

- [Net-zero emissions](#)
- [Carbon pricing](#)
- [Oil and gas production](#)
- [Natural gas and liquefied natural gas \(LNG\)](#)
- [Methane emissions](#)
- [Road transport](#)
- [Aviation](#)
- [Shipping](#)
- [Power](#)
- [Carbon capture and storage \(CCS\)](#)
- [Hydrogen](#)

We provide more details on our website about our positions and advocacy on key policies, legislation and regulations relating to climate and energy transition at an international and country level.<sup>[20]</sup>

## Net-zero emissions

Most countries have set net-zero targets, covering close to 90% of global emissions.<sup>[21]</sup> While we welcome this progress, more action is urgently needed to ensure that net-zero emissions targets are translated into comprehensive policy frameworks to help achieve national net-zero goals.

In 2023, we supported the outcome of the UN Conference of Parties (COP28) in the UAE where nearly 200 countries agreed to transition away from fossil fuels.

In the European Union (EU), we responded to the consultation on an EU 2040 climate target.<sup>[22]</sup> We set out our views on the type of supply- and demand-side policies we believe are needed to help drive decarbonisation in the industry and transport sectors.

In the USA, we continued to support policies that we believe move the country towards its target of achieving net-zero emissions by 2050. In 2023, we called for the implementation of the Inflation Reduction Act (IRA) and the Infrastructure Investment and Jobs Act (IIJA), and for permitting reform to help deliver new projects relating to the IRA and IIJA. We also advocated through associations in relation to regulation in the power sector and standards for vehicle tailpipe emissions.

We provide more detail about our advocacy on some of these topics on our website.<sup>[23]</sup>

## Shell scenarios

We use our energy security scenarios in our engagements with a range of stakeholders, including governments.<sup>[24]</sup> Although our scenarios are not expressions of our strategy and are not our business plans, they help inform our beliefs.

In 2023, we published The Energy Security Scenarios, consisting of two scenarios:<sup>[25]</sup>

- In *Archipelagos*, the energy security mindset becomes entrenched worldwide. Sentiment shifts away from managing emissions and towards energy security. Despite this shift, low-carbon technologies are adopted as part of the drive to achieve energy security. Competition drives innovation and emissions decline, but not fast enough to prevent the global average surface temperature rising to the end of the century. By 2100, the global temperature rise is stabilising at 2.2°C as the world closes in on net-zero emissions. This scenario is exploratory: it seeks to plot a course from where the world stood in 2022.
- In *Sky 2050*, long-term climate security is the primary anchor. Low-carbon energy infrastructure is rapidly built to meet concerns over energy security and price. Global emissions start to fall from 2025 and the energy system quickly transforms. The world reaches net-zero emissions in 2050. Despite this achievement, there is a period in which the global average temperature rise is more than 1.5°C. The world goes on to bring it back to 1.2°C by the end of the century. This scenario is normative and extremely challenging: it set goals of net-zero emissions by 2050 and warming restricted to below 1.5°C by 2100, and then worked back to the realities of 2022 to explore how these end points could be reached.

We also publish shorter scenarios reports, called sketches, which focus on the dynamics for energy and decarbonisation in specific places.<sup>[26]</sup> In 2023, we published sketches for the UAE and India:

- UAE Scenarios Sketch: Entering a world of competitive transitions,<sup>[27]</sup> which was written in collaboration with the UAE's Ministry of Energy and Infrastructure.
- India transforming to a net-zero emissions energy system: A call to action to 2030,<sup>[28]</sup> which builds on the 2021 Shell and The Energy Resources Institute (TERI) scenarios sketch on India. The report highlights the key steps that must be taken this decade for India to be on the path outlined in the original sketch.

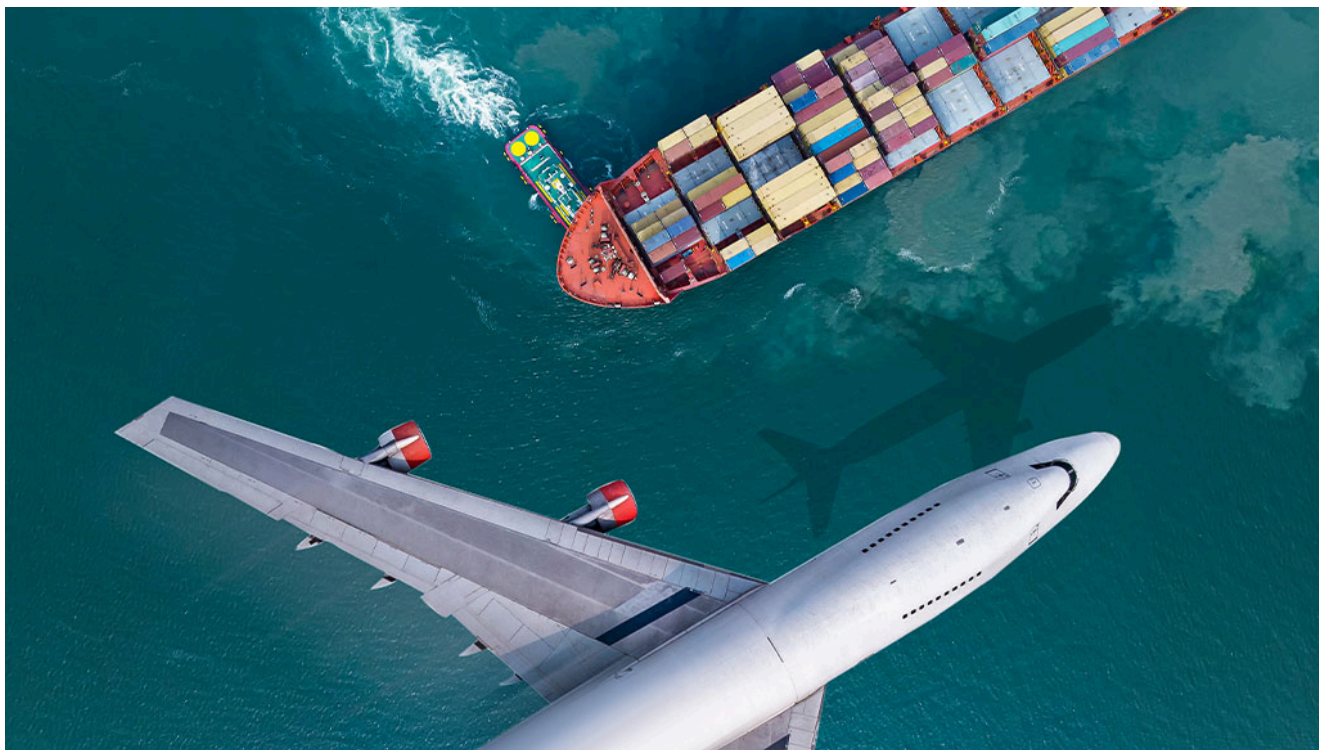
We are planning to publish a sketch for Brazil later this year.

### International net-zero initiatives

We continue to work with Mission Possible Partnership (MPP), a group of climate leaders and companies which aims to drive industrial decarbonisation across the world's highest-emitting heavy industry and transport sectors.<sup>[29]</sup>

MPP's ambition is to unlock a first wave of decarbonisation projects across these sectors before 2025 and inspire a second wave of projects before 2030. It aims to put these sectors on a trajectory that would help limit the rise in global temperatures to as close as possible to 1.5°C.

We have been involved in several sector-based initiatives, including the Getting to Zero Coalition for shipping, Clean Skies for Tomorrow Coalition for aviation and the Road Freight Zero coalition for heavy-duty road transport. We have also participated in initiatives such as the Net-Zero Steel Initiative for the steel sector, Concrete Action for Climate for the concrete and cement sectors, and Aluminium for Climate for the aluminium sector.<sup>[30]</sup>



## Carbon pricing

We believe that putting a price on carbon – whether through cap-and-trade, a carbon tax, or a hybrid system – is a central pillar of any comprehensive net-zero emissions policy framework. A carbon price provides an economic signal to drive changes in the behaviour of consumers, businesses and investors, spurring technological innovation and generating revenues that can be allocated towards the energy transition.

In Brazil, we have advocated the establishment of a national emissions trading system (ETS), which we believe is crucial for helping to achieve Brazil's net-zero by 2050 target. We believe this would incentivise decarbonisation at the lowest cost and support the long-term development of a global carbon market. We also believe an ETS in Brazil that is linked to the country's voluntary carbon market could help to further develop Brazil's carbon market and even enable it to become an exporter of carbon credits. The ETS is awaiting a final review by the Federal Senate, after which it is expected to be written into law.

In the EU, we have supported the EU ETS since it started in 2005. In 2023, the revised EU ETS directive came into force, which is aligned with the EU 2030 climate target that we supported. In our response to the EU's consultation on a 2040 climate target, we highlighted the ongoing need for carbon pricing to drive investments in low-carbon energy solutions.<sup>[31]</sup>

In the UK, we responded to the government's consultation on addressing risks of carbon leakage.<sup>[32]</sup> We advocated a phased approach to implementing carbon border adjustment mechanisms.<sup>[33]</sup>

In Australia, we supported the government's Safeguard Mechanism reforms. The Safeguard Mechanism is the government's policy for reducing emissions at Australia's largest industrial facilities. We have provided industry input to a consultation on carbon border adjustment mechanisms based on experiences in the EU.

In India, we were part of the working group led by the International Emissions Trading Association (IETA) that completed a study and report on "Developing an effective carbon market framework towards achievement of net zero in India: The role of Article 6, emissions trading and voluntary markets".<sup>[34]</sup> The report, which includes key recommendations to scale up carbon markets in India, was provided to the Indian government and published on IETA's website.

In China, we support the national ETS. In 2023, we advocated the inclusion of additional sectors in the ETS and for alignment of industry benchmarking methodologies with international approaches. Our advocacy is direct to government and through industry associations such as the British Chamber of Commerce and the China Petroleum and Chemical Industry Federation.

We provide more detail about our advocacy on some of these topics on our website.<sup>[35]</sup>



## Oil and gas production

We work with governments, communities and our partners to help develop policy frameworks and regulatory mechanisms that support the production and supply of oil and gas with fewer emissions.

We believe that regulatory frameworks should cover the full project life cycle: from licensing and exploration to decommissioning. We believe that these frameworks should encourage the reduction of emissions from oil and gas production, be aligned with net-zero pathways and provide long-term fiscal and regulatory predictability.

### Reducing emissions from oil and gas operations

In 2023, we worked with New Producers for Sustainable Energy, an association of 22 member countries and a network that brings together government officials, national oil company executives, subject matter experts and civil society representatives.<sup>[36]</sup> We shared our perspectives on successful examples of policy to support emissions reductions and sustainable operations. These include reductions in greenhouse gas emissions, development of local skills as part of a just transition, energy efficiency, CCS, and repurposing of infrastructure. This work builds on our involvement in the OECD's Equitable Framework and Finance for Extractive-based Countries in Transition (EFFEKT) process, which has developed a range of policy options and regulatory best practices to facilitate the energy transition while maintaining energy security.

### Decommissioning operations

Shell advocates responsible decommissioning practices when oil and gas operations reach the end of their productive lives. This includes working with governments and regulators to ensure that industry has the financial and technical capabilities to plan, fund and execute decommissioning projects.

In 2023, we worked with governments and industry associations in jurisdictions such as Australia, the USA and the EU on the development of decommissioning policy frameworks. The aim is to ensure that companies meet their liabilities for decommissioning, reducing the risk of default. We believe that credit strength should be a key consideration when designing decommissioning regulations. We also advocated increased clarity around the transfer of liabilities as part of divestments or lease assignments.

In the USA, Shell worked with the American Petroleum Institute (API) to provide our perspectives on the Biden administration's proposed financial assurance and bonding rule for the Gulf of Mexico. This aims to clarify the regulatory process for deciding whether supplementary financial assurance needs to be made available by offshore operators when offshore asset ownership is transferred.

In Australia, we worked through the Australian Energy Producers (AEP) association on the development of a new offshore policy for decommissioning.

At an international level, we worked with the International Association of Oil & Gas Producers (IOGP) on approaches and technical considerations for various decommissioning solutions, such as retention of habitats, and the dismantling of floating production storage and offloading units.<sup>[37]</sup>



## Natural gas and liquefied natural gas (LNG)

Our recently updated global policy positions call for governments and the finance community to recognise the role of gas in the energy transition and in securing stable energy supplies. We believe clarity on the role of gas and lower-carbon gases in multiple sectors,<sup>[38]</sup> and supportive policies on planning, permitting and gas infrastructure, are vital to enable the investments needed to support energy security and decarbonisation.

In Brazil, Shell and other industry partners took part in the “gas for jobs” initiative launched by the National Council for Energy Policy (CNPE) in 2023. The initiative aims to promote the best use of natural gas produced in Brazil including its use for the country’s socio-economic development and the energy transition.<sup>[39]</sup> We contributed to several working groups, including those on gas supply, the gas market and the role of gas in the energy transition.

We expect LNG will play a critical role in the transition. It continues to provide a secure supply of energy in many European countries. It also offers flexibility to electricity grids as wind and solar power grow, and opportunities to lower carbon emissions from industries such as cement and steel by replacing coal.

Each year we publish our annual LNG Outlook, which explores LNG supply and demand, and emerging future trends.<sup>[40]</sup> In 2023, we engaged with policymakers in various regions, including Asia, the EU and the Middle East. We advocated the benefits of natural gas and LNG in delivering a flexible and reliable supply of energy, which can help reduce the dependence on more carbon-intensive fuel sources.

In 2023, we continued to engage with European governments and the European Commission on the role of LNG in supporting energy security. We highlighted the need for clarity about the role of gas in the medium term. We also shared our views and experiences of the EU gas market in the EU Energy Platform Industry Advisory Group.<sup>[41]</sup> The Commission set this up in 2022 to coordinate EU action in global gas markets.<sup>[42]</sup>



## Methane emissions

Reducing methane emissions is an urgent priority for the oil and gas sector and we believe it is crucial to help achieve net-zero emissions by 2050. Methane is the main component of natural gas and is a relatively short-lived, but highly potent, greenhouse gas. It is released through flaring and venting during oil and gas production and can also leak during the production, processing and transport of oil and gas.

We have been at the forefront of efforts by the oil and gas sector to reduce methane emissions. We have set a target to eliminate routine flaring from our upstream-operated assets by 2025,<sup>[43]</sup> five years ahead of the World Bank's Zero Routine Flaring by 2030 initiative.

We have supported the reduction of methane emissions throughout the gas value chain through direct regulations such as performance standards based on robust monitoring, reporting and verification (MRV) frameworks.<sup>[44]</sup> We also advocated ending routine flaring as soon as possible to help achieve such performance standards.<sup>[45]</sup>

In 2023, at an international level, we signed up to the Oil and Gas Decarbonization Charter announced at COP28, which focuses on reducing Scope 1 and 2 carbon dioxide (CO<sub>2</sub>) equivalent emissions, flaring and methane emissions. Signatories to the charter have committed to achieving net-zero operations by 2050, near-zero upstream methane emissions by 2030 and zero routine flaring by 2030.

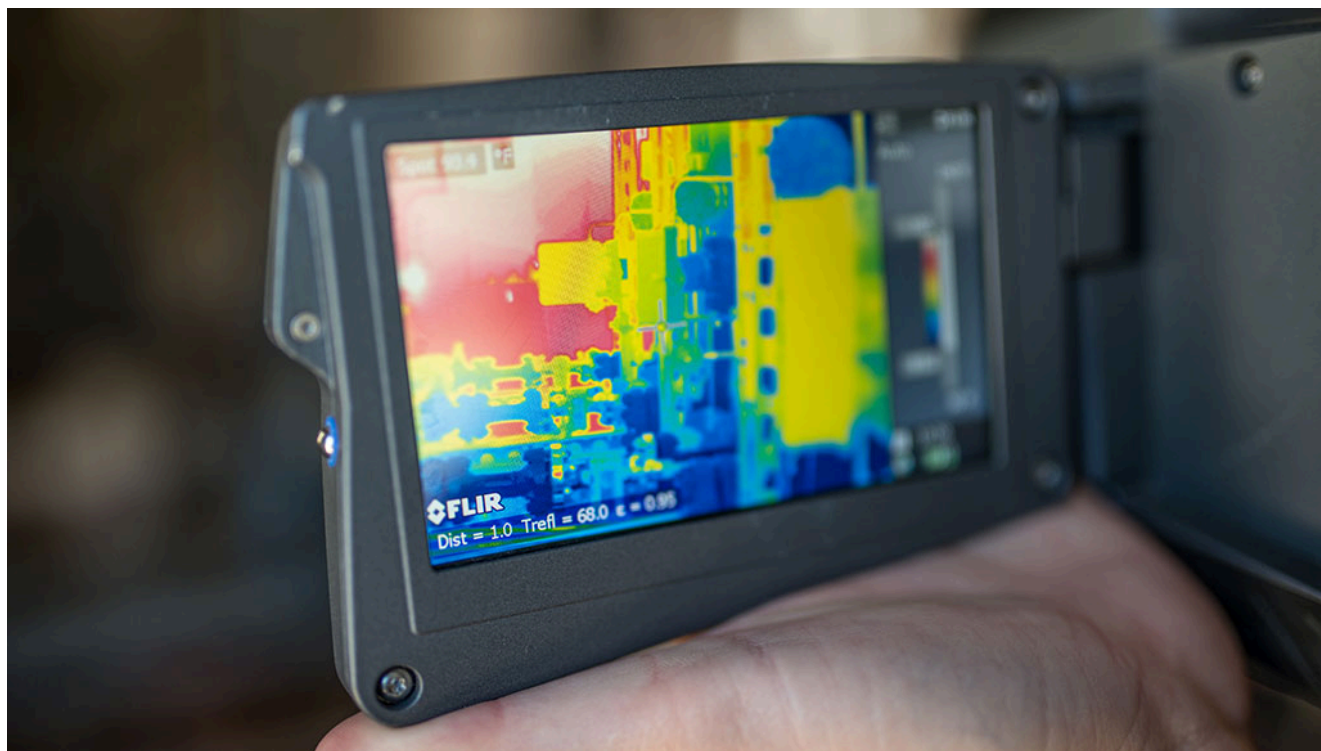
We are contributing to the World Bank's Global Flaring and Methane Reduction (GFMR) fund, launched at COP28.<sup>[46]</sup> In early April 2024, Shell signed the formal GFMR agreement, becoming the GFMR's first official partner.

We are part of the Advancing Global Methane Reduction initiative, launched by the Methane Guiding Principles coalition. This aims to drive reductions in methane emissions in more than 20 countries, working with governments and industry to inform methane policies and regulations and disseminate best practices.<sup>[47]</sup>

We are co-funding and participating in the Oil and Gas Climate Initiative (OGCI) Satellite Monitoring Campaign. This campaign has helped local operators, including national oil companies and partners, to identify and mitigate methane emissions from their oil and gas operations. Work is ongoing to support further reductions.

In the **EU**, we continued to support an ambitious and consistent methane policy framework by providing input and feedback on proposals for regulatory requirements throughout the legislative process. We conducted advocacy through the International Association of Oil & Gas Producers (IOGP) and Eurogas.

We provide more detail about our advocacy on some of these topics on our website.<sup>[48]</sup>



## Road transport

Policy has a vital role in helping to move customer demand and infrastructure investment in road transport towards low-carbon energy. Policy roadmaps, anticipatory support for infrastructure, and support and incentives for low-carbon choices will each play an important role.

For passenger cars and vans, we support the creation of policy frameworks that enable the widespread adoption of electric vehicles and the phase-out of tailpipe emissions.

For heavy-duty vehicles, we support policy frameworks that set vehicle standards that provide a clear path to net-zero emissions, underpinned by energy policies that encourage the use of the fuels with the lowest carbon intensity and the use of renewable electricity.

In the EU, we provided a response to the consultation on the bloc's 2040 climate target in which we noted our support for the EU's target to phase out 100% of tailpipe emissions from new cars and vans from 2035, and highlighted the critical enablers to support this.<sup>[49]</sup> The Alternative Fuels Infrastructure Regulation (AFIR) aims to drive more and better public charging for electric vehicles in Europe. We supported the introduction of capacity- and distance-based targets for electric vehicle charging infrastructure for the light- and heavy-duty vehicle sectors as part of the AFIR. We also supported consumer-related provisions in the AFIR which improve the interoperability of and consumer experience at charging locations.

In the USA, we advocated the implementation of the Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA), which include provisions for electric vehicle tax credits and infrastructure. In 2023, the US Environmental Protection Agency (EPA) proposed new regulations for tailpipe emissions standards for light- and medium-duty vehicles, and for heavy-duty vehicles. We believe there is an important role for low- and zero-carbon fuels in decarbonising road transport, as a complement to electrification during the transition, which is not currently recognised by the proposals. We are engaging on these issues through the American Petroleum Institute (API).

In Canada, we supported the government's proposal to require all new light-duty vehicles sold in Canada to have no tailpipe emissions by 2035. In our response to the government's consultation, we provided our views on policy measures to support this transition.<sup>[50]</sup>

In Australia, the government published a National Electric Vehicle Strategy in 2023.<sup>[51]</sup> In our 2022 response to the government's consultation on the strategy, we stated our support for it and advocated a comprehensive policy package to support an effective and steadily increasing rate of electric vehicle adoption.<sup>[52]</sup> A key element of the National Electric Vehicle Strategy is the development of a vehicle fuel efficiency standard for passenger and light-duty commercial vehicles. The government published proposals for the standard in 2023, which we supported.

In China, we are a member of the national electric vehicle standard-setting working group. We supported the development and publication of China's electric vehicle fast-charging standard.

We provide more detail about our advocacy on some of these topics on our website.<sup>[53]</sup>



## Aviation

Policy has a vital role in helping to decarbonise the aviation sector. We believe that an increase in the use of sustainable aviation fuel (SAF) will be the most significant way to decarbonise the sector by 2050. Consistent, robust and long-term policy frameworks are needed to stimulate demand for SAF and incentivise its production and supply.

At an international level, we support the International Civil Aviation Organization's (ICAO) goal of net-zero emissions by 2050. In 2023, we called on the ICAO and its member states to adopt a global SAF goal for 2030. ICAO member states have signed up to a collective global aspirational vision to reduce carbon dioxide (CO<sub>2</sub>) emissions in international aviation by 5% by 2030 through the use of SAF and lower-carbon aviation fuels.<sup>[54]</sup>

The EU adopted its ReFuelEU Aviation Regulation in 2023, which we supported. We advocated a more ambitious 2030 SAF blending mandate compared to the original proposal by the European Commission. We also supported the inclusion of a wider range of sustainable feedstocks that meet the Renewable Energy Directive (RED) sustainability requirements. Alongside companies in the aviation and renewable fuels sectors, Shell advocated the addition of crops grown on severely degraded land and intermediate crops used in aviation to the EU's advanced biofuel feedstock list (Annex IX to the RED).<sup>[55]</sup> We also welcomed the introduction of targets for synthetic fuels as a key signal to help drive investments.

In the UK, we responded to the government consultation on a pathway to net zero in aviation.<sup>[56]</sup> We believe a comprehensive policy framework is required to support the UK's development and deployment of SAF, including incentives alongside mandates, to encourage investment and stimulate demand.

In the USA, we supported the implementation of the Inflation Reduction Act's SAF tax credit.

In Singapore, we advocated policies to create a viable, long-term secure SAF supply ecosystem. Shell was a member of the international advisory panel for the Civil Aviation Authority of Singapore's Sustainable Air Hub Blueprint, which was published in February 2024.<sup>[57]</sup> The blueprint states an aim for SAF to make up 1% of all fuel used on flights departing from Singapore from 2026, rising to 3-5% by 2030.

In the UAE, Shell advocated policies to stimulate SAF supply and demand. Shell was a member of the committee that developed the UAE's National Sustainable Aviation Fuel Roadmap.<sup>[58]</sup> In January 2024, the government announced a General Policy for Sustainable Aviation Fuel which includes a voluntary target that aims to use locally produced SAF to supply 1% of all fuel used by national airlines departing from UAE airports by 2031.<sup>[59]</sup>

We provide more detail about our advocacy on some of these topics on our website.<sup>[60]</sup>



## Shipping

Policy plays a crucial role in decarbonising the shipping sector. We expect demand for liquefied natural gas (LNG) as a fuel in shipping to grow, alongside biofuels including liquefied biomethane and biodiesel. Consistent, robust and long-term policy frameworks are needed to stimulate demand for lower-carbon fuels to incentivise their production and supply.<sup>[61]</sup>

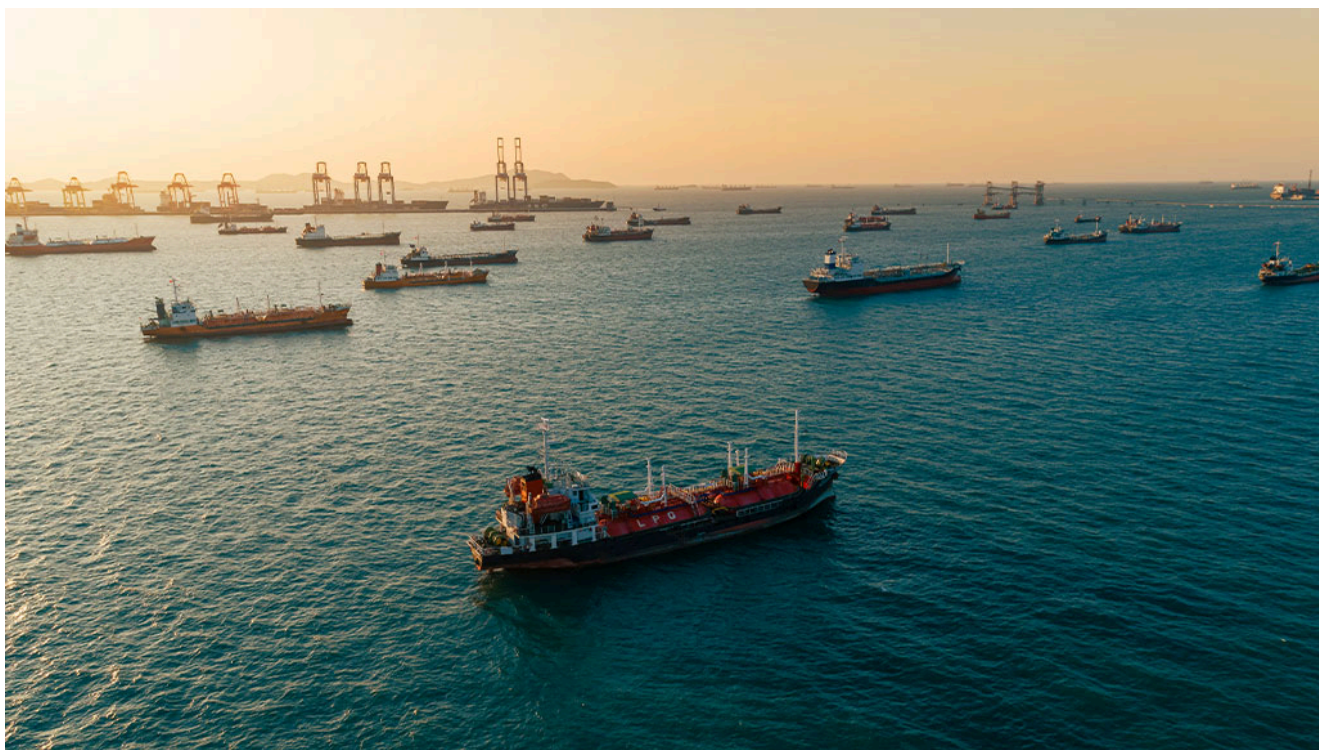
In 2023 at an international level, we welcomed the International Maritime Organisation's (IMO) adoption of a revised greenhouse gas reduction strategy for international shipping that includes an ambition to reach net-zero emissions by or around 2050, supported by interim targets for 2030 and 2040. We called for the IMO to adopt a technical measure such as a fuel quality standard, which introduces a well-to-wake carbon intensity trajectory to drive decarbonisation of the energy used, to help achieve this ambition. We also advocated the use of financial mechanisms, such as a carbon price, to help reduce the price gap between fossil and alternative fuels, as well as the need for energy efficiency measures preferably based on energy consumption.

Our advocacy is mainly through industry groups including the Getting to Zero Coalition and the UK Chamber of Shipping, as well as through observer groups at the IMO including Ipieca, the Society for Gas as a Marine Fuel (SGMF), the Society of International Gas Tanker & Terminal Operators (SIGTTO), the International Bunker Industry Association (IBIA) and the Oil Companies International Marine Forum (OCIMF). We also advocated at the International Transport Forum in 2023, calling for a net-zero emissions by 2050 target for shipping ahead of the IMO's greenhouse gas strategy review.

In 2023, we published a report called Decarbonising Shipping: All Hands on Deck 2.0, which was produced in collaboration with Deloitte.<sup>[62]</sup> The report provides views from across the shipping industry on the prevailing challenges and solutions to decarbonise shipping, while reviewing the progress that has been made. The report highlights the need for effective local and regional regulation to advance near-term impact on greenhouse gas emissions, while anticipating that global regulation will need to follow quickly to achieve a level playing field towards a net-zero emissions target. We use the report in our advocacy to demonstrate the call-to-action from industry for effective regulation at the international level.

In the EU, we supported the FuelEU Maritime Regulation proposal to introduce EU-wide, technology-neutral greenhouse gas intensity targets for shipping. The regulation was adopted in October 2023. We also support the inclusion of maritime in the EU Emissions Trading System. We advocate mainly through industry groups including FuelsEurope and SEA-LNG.

We provide more detail about our advocacy on some of these topics on our website.<sup>[63]</sup>



## Power

Policies which increase the supply of renewable power, and incentivise its demand, will play a crucial role in helping our customers decarbonise. Our focus on value has led to a strategic shift in our power business towards select markets such as Australia, Europe, India and the USA. In 2023 our advocacy focused on market design, permitting reform, and incentives to grow the supply of and demand for low-carbon and renewable power.

In 2023, in Australia we engaged with the government on the capacity investment scheme for the national electricity market, which aims to increase the amount of renewable energy available in the grid when it is needed.<sup>[64]</sup> We also responded to the government consultation on legislative changes to incorporate an emissions reduction objective into national energy objectives.

The EU adopted the Renewable Energy Directive (RED) in October 2023. We supported the proposals in the RED to increase the EU's 2030 renewable energy target, as well as binding mandates for the use of renewable hydrogen and advanced biofuels in industry and transport.<sup>[65]</sup> We welcomed the REPowerEU plan, including proposals to accelerate the deployment of renewable power through fast-tracked permitting, investments in cross-border grids and the removal of barriers to Power Purchase Agreements (PPAs). In 2023, we responded to the consultation on the revision of the EU's electricity market design and supported the proposal to revise it. We believe these changes will stimulate investment in renewable energy by maintaining merchant price signals and ensuring support schemes can be combined with merchant routes.<sup>[66]</sup>

In the USA, we advocated the implementation of the wind and solar tax credits under the Inflation Reduction Act (IRA), and the modernisation and expansion of the power grid through the Infrastructure Investment and Jobs Act (IIJA). We also advocated for permitting reform, to enable large projects to be granted faster and with fewer hurdles. In response to the Environmental Protection Agency's proposed draft rules for decarbonising the power sector,<sup>[67]</sup> our advocacy has focused on developing a workable rule that facilitates sufficient private sector investments in low-carbon solutions.

We provide more detail about our advocacy on some of these topics on our website.<sup>[68]</sup>



## Carbon capture and storage (CCS)

CCS technologies are safe, proven, and necessary for the world to achieve net zero. However, in many countries, CCS lacks sufficient regulatory support and a clear business model. To address these challenges, we support policy mechanisms to encourage deployment of CCS at scale, and industry partnerships to decarbonise hard-to-abate sectors.

While some of our advocacy continued at an international level in 2023, our main focus was in certain regions and countries.

In the EU, we responded to consultations on the Industrial Carbon Management Strategy and certification of carbon removals, advocating for supportive frameworks for CCS, carbon capture and utilisation and carbon dioxide removal technologies.<sup>[69]</sup> We also highlighted the importance of large-scale deployment of CCS in our response to the EU consultation on a 2040 climate target.<sup>[70]</sup>

We provided feedback on the EU's proposed Net-Zero Industry Act (NZIA). The NZIA will require producers of oil and gas in the EU to develop a total of 50 Mtpa of carbon dioxide (CO<sub>2</sub>) injection capacity by 2030. As the NZIA progressed through the legislative process, we proposed that the relevant provisions be widened to ensure development of the whole value chain, including carbon capture and transport, as well as carbon storage.

In the USA, we continued to support the provisions for tax credits and infrastructure in the Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA). In combination, we believe the provisions in the IRA and IIJA could spur dramatic deployment of CCS in the USA if the federal and state governments can ensure timely permitting.

In the Asia-Pacific region, Shell is working with national and state governments to develop policy and regulatory frameworks for CCS. The creation of a cross-border CCS hub in Asia-Pacific could benefit multiple industries in various countries across the region. In March 2024, Shell was one of two parties selected to work with the Singapore government as lead developers for a cross-border CCS project that could store at least 2.5 million tonnes of CO<sub>2</sub> per year by 2030.

In Australia, Shell encouraged the government to ratify the amendments to the London Protocol to facilitate cross-border transport of CO<sub>2</sub> for sub-seabed storage.

In China, Shell and its partners have been working with national and local government authorities, industry associations and academic institutions to advocate necessary policy support for the development of CCS projects. Together with our partners, we are exploring the feasibility of building a CCS hub in the Daya Bay area of east China to capture up to 10 million tonnes of CO<sub>2</sub> a year. Supportive policies would help to make this venture a reality, helping the low-carbon development of the province.

In Brazil, Shell advocated the development of a legal framework for CCS through legislative proposals in Congress. This covered a range of CCS issues, including governance and liabilities.

We provide more detail about our advocacy on some of these topics on our website.<sup>[71]</sup>



## Hydrogen

Hydrogen can play a role in helping society to achieve net-zero emissions. It offers a way to reduce emissions from sectors that are hard to decarbonise, including heavy industry and heavy-duty road transport.

We believe it is vital to translate hydrogen strategies and ambitions into clear, coherent, and timely policies and regulations to give long-term certainty to support supply and demand, along with investment in infrastructure.

In the USA, we advocated the swift and pragmatic implementation of the hydrogen tax credit provisions in the Inflation Reduction Act (IRA), based on carbon intensity as originally set out. We also responded to the U.S. Department of Energy's request for information about demand-side support for clean energy technologies. In our response, we highlighted measures to increase demand for hydrogen.<sup>[72]</sup>

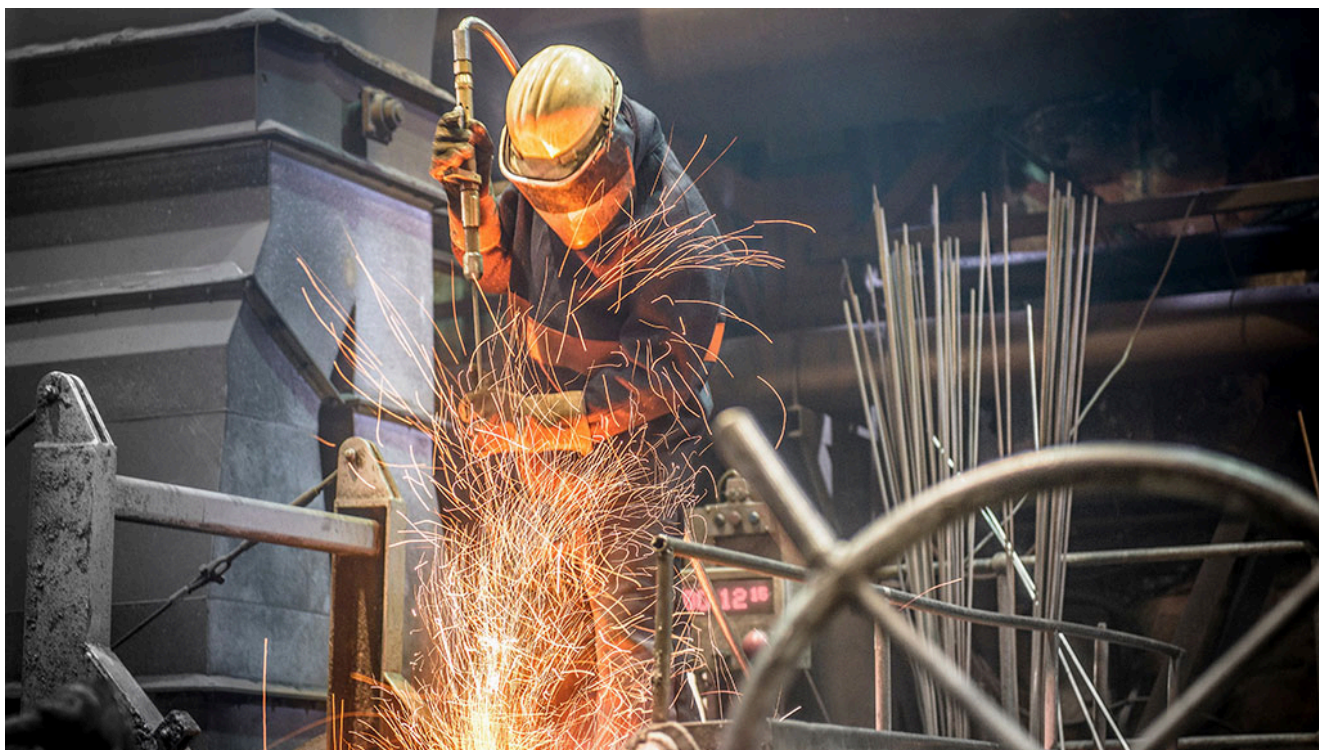
In Canada, we responded to the government consultation on a clean hydrogen investment tax credit.<sup>[73]</sup> We support the intent of the tax credit and highlighted the need for funding tiers to be based on carbon intensity, irrespective of production method.

In the EU, we highlighted the role of hydrogen in decarbonising industry, heavy-duty road transport and shipping in our response to the EU consultation on a 2040 climate target.<sup>[74]</sup> Our response sets out key measures that would be needed to encourage growth in hydrogen. These include greater public investment in grids and pipelines for the transport of hydrogen, measures to stimulate demand and the introduction of green hydrogen certificates.

In Australia, we responded to the government's proposed Guarantee of Origin scheme, which will provide a framework for renewable energy production to be certified beyond 2030.<sup>[75]</sup> The initial focus of the scheme will be on hydrogen, but it is expected to include other products in the future. Our response noted that the proposal sets out a clear and rational approach for the scheme and offered comments on specific aspects.

In the Netherlands, there are ongoing discussions and consultations about national policies to support hydrogen. Shell is building Holland Hydrogen 1, which will be one of the largest renewable hydrogen plants in Europe when it becomes operational in the second half of the decade. In 2023, a new industry association called NLHydrogen was established, of which we are a founding member. We engage with the Dutch government directly on hydrogen policy and indirectly through NLHydrogen.

We provide more detail about our advocacy on some of these topics on our website.<sup>[76]</sup>



## Priorities for 2024

Our focus on performance, discipline and simplification is driving clear choices about where we can create the most value for our investors and our customers through the energy transition.

In our Energy Transition Strategy 2024,<sup>[77]</sup> we showed how our advocacy focuses on four key areas that we believe are critical to the energy transition and will support Shell's strategy:

- Cross-sector policies that support the achievement of national net-zero ambitions through comprehensive policy frameworks and carbon pricing, and which seek to ensure a just transition;
- Policies that support energy security such as clear and predictable regulatory frameworks that enable the production of hydrocarbons with lower emissions;
- Policies that support changes in customer demand in transport and industry, such as vehicle standards, mandates for sustainable aviation fuel and demand for low-carbon products;
- Policies that encourage the development of low-carbon solutions including incentives for biofuels, flexibility in feedstock choices, and effective regulatory frameworks for hydrogen and CCS.





# Industry associations update

We provide an update on associations where we found some misalignment in policy positions last year.

<b>25</b>	Our approach
<b>25</b>	Our memberships of industry associations
<b>26</b>	Addressing misalignment
<b>29</b>	Payments to industry associations

## Our approach

We have continued to work to ensure our memberships of industry associations support our climate and energy transition policy positions. This is the sixth consecutive year that we have reported on industry associations.

We have updated our principles for participation in industry associations (see page 7). These principles set out our governance of our memberships. They also describe how we review the associations' climate and energy transition policy and advocacy positions, and how we address and report on misalignment.

We publish a detailed review of the policy and advocacy positions of key industry associations every two years. Where we identify misalignment with our positions, we set out how we plan to address this and provide an update the following year. The interval provides time to set out our expectations of associations where we found misalignment and to engage with them to try to encourage change.

We published our last detailed review of key industry associations in our Climate and Energy Transition Lobbying Report in March 2023.<sup>[78]</sup> The report set out our methodology for selecting and reviewing the industry associations, the review outcomes, and next steps for associations where we found misalignment. The review considered the associations' policy positions and their advocacy on key legislation and regulation proposals. Of the 39 key industry associations reviewed in the report, we found:

- No cases of material misalignment
- Some misalignment with 10 associations
- Alignment with 29 associations

In this report published in May 2024, we focus on the 10 associations where we found some misalignment. This includes an update on Queensland Resources Council (QRC), which we left in September 2023. We also highlight the actions we have taken to address differences in our positions with the other nine associations since the review. We provide information on our payments to the remaining nine associations, as well as details of our role on their governing bodies.

We plan to publish our next detailed industry associations review in 2025.

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## Our memberships of industry associations

We value our memberships of industry associations, which provide a platform for industry-wide engagements with governments, regulators and communities on a range of issues. Many of the associations we are members of engage on public policy, legislation and regulation. They also often play an important role in developing and implementing industry standards and best practices in areas such as health, safety, security and the environment.

We are members of many industry associations around the world. Shell has different levels of participation and influence in industry associations. As well as holding general memberships, we may be members of association boards, executive committees, specialist committees and working groups. In other cases, we may have observer, guest or associate status only. Sometimes we second Shell employees to work at an association temporarily.

Decision-making and governance within industry associations varies. Many are consensus-based organisations that represent a wide range of companies, often with different positions on public policy issues. This can lead to associations taking positions that are less ambitious on climate change and the energy transition than those taken by some members, including Shell. In such cases, we seek to drive positive change within these associations in line with our principles for participation in industry associations (see page 7).

In cases where we find material misalignment with an association, we weigh up the broader business value of remaining in the association, and the likelihood of the association changing its positions, against ending activities such as board and committee participation, or ending overall membership.

In May 2024, we published an updated list of some of our memberships of industry associations and similar organisations on our website.<sup>[79]</sup>

## Addressing misalignment

In last year's report, we found some misalignment with 10 associations:

- American Petroleum Institute (API)
- Australian Energy Producers (AEP, formerly Australian Petroleum Production & Exploration Association)
- Canadian Association of Petroleum Producers (CAPP)
- Chamber of Minerals and Energy of Western Australia (CME)
- International Gas Union (IGU)
- National Association of Manufacturers (NAM)
- Queensland Resources Council (QRC)
- Texas Oil & Gas Association (TXOGA)
- U.S. Chamber of Commerce (USCC)
- Western States Petroleum Association (WSPA)

We ended our membership of QRC in September 2023. After careful consideration of our membership and noting we have assets spanning Australia, we decided to focus our advocacy efforts through organisations that have a national footprint in Australia, such as Australian Energy Producers (formerly APPEA).

Through our internal process for reviewing issues of misalignment (see page 7), we decided to remain members of the other nine associations at the current time. For most of these associations, there is evidence that their positions are changing, and we believe we can have a greater impact within the associations than outside them, through regular engagement. In the sections below, we provide an update on our engagements with the nine associations since our last report. This update focuses on the misalignment we identified in our last detailed review. This two-year reporting cycle is in line with our principles for participation in industry associations (see page 7).

### **American Petroleum Institute (API), National Association of Manufacturers (NAM) and U.S. Chamber of Commerce (USCC)**

We found ongoing misalignment with API, NAM and USCC in the assessments we published in 2019, 2021 and 2023. Since our last report, we have engaged with these associations in the USA to seek changes in their positions where we found misalignment.

We encouraged the associations to explicitly state their support for net-zero emissions by 2050 and to advocate in support of the USA's net-zero emissions by 2050 target. While the organisations have stated their support for the Paris Agreement and have referenced net-zero emissions by 2050 in their communications, they have not explicitly stated support for net-zero emissions by 2050.

We recognise that there are no current federal carbon pricing proposals in the USA. However, we believe it is important to continue to advocate on this key topic. We have been encouraged by API's ongoing support of carbon pricing. We note that NAM and USCC have not changed their positions to explicitly support carbon pricing, though they continue to state support for market-based approaches. We will continue to encourage NAM and USCC to support carbon pricing.

API, NAM and USCC have stated support for reducing methane emissions, and API and USCC have stated support for the direct regulation of methane emissions. We have encouraged the associations to also state support for ending routine flaring by 2030 or sooner, but they have not yet done so.<sup>[80]</sup>

We will engage with these associations on our updated positions on climate and energy transition and will be transparent about where we find differences.

### **Texas Oil & Gas Association (TXOGA)**

We have engaged with TXOGA on the findings of our previous report.

We asked TXOGA to update its climate statement to state support for net-zero emissions by 2050 and to publicly advocate reductions in carbon emissions. TXOGA has not updated its climate statement. TXOGA has advised us that it views the USA's net-zero 2050 target as a federal-level issue rather than a state-level one.

We also encouraged TXOGA to take action in other areas, including being more transparent about its advocacy in relation to CCS, hydrogen and energy efficiency.

We welcomed TXOGA's efforts to develop a CCS Bill for the 2023 Texas state legislative session. The bill addressed the key CCS issues that we had raised with TXOGA, including long-term liability and ownership of the pore spaces where carbon is stored. The bill did not pass, but we are working with TXOGA to reintroduce the bill for the 2025 legislative session. TXOGA has also provided some information about its CCS advocacy on its website.<sup>[81]</sup>

We welcomed TXOGA's advocacy in support of a state hydrogen bill. The bill, which passed, places jurisdiction for the pipeline transportation and underground storage of hydrogen with the Railroad Commission of Texas. The bill also establishes the Hydrogen Policy Council, which is intended to study the development of the state's hydrogen industry, development of a hydrogen hub, and appropriate oversight of production, pipeline transportation, and underground storage of hydrogen.

TXOGA has also played an important role in helping to ensure that legislators consider the impact of energy costs on consumers when developing regulations to reform the state's electricity market.<sup>[82]</sup>

We continue to believe there is an opportunity for TXOGA to engage more actively on policies relating to the energy transition. We will engage with TXOGA on our updated positions on climate and energy transition and will be transparent about where we find differences.

### **Western States Petroleum Association (WSPA)**

We have engaged with WSPA on the findings of our previous report. We are pleased to note progress in a number of areas.

We asked WSPA to explicitly state support for net-zero emissions by 2050, and in California to continue to work constructively with policymakers towards a robust and feasible plan that is sensitive to low-income and under-represented communities while helping achieve the state's goal of net zero by 2045. Although WSPA has not explicitly stated support for net-zero emissions by 2050, it has engaged more constructively in helping to define pathways to meet California's net-zero target. In particular, WSPA was the main sponsor of Stanford University's study "Pathways to Carbon Neutrality" that aimed to provide an independent assessment of decarbonisation options and alternatives for California.<sup>[83]</sup> WSPA advised us that it briefed the California Air Resources Board on the study findings. WSPA also launched a media outreach programme in 2023 to increase public engagement in the state's energy policy debate.<sup>[84]</sup>

We encouraged WSPA to continue to work with policymakers towards a robust and feasible plan to help achieve California's target that all passenger vehicles sold in the state be zero-emissions by 2035, delivering a plan that is also sensitive to low-income and under-represented communities. While we support California's aspiration, we share WSPA's concerns about the feasibility of the plan to achieve it and some of the associated proposals. We think there needs to be a more comprehensive plan to expand the infrastructure needed to meet the target. We believe that WSPA has engaged more constructively on this topic in its policy discussions over the past year.

We were pleased to see WSPA publish information about its work to reduce methane emissions and its support for nature-based carbon removals.<sup>[85]</sup> We also encouraged WSPA to support policies to ensure that nature-based solutions complement, and do not displace, efforts to avoid and reduce greenhouse gas emissions; however, it has not yet done so.

We will engage with WSPA on our updated positions on climate and energy transition and will be transparent about where we find differences.

### **Australian Energy Producers (AEP)**

Australian Petroleum Production & Exploration Association (APPEA) changed its name to Australian Energy Producers (AEP) in September 2023, to reflect its expanded focus beyond oil and gas to also cover low-carbon fuels and net-zero technologies.<sup>[86]</sup>

We have engaged with AEP on the findings of our previous report.

We encouraged AEP to continue to support reducing methane emissions throughout the natural gas supply chain, including supporting direct regulations for methane reduction and ending routine flaring by 2030 or sooner. AEP has established a methane working group, of which Shell is a member, which is working on a number of initiatives.

We will engage with AEP on our updated positions on climate and energy transition and will be transparent about where we find differences.

### **Chamber of Minerals and Energy Western Australia (CME)**

We have engaged with CME on the findings of our previous report.

We have encouraged CME to support reducing methane emissions throughout the natural gas supply chain through direct regulations for methane reduction and ending routine flaring by 2030 or sooner. CME did not publish statements in 2023 in relation to reducing methane emissions. CME has advised us that reducing methane emissions is on its list of priority topics for 2024 and has invited Shell to provide a briefing on the topic for members in the coming months.

We will engage with CME on our updated positions on climate and energy transition and will be transparent about where we find differences.

### **Canadian Association of Petroleum Producers (CAPP)**

We have engaged with CAPP on the findings of our previous report.

We asked CAPP to support ending routine flaring by 2030 or sooner. CAPP has not stated a public position in support of this to date.

We also encouraged CAPP to provide information about its support for accelerating electrification with renewable and low-carbon power sources. In its submission on Canada's draft Clean Electricity Regulations, CAPP noted the role for electrification in reducing economy-wide emissions and those from the upstream oil and gas sector.<sup>[87]</sup> CAPP has not, however, explicitly stated support for accelerating electrification using renewable and low-carbon power sources.

We encouraged CAPP to state a position to ensure that nature-based solutions complement, and do not displace, efforts to avoid and reduce greenhouse gas emissions. While CAPP has stated support for "international and domestic offsets including those from nature",<sup>[88]</sup> it has not yet stated a position on the emissions mitigation hierarchy.

We also encouraged CAPP to take several other actions, including in relation to positions on decarbonised hydrogen and environmental, social and governance (ESG) reporting, but no change has been observed.

We will engage with CAPP on our updated positions on climate and energy transition and will be transparent about where we find differences.

### **International Gas Union (IGU)**

We have engaged with IGU on the findings of our previous report.

IGU has restarted its methane working group. We have encouraged IGU to state support for reducing methane emissions throughout the natural gas supply chain through direct regulations for methane reduction and ending routine flaring by 2030 or sooner. IGU is a member of the Methane Guiding Principles, which include the commitment to “advocate sound policy and regulations on methane emissions”.<sup>[89]</sup> IGU has not publicly stated positions specifically in support of the direct regulation of methane emissions or ending routine flaring by 2030 or sooner.

We encouraged IGU to explicitly state support for net-zero emissions by 2050, but it has not yet done so.

We will engage with IGU on our updated positions on climate and energy transition and will be transparent about where we find differences.

## Payments to industry associations

We typically pay annual membership fees to industry associations. Membership fees may be calculated either as fixed fees applicable to all members, or as a proportion of the annual turnover or production volumes of members. In some cases, we make additional payments, for example to sponsor research or an event.

We require industry associations to confirm that Shell funds or resources are not used for payments to political parties, political organisations or their representatives, either directly or indirectly.

In the EU and the USA, we report expenditure associated with our lobbying activities, which includes estimated percentages of industry association costs, in line with the requirements and guidelines set out in the EU Transparency Register and the US Lobbying Disclosure Act, respectively. These submissions are publicly available.<sup>[90]</sup>

Table 2 provides an overview of the payments we made to nine associations where we found some misalignment in last year's report. The table does not include Queensland Resources Council (QRC), which we left in 2023.

### Shell payments to industry associations in 2023 (Table 2)

Shell payments in 2023 (USD range)	Industry associations	Member of board or executive committee as of December 31, 2023	Shell entity that pays membership fee
7.5 - <10M	American Petroleum Institute (API)	Board, executive committee	Shell USA, Inc.
5 - <7.5M			
2.5 - <5M			
1 - <2.5M	Australian Energy Producers (AEP, formerly APPEA) U.S. Chamber of Commerce (USCC) Western States Petroleum Association (WSPA)	Board <sup>[91]</sup> Board Board	Shell Australia Pty Ltd Shell USA, Inc. Shell USA, Inc.
500,000 - <1M	National Association of Manufacturers (NAM)	Board	Shell Oil Products Company LLC
100,000 - <500,000	Canadian Association of Petroleum Producers (CAPP)	Board	Shell Canada Limited
50,000 - <100,000	Texas Oil & Gas Association (TXOGA)	Board	Shell USA, Inc.
0 - <50,000	Chamber of Minerals and Energy of Western Australia (CME) International Gas Union (IGU)	None Executive committee <sup>[92]</sup>	Shell Australia Pty Ltd Shell International Limited

## Endnotes

- [1] [unfccc.int/sites/default/files/resource/parisagreement\\_publication.pdf](https://unfccc.int/sites/default/files/resource/parisagreement_publication.pdf)
- [2] [www.ipcc.ch/2022/04/04/ipcc-ar6-wgiii-pressrelease/](https://www.ipcc.ch/2022/04/04/ipcc-ar6-wgiii-pressrelease/)
- [3] Our target to achieve net-zero emissions by 2050 is across Scopes 1, 2 and 3.
- [4] [www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/global-climate-and-energy-transition-policy-positions.html](https://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/global-climate-and-energy-transition-policy-positions.html) and [www.shell.com/sustainability/our-climate-target/shell-energy-transition-strategy.html](https://www.shell.com/sustainability/our-climate-target/shell-energy-transition-strategy.html)
- [5] [www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html](https://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html)
- [6] [www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/our-work-with-industry-associations/industry-associations-and-similar-organisations-we-are-members-of.html](https://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/our-work-with-industry-associations/industry-associations-and-similar-organisations-we-are-members-of.html)
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- [12] [reports.shell.com/annual-report/2023/assets/downloads/shell-annual-report-2023.pdf](https://reports.shell.com/annual-report/2023/assets/downloads/shell-annual-report-2023.pdf)
- [13] [www.shell.com/about-us/our-values.html](https://www.shell.com/about-us/our-values.html)
- [14] [unfccc.int/sites/default/files/resource/parisagreement\\_publication.pdf](https://unfccc.int/sites/default/files/resource/parisagreement_publication.pdf)
- [15] [www.ipcc.ch/2022/04/04/ipcc-ar6-wgiii-pressrelease/](https://www.ipcc.ch/2022/04/04/ipcc-ar6-wgiii-pressrelease/)
- [16] Our target to achieve net-zero emissions by 2050 is across Scopes 1, 2 and 3.
- [17] [www.shell.com/sustainability/our-climate-target/shell-energy-transition-strategy.html](https://www.shell.com/sustainability/our-climate-target/shell-energy-transition-strategy.html)
- [18] [www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/global-climate-and-energy-transition-policy-positions.html](https://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/global-climate-and-energy-transition-policy-positions.html) and [www.shell.com/sustainability/our-climate-target/shell-energy-transition-strategy.html](https://www.shell.com/sustainability/our-climate-target/shell-energy-transition-strategy.html)
- [19] [www.shell.com/sustainability/our-climate-target/a-just-transition.html](https://www.shell.com/sustainability/our-climate-target/a-just-transition.html), [www.shell.com/sustainability/nature.html](https://www.shell.com/sustainability/nature.html) and [www.shell.com/sustainability/people/human-rights.html](https://www.shell.com/sustainability/people/human-rights.html)
- [20] [www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html](https://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html)
- [21] [climateactiontracker.org/global/cat-net-zero-target-evaluations](https://climateactiontracker.org/global/cat-net-zero-target-evaluations)
- [22] [www.shell.com/external-redirects/eu-2023-six-shell-submission-eu-2040-climate-target](https://www.shell.com/external-redirects/eu-2023-six-shell-submission-eu-2040-climate-target)
- [23] [www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html](https://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html)
- [24] Scenarios are not intended to be predictions of likely future events or outcomes and, therefore, are not the basis for Shell's operating plans and financial statements.
- [25] [www.shell.com/news-and-insights/scenarios/the-energy-security-scenarios.html](https://www.shell.com/news-and-insights/scenarios/the-energy-security-scenarios.html)
- [26] [www.shell.com/news-and-insights/scenarios/scenarios-where-you-live.html](https://www.shell.com/news-and-insights/scenarios/scenarios-where-you-live.html)
- [27] [www.shell.ae/transitioning-towards-a-sustainable-and-inclusive-energy-future.html](https://www.shell.ae/transitioning-towards-a-sustainable-and-inclusive-energy-future.html)
- [28] [www.shell.in/energy-and-innovation/india-transforming-to-a-net-zero-emissions-energy-system.html](https://www.shell.in/energy-and-innovation/india-transforming-to-a-net-zero-emissions-energy-system.html)
- [29] [missionpossiblepartnership.org/](https://missionpossiblepartnership.org/)
- [30] [missionpossiblepartnership.org/sector-transition-strategies/](https://missionpossiblepartnership.org/sector-transition-strategies/)
- [31] [www.shell.com/external-redirects/eu-2023-six-shell-submission-eu-2040-climate-target](https://www.shell.com/external-redirects/eu-2023-six-shell-submission-eu-2040-climate-target)
- [32] The UK government defines carbon leakage as "the movement of production and associated emissions from one country to another due to different levels of decarbonisation effort through carbon pricing and climate regulation" (see [www.gov.uk/government/consultations/addressing-carbon-leakage-risk-to-support-decarbonisation/outcome/factsheet-uk-carbon-border-adjustment-mechanism](https://www.gov.uk/government/consultations/addressing-carbon-leakage-risk-to-support-decarbonisation/outcome/factsheet-uk-carbon-border-adjustment-mechanism)).
- [33] [www.shell.com/uk-2023-06-shell-submission-addressing-carbon-leakage-risk-to-support-decarbonisation.html](https://www.shell.com/uk-2023-06-shell-submission-addressing-carbon-leakage-risk-to-support-decarbonisation.html)
- [34] [www.ieta.org/resources/papers/india/](https://www.ieta.org/resources/papers/india/)
- [35] [www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html](https://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html). We also provide further information about carbon pricing on our website: [www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/carbon-pricing.html](https://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/carbon-pricing.html)
- [36] [www.newproducersgroup.online](https://www.newproducersgroup.online)
- [37] [www.iogp.org/workstreams/environment/decommissioning/decommissioning-committee-overview/](https://www.iogp.org/workstreams/environment/decommissioning/decommissioning-committee-overview/)
- [38] Lower-carbon gases refers to biogas and biomethane/renewable natural gas. These also include hydrogen and hydrogen derivatives (e.g. synthetic methane and ammonia) made from renewable sources, decarbonised fossil fuels or electricity.
- [39] [www.gov.br/mme/pt-br/assuntos/secretarias/petroleo-gas-natural-e-biocombustiveis/gas-para-empregar](https://www.gov.br/mme/pt-br/assuntos/secretarias/petroleo-gas-natural-e-biocombustiveis/gas-para-empregar)
- [40] [www.shell.com/what-we-do/oil-and-natural-gas/liquefied-natural-gas-Ing/Ing-outlook-2024](https://www.shell.com/what-we-do/oil-and-natural-gas/liquefied-natural-gas-Ing/Ing-outlook-2024)
- [41] [ec.europa.eu/transparency/expert-groups-register/screen/expert-groups/consult?lang=en&groupID=3865](https://ec.europa.eu/transparency/expert-groups-register/screen/expert-groups/consult?lang=en&groupID=3865)
- [42] [energy.ec.europa.eu/topics/energy-security/eu-energy-platform\\_en](https://energy.ec.europa.eu/topics/energy-security/eu-energy-platform_en)
- [43] Subject to completion of the sale of Shell Petroleum Development Company of Nigeria Limited (SPDC).
- [44] In our updated policy positions, we call on governments and policymakers to aim for near-zero methane emissions by 2030 throughout the gas sector through direct regulations such as performance standards based on robust MRV frameworks.
- [45] We previously advocated ending routine flaring by 2025, but in light of proximity to 2025, we now advocate ending routine flaring as soon as possible and no later than 2030. Shell's target remains to eliminate routine flaring from our upstream-operated assets by 2025.
- [46] [www.worldbank.org/en/programs/gasflaringreduction/brief/ggfr-to-evolve-to-the-global-flaring-methane-reduction-partnership](https://www.worldbank.org/en/programs/gasflaringreduction/brief/ggfr-to-evolve-to-the-global-flaring-methane-reduction-partnership)
- [47] The Methane Guiding Principles is a coalition initiated by Shell in 2017, which convenes industry and civil society and aims to reduce methane emissions along the full gas value chain.

- [48] [www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html](http://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html). We also provide further information about reducing methane emissions on our website: [www.shell.com/what-we-do/oil-and-natural-gas/methane-emissions.html](http://www.shell.com/what-we-do/oil-and-natural-gas/methane-emissions.html)
- [49] [www.shell.com/external-redirects/eu-2023-six-shell-submission-eu-2040-climate-target](http://www.shell.com/external-redirects/eu-2023-six-shell-submission-eu-2040-climate-target)
- [50] [www.shell.com/external-redirects/shells-response-to-the-proposed-regulations-amending-the-passenger-automobile-and-light-truck-greenhouse-gas-regulations-march-2023](http://www.shell.com/external-redirects/shells-response-to-the-proposed-regulations-amending-the-passenger-automobile-and-light-truck-greenhouse-gas-regulations-march-2023)
- [51] [www.dcceew.gov.au/energy/transport/national-electric-vehicle-strategy](http://www.dcceew.gov.au/energy/transport/national-electric-vehicle-strategy)
- [52] [www.shell.com/external-redirects/shells-response-to-the-governments-consultation-on-the-national-electric-vehicle-strategy](http://www.shell.com/external-redirects/shells-response-to-the-governments-consultation-on-the-national-electric-vehicle-strategy)
- [53] [www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html](http://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html). We also provide further information about decarbonising mobility on our website: [www.shell.com/what-we-do/mobility.html](http://www.shell.com/what-we-do/mobility.html)
- [54] A Lower Carbon Aviation Fuel (LCAF) may be certified as a CORSIA eligible fuel if it meets the CORSIA Sustainability Criteria, including a 10% reduction in life cycle emissions compared to the aviation fuel baseline of 89 gCO<sub>2</sub>e/MJ. See [www.icao.int/environmental-protection/Pages/LCAF.aspx#](http://www.icao.int/environmental-protection/Pages/LCAF.aspx#) CORSIA is the Carbon Offsetting and Reduction Scheme for International Aviation.
- [55] [www.shell.com/EU-2023-11-joint-letter-REDAnnex-IX](http://www.shell.com/EU-2023-11-joint-letter-REDAnnex-IX)
- [56] [www.shell.com/external-redirects/shell-uk-response-to-developing-the-uk-sustainable-aviation-fuel-mandate-june-23](http://www.shell.com/external-redirects/shell-uk-response-to-developing-the-uk-sustainable-aviation-fuel-mandate-june-23)
- [57] [www.caas.gov.sg/docs/default-source/docs-so/singapore-sustainable-air-hub-blueprint.pdf](http://www.caas.gov.sg/docs/default-source/docs-so/singapore-sustainable-air-hub-blueprint.pdf)
- [58] [www.moei.gov.ae/en/media-center/news/20/1/2023/ministry-of-energy-and-infrastructure-launches-the-national-sustainable-aviation-fuel-roadmap](http://www.moei.gov.ae/en/media-center/news/20/1/2023/ministry-of-energy-and-infrastructure-launches-the-national-sustainable-aviation-fuel-roadmap)
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- [60] [www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html](http://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html). We also provide further information about SAF on our website: [www.shell.com/business-customers/aviation/100years/flying-together/paving-saf.html](http://www.shell.com/business-customers/aviation/100years/flying-together/paving-saf.html)
- [61] Lower-carbon fuels, such as LNG and biofuels, when compared with conventional fuels.
- [62] [www.shell.com/business-customers/marine/decarbonising/\\_jcr\\_content/root/main/section/item/links/item0.stream/1685556533872/b8cfc522e207d5e92a19b9f5943f9eb1f73a9d10/all-hands-on-deck-digital-thirty-first-may.pdf](http://www.shell.com/business-customers/marine/decarbonising/_jcr_content/root/main/section/item/links/item0.stream/1685556533872/b8cfc522e207d5e92a19b9f5943f9eb1f73a9d10/all-hands-on-deck-digital-thirty-first-may.pdf)
- [63] [www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html](http://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html). We also provide further information about decarbonising shipping on our website: [www.shell.com/business-customers/marine/decarbonising.html](http://www.shell.com/business-customers/marine/decarbonising.html)
- [64] [www.shell.com/external-redirects/aus-2023-eight-shell-submission-capacity-investment-scheme](http://www.shell.com/external-redirects/aus-2023-eight-shell-submission-capacity-investment-scheme)
- [65] Advocacy examples include [www.shell.com/external-redirects/shells-paper-on-sectoral-decarbonisation-under-the-eu-fit-for-55-july-2022](http://www.shell.com/external-redirects/shells-paper-on-sectoral-decarbonisation-under-the-eu-fit-for-55-july-2022), [x.com/Shell\\_EUAffairs/status/1641019757603201024?s=03](http://x.com/Shell_EUAffairs/status/1641019757603201024?s=03) and [x.com/Shell\\_EUAffairs/status/1641495420885950465?s=03](http://x.com/Shell_EUAffairs/status/1641495420885950465?s=03)
- [66] [www.shell.com/external-redirects/shells-response-to-the-european-commissions-consultation-on-the-revision-of-the-eus-electricity-market-design-february-2023](http://www.shell.com/external-redirects/shells-response-to-the-european-commissions-consultation-on-the-revision-of-the-eus-electricity-market-design-february-2023)
- [67] Power sector regulation: New Source Performance Standard (NSPS) for greenhouse gas emissions from new, modified and reconstructed fossil fuel-fired electric generating units (EGUs).
- [68] [www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html](http://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html). We also provide further information about renewable power on our website: [www.shell.com/what-we-do/renewable-power.html](http://www.shell.com/what-we-do/renewable-power.html)
- [69] [ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13848-Industrial-carbon-management-carbon-capture-utilisation-and-storage-deployment/F3435374\\_en](http://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13848-Industrial-carbon-management-carbon-capture-utilisation-and-storage-deployment/F3435374_en) and [www.shell.com/external-redirects/shells-response-to-the-eu-commissions-public-consultation-on-certification-of-carbon-removals](http://www.shell.com/external-redirects/shells-response-to-the-eu-commissions-public-consultation-on-certification-of-carbon-removals)
- [70] [www.shell.com/external-redirects/eu-2023-six-shell-submission-eu-2040-climate-target](http://www.shell.com/external-redirects/eu-2023-six-shell-submission-eu-2040-climate-target)
- [71] [www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html](http://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html). We also provide further information about CCS on our website: [www.shell.com/what-we-do/carbon-capture-and-storage.html](http://www.shell.com/what-we-do/carbon-capture-and-storage.html)
- [72] [www.shell.com/external-redirects/usa-2023-two-shell-submission-ffi-demand-side-support-for-clean-energy-technologies](http://www.shell.com/external-redirects/usa-2023-two-shell-submission-ffi-demand-side-support-for-clean-energy-technologies)
- [73] [www.shell.com/external-redirects/can-2023-nine-shell-submission-clean-h2-itc](http://www.shell.com/external-redirects/can-2023-nine-shell-submission-clean-h2-itc)
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- [75] [www.shell.com/external-redirects/aus-2023-10-shell-submission-guarantee-of-origin-scheme-design](http://www.shell.com/external-redirects/aus-2023-10-shell-submission-guarantee-of-origin-scheme-design)
- [76] [www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html](http://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/climate-and-energy-transition-advocacy-updates.html). We also provide further information about hydrogen on our website: [www.shell.com/what-we-do/hydrogen.html](http://www.shell.com/what-we-do/hydrogen.html)
- [77] [www.shell.com/sustainability/our-climate-target/shell-energy-transition-strategy](http://www.shell.com/sustainability/our-climate-target/shell-energy-transition-strategy)
- [78] Shell Climate and Energy Transition Lobbying Report 2022, published in March 2023: [reports.shell.com/climate-and-energy-transition-lobbying-report/2022/](http://reports.shell.com/climate-and-energy-transition-lobbying-report/2022/)
- [79] [www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/our-work-with-industry-associations/industry-associations-and-similar-organisations-we-are-members-of.html](http://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/our-work-with-industry-associations/industry-associations-and-similar-organisations-we-are-members-of.html)
- [80] We note that API has stated that it “supports company efforts toward no routine flaring by a date certain, for example the World Bank’s Zero Flaring Initiative by 2030”. See API Climate Action Framework: [www.api.org/-/media/Files/EHS/climate-change/2021/api-climate-action-framework.pdf](http://www.api.org/-/media/Files/EHS/climate-change/2021/api-climate-action-framework.pdf)
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- [82] [www.txoga.org/txoga-statement-on-bates-white-assessment/](http://www.txoga.org/txoga-statement-on-bates-white-assessment/)
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- [85] [www.wspa.org/resource/understanding-methanes-impact-on-climate-change-and-efforts-to-reduce-its-emissions-in-californias-oil-and-gas-industry/](http://www.wspa.org/resource/understanding-methanes-impact-on-climate-change-and-efforts-to-reduce-its-emissions-in-californias-oil-and-gas-industry/) and [www.wspa.org/resource/the-critical-role-of-diverse-carbon-removal-solutions-in-climate-action/](http://www.wspa.org/resource/the-critical-role-of-diverse-carbon-removal-solutions-in-climate-action/)
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- [88] [www.capp.ca/en/our-priorities/climate-emissions/climate-positions/](http://www.capp.ca/en/our-priorities/climate-emissions/climate-positions/)
- [89] [methaneguidingprinciples.org/about/](http://methaneguidingprinciples.org/about/) and [methaneguidingprinciples.org/about/the-methane-guiding-principles/](http://methaneguidingprinciples.org/about/the-methane-guiding-principles/)
- [90] In the EU, Shell's reported estimated annual costs related to activities covered by the register were €4,000,000 to €4,500,000 in 2023. In the USA, Shell's reported expenses related to lobbying practices were \$7,080,000 in 2023. We also provide this information on our website [www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/corporate-political-engagement-transparency-statement-and-lobbying-spend.html](http://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/corporate-political-engagement-transparency-statement-and-lobbying-spend.html)
- [91] Appointments to the board are subject to confirmation by the AEP board.
- [92] A Shell employee is a member of IGU's executive committee but this position is not a Shell-designated position.

## Cautionary note

The companies in which Shell plc directly and indirectly owns investments are separate legal entities. In this Climate and Energy Transition Lobbying Report 2023 “Shell”, “Shell Group” and “Group” are sometimes used for convenience where references are made to Shell plc and its subsidiaries in general. Likewise, the words “we”, “us” and “our” are also used to refer to Shell plc and its subsidiaries in general or to those who work for them. These terms are also used where no useful purpose is served by identifying the particular entity or entities. “Subsidiaries”, “Shell subsidiaries” and “Shell companies” as used in this Climate and Energy Transition Lobbying Report 2023 refer to entities over which Shell plc either directly or indirectly has control. The term “joint venture”, “joint operations”, “joint arrangements”, and “associates” may also be used to refer to a commercial arrangement in which Shell has a direct or indirect ownership interest with one or more parties. The term “Shell interest” is used for convenience to indicate the direct and/or indirect ownership interest held by Shell in an entity or unincorporated joint arrangement, after exclusion of all third-party interest.

### Forward-Looking Statements

This Climate and Energy Transition Lobbying Report 2023 contains forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995) concerning the financial condition, results of operations and businesses of Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Shell to market risks and statements expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as “aim”; “ambition”; “anticipate”; “believe”; “commit”; “commitment”; “could”; “estimate”; “expect”; “goals”; “intend”; “may”; “milestones”; “objectives”; “outlook”; “plan”; “probably”; “project”; “risks”; “schedule”; “seek”; “should”; “target”; “will”; “would” and similar terms and phrases. There are a number of factors that could affect the future operations of Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this Climate and Energy Transition Lobbying Report 2023, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell’s products; (c) currency fluctuations; (d) drilling and production results; (e) reserves estimates; (f) loss of market share and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, judicial, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; (m) risks associated with the impact of pandemics, such as the COVID-19 (coronavirus) outbreak, regional conflicts, such as the Russia-Ukraine war, and a significant cybersecurity breach; and (n) changes in trading conditions. No assurance is provided that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this Climate and Energy Transition Lobbying Report 2023 are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Additional risk factors that may affect future results are contained in Shell plc’s Form 20-F for the year ended December 31, 2023 (available at [www.shell.com/investors/news-and-filings/sec-filings.html](http://www.shell.com/investors/news-and-filings/sec-filings.html) and [www.sec.gov](http://www.sec.gov)). These risk factors also expressly qualify all forward-looking statements contained in this Climate and Energy Transition Lobbying Report 2023 and should be considered by the reader. Each forward-looking statement speaks only as of the date of this Climate and Energy Transition Lobbying Report 2023, May 23 2024. Neither Shell plc nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this Climate and Energy Transition Lobbying Report 2023.

### Shell’s Net Carbon Intensity

Also, in this Climate and Energy Transition Lobbying Report 2023 we may refer to Shell’s “Net Carbon Intensity” (NCI), which includes Shell’s carbon emissions from the production of our energy products, our suppliers’ carbon emissions in supplying energy for that production and our customers’ carbon emissions associated with their use of the energy products we sell. Shell’s NCI also includes the emissions associated with the production and use of energy products produced by others which Shell purchases for resale. Shell only controls its own emissions. The use of the terms Shell’s “Net Carbon Intensity” or NCI are for convenience only and not intended to suggest these emissions are those of Shell plc or its subsidiaries.

### Shell’s net-zero emissions target

Shell’s operating plan, outlook and budgets are forecasted for a ten-year period and are updated every year. They reflect the current economic environment and what we can reasonably expect to see over the next ten years. Accordingly, they reflect our Scope 1, Scope 2 and NCI targets over the next ten years. However, Shell’s operating plans cannot reflect our 2050 net-zero emissions target, as this target is currently outside our planning period. In the future, as society moves towards net-zero emissions, we expect Shell’s operating plans to reflect this movement. However, if society is not net zero in 2050, as of today, there would be significant risk that Shell may not meet this target.

### Forward-Looking non-GAAP measures

This Climate and Energy Transition Lobbying Report 2023 may contain certain forward-looking non-GAAP measures such as cash capital expenditure and divestments. We are unable to provide a reconciliation of these forward-looking non-GAAP measures to the most comparable GAAP financial measures because certain information needed to reconcile those non-GAAP measures to the most comparable GAAP financial measures is dependent on future events some of which are outside the control of Shell, such as oil and gas prices, interest rates and exchange rates. Moreover, estimating such GAAP measures with the required precision necessary to provide a meaningful reconciliation is extremely difficult and could not be accomplished without unreasonable effort. Non-GAAP measures in respect of future periods which cannot be reconciled to the most comparable GAAP financial measure are calculated in a manner which is consistent with the accounting policies applied in Shell plc’s consolidated financial statements.

The contents of websites and certain reports referred to in this Climate and Energy Transition Lobbying Report 2023 do not form part of this Climate and Energy Transition Lobbying Report 2023 and do not represent an endorsement of such contents by Shell.

We may have used certain terms, such as resources, in this Climate and Energy Transition Lobbying Report 2023 that the United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. Investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575, available on the SEC website [www.sec.gov](http://www.sec.gov).

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- Comprehensive financial information on our activities throughout 2023
- Detailed information on Shell's taxes
- Energy Transition Strategy 2024
- Report on our progress in contributing to sustainable development