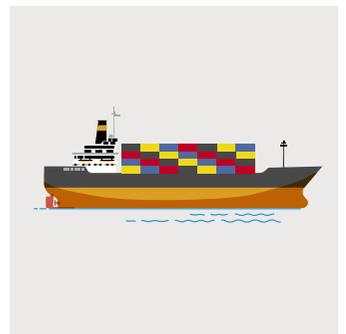
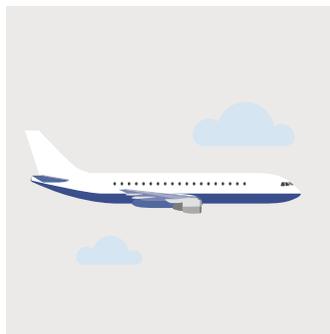
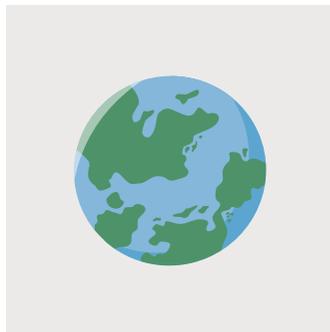
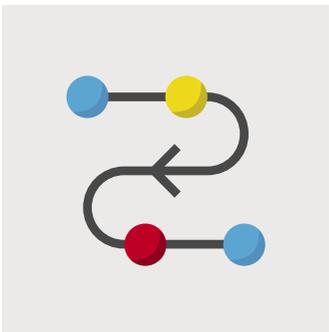




# INDUSTRY ASSOCIATIONS CLIMATE REVIEW UPDATE

2022



# INTRODUCTION

The world needs urgent action to achieve net-zero emissions in support of the more ambitious goal of the UN Paris Agreement: to limit the rise in average global temperature to 1.5 degrees Celsius.

Shell's strategy, Powering Progress, sets out our target to become a net-zero emissions energy business by 2050, in step with society, along with goals to respect nature, power lives and generate shareholder value.<sup>1</sup> We are transforming our business to meet our net-zero target, providing more low-carbon energy and working with our customers and others to reduce emissions too, sector by sector.

Shell engages with governments and other stakeholders – such as international organisations, industry associations and coalitions – to support robust policies, legislation and regulations designed to accelerate the transition to net-zero emissions.

This update focuses on our work with eight industry associations where we identified climate-related policy misalignment with Shell's positions. It is another step in our drive for greater transparency around political engagement.

In the past year, we have provided more information on our website about the policies we support and our advocacy.<sup>2</sup> These include:

- New global climate and energy transition policy positions – we updated our previous global climate-related policy positions to be in line with our Powering Progress strategy. The new positions reflect our belief that the world needs to rapidly decarbonise each of the key sectors that contributes to global emissions.
- Further examples of our climate and energy transition-related advocacy in key markets, including responses to government policy consultations.
- Links to our public submissions for the European Union (EU) Transparency Register and the US Lobbying Disclosure Act.

We have continued to work to ensure our memberships of industry associations support our positions. We are clear that our memberships should strengthen and not undermine our support of the goal of the Paris Agreement and the global drive to achieve net-zero emissions.

Our 2019 and 2021 Industry Association Climate Reviews provided detailed assessments of the alignment between our climate-related policy positions and those of key industry associations. In 2020, we published a progress update.

In this 2022 update, we highlight actions we have taken over the past year to address differences in climate-related positions with the seven industry associations where we found some misalignment, and the one association where we found material misalignment. We also provide 2021 payment data for the 36 industry associations we included in our last report, as well as a case study about our climate lobbying in the EU and USA.

In 2023, we will publish our next detailed Industry Associations Climate Review, in which we plan to use our updated global climate and energy transition policy positions as the basis of our assessments. We publish detailed assessments at two-year intervals to provide time to set out our expectations of associations, and to engage with them to encourage meaningful change.

## PAYMENTS TO INDUSTRY ASSOCIATIONS

Table 1 (below) provides an overview of the payments we made to 36 industry associations in 2021. We typically pay annual membership fees to industry associations. Membership fees may be calculated as either fixed fees for all members, or as a proportion of the annual turnover or production volumes of members. In some cases, we make additional payments, to sponsor research or an event, for example.

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.<sup>3</sup>

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, and we provide links to them on our website.<sup>4</sup> There are different rules for which costs should be reported in these two submissions.

**Table 1: Shell payments to industry associations in 2021**

Shell payments in 2021 (USD range)	Industry association	Member of board or executive committee
10 - <12.5M	American Petroleum Institute (API)	Board, executive committee
7.5 - <10M	-	-
5 - <7.5M	-	-
2.5 - <5M	-	-
1 - <2.5M	American Chemistry Council (ACC) U.S. Chamber of Commerce (USC) Western States Petroleum Association (WSPA)	Board, executive committee Board Board
500,000 - <1M	European Chemical Industry Council (Cefic) Electric Power Supply Association (EPSA) European Petroleum Refiners Association (including FuelsEurope and Concawe) International Association of Oil & Gas Producers (IOGP) National Association of Manufacturers (NAM) Offshore Energies UK (formerly OGUK) Oil & Gas Climate Initiative (OGCI) Vereniging Nederlandse Petroleum Industrie (VNPI)	Board, executive committee Board Board <sup>5</sup> Management committee <sup>6</sup> Board Board Executive committee Board
100,000 - <500,000	Australian Petroleum Production & Exploration Association (APPEA) Canadian Association of Petroleum Producers (CAPP) Canadian Fuels Association (CFA) Confederation of British Industry (CBI) Eurogas International Emissions Trading Associations (IETA) Ipieca Natural Gas Supply Association (NGSA) Solar Energy Industries Association (SEIA) United Kingdom Petroleum Industry Association (UKPIA) Confederation of Netherlands Industry and Employers (VNO-NCW) WindEurope World Business Council for Sustainable Development (WBCSD)	Board <sup>7</sup> Board Board None <sup>8</sup> Board Board Executive committee Board Board UKPIA Council <sup>9</sup> Board Board Executive committee
50,000 - <100,000	Business Council of Australia (BCA) European Round Table for Industry (ERT) International Air Transport Association (IATA) Queensland Resources Council (QRC) Texas Oil & Gas Association (TXOGA)	None None None None Board
0-<50,000	Australian Industry Greenhouse Network (AIGN) Australian Industry Group (Ai Group) BusinessEurope Chamber of Minerals and Energy of Western Australia (CME) Hydrogen Europe International Gas Union (IGU)	None None None None None Executive committee <sup>10</sup>

Note: These figures relate to payments made to the industry associations. They include membership fees and, where relevant, additional payments, such as to sponsor research or events. They do not include the cost of seconding Shell employees to work at an industry association for a temporary period. Any payments made in local currencies are converted to US dollars using Shell standard conversion rates that we use for planning purposes. The data shown exclude applicable taxes and may not be exhaustive.

## EVOLVING POLICY POSITIONS

We believe that the world needs to rapidly decarbonise key sectors that contribute to global emissions – including power, shipping, aviation, road freight, passenger transport, buildings and heavy industry – if it is to achieve net-zero emissions by 2050. This needs to be done while ensuring affordable and secure access to energy.

We published our updated global climate and energy transition policy positions in October 2021.<sup>11</sup> These positions serve as a general global framework for Shell's advocacy with governments, international organisations, industry associations, coalitions and other stakeholders globally, regionally and within countries. By updating our policy positions, and sharing these with industry associations and other stakeholders, we aim to increase collaboration and help to create the climate policy frameworks needed to achieve net-zero emissions. Our positions will continue to evolve.

The updated global policy positions will provide the basis for the detailed assessments in our Industry Associations Climate Review in 2023.

## ACTIONS TO ADDRESS CLIMATE-RELATED MISALIGNMENT

In our 2021 Industry Associations Climate Review, we assessed 36 industry associations' climate-related policy and advocacy positions against the six climate-related policy positions we published in 2020.<sup>12</sup> We found:

- material misalignment with one association (Queensland Resources Council, QRC);
- some misalignment with seven associations; and
- alignment with 28 associations.

Over the past year, we have continued to engage with the eight industry associations where we found material misalignment or some misalignment. Table 2 (page 6) provides an overview of the actions we have taken, the changes we have observed in the associations' climate-related positions and our next steps.

### Material misalignment

We stated in our 2021 report that we were reassessing our membership of QRC because we had found material misalignment. We have engaged with QRC intensively on the areas where we identified misalignment. We welcome the publication of QRC's updated Energy and Climate Policy in March 2022 and QRC's confirmation that it will advocate in line with this policy.<sup>13</sup> We continue to see broad value in our membership of QRC, including QRC's advocacy and expertise in a range of environmental and regulatory issues. We have therefore decided to remain a member of QRC; we will continue to engage with the association and monitor its policy and advocacy.

### Some misalignment

We have engaged with the seven associations where we found some misalignment. Some of the associations updated their climate-related positions and/or engaged more positively on climate policy. We remain in the seven associations at the current time, as we believe we can have a greater impact within the associations than outside them, and because we see broader value in our memberships. We are engaging with these associations on our updated global climate and energy transition policy positions, which we will use as the basis for our assessments in 2023.

Some associations have not moved as far and as fast as we wanted them to. We continue to find some misalignment with Texas Oil & Gas Association (TXOGA). Although TXOGA recently published its first climate statement, it does not state support for the goal of the Paris Agreement or carbon pricing. We are remaining in TXOGA at the current time because we believe that there is broad value in our membership and that we have more influence within the association than outside it.

Our business in Texas is transforming rapidly. We recently sold our Upstream business in the Permian Basin and our Deer Park refinery near Houston. We are working to help decarbonise industrial hubs in the region, for which carbon capture, utilisation and storage (CCUS) is critical. TXOGA plays an important role in advising the Texas state government on legislation and regulation to help enable CCUS. TXOGA also supports the reduction of methane emissions and flaring across the oil and gas industry in Texas, including through the Texas Methane & Flaring Coalition.<sup>14</sup>

Shell is also a member of TXOGA working groups on climate policy, carbon management and other environmental issues. We will increase our engagement with TXOGA to encourage it to support the goal of the Paris Agreement and net-zero emissions, and other positions that we support in our global climate and energy transition policy positions. We will continue to monitor TXOGA's policy and advocacy, and we will publicly highlight our different positions where we identify misalignment.

Some stakeholders have concerns about our membership of American Petroleum Institute (API). We continue to believe that there is broad value in our membership of API. For example, it sets safety, environmental and technical standards for oil and gas companies, and it advocates on a wide range of state and federal issues including trade, transport, taxes and the environment. We also recognise API's leading role in creating the Environmental Partnership.<sup>15</sup>

In our 2021 report, we noted API's statements in support of the goal of the Paris Agreement, carbon pricing and direct regulation of methane emissions. We believe that API has continued to engage more positively on climate and energy transition policies during the past year. However, we recognise that there are sometimes differences in our advocacy approaches. We continue to engage with API to encourage it to support the climate and energy transition policy positions that we support. We will continue to track alignment between API's positions and our own, and will be transparent about where we find differences.

## NEXT STEPS IN IMPROVING TRANSPARENCY AROUND OUR CLIMATE ADVOCACY

We welcome the outcomes of COP26, especially the increased urgency to limit the rise in average global temperature to 1.5 degrees Celsius, while recognising that more needs to be done, particularly this decade. We see opportunity this year, ahead of COP27, for the progress needed. This includes policies to drive decarbonisation of key sectors, investment in natural ecosystems, national plans for a just transition to help protect vulnerable communities, and policies to ensure security of energy supply.

In 2023, we will publish our next detailed Industry Associations Climate Review, in which we plan to use our updated global climate and energy transition policy positions as the basis of our assessments.

We will continue to engage with other companies, investors and non-governmental organisations as we further develop our approach to greater transparency around climate lobbying and reporting.

## OUR CLIMATE LOBBYING IN THE EU AND THE USA

Shell believes that urgent action is needed on climate change. That is why we continue to engage with governments directly and participate in coalitions and partnerships, alongside our work with industry associations. We do this to identify and help shape the policies needed to increase the pace of decarbonisation, while ensuring a balanced and just energy transition. Here are some examples of our climate lobbying in the EU and the USA.

### EU

In 2021, Shell advocated an ambitious Fit for 55 (FF55) package, intended to set the EU on course to achieve its targets to reduce greenhouse gas emissions by 55% by 2030 and reach climate neutrality by 2050.<sup>16</sup> We believe that the FF55 package should ensure a pathway to net-zero emissions by 2050 for every major economic sector.

In the FF55 package, Shell supported a strengthened EU Emissions Trading System (ETS), aligned with the new EU climate goals, and a higher renewable energy target under the revised Renewable Energy Directive.<sup>17</sup> We also advocated policies to accelerate sectoral decarbonisation, especially in sectors that are harder-to-abate such as aviation, shipping, commercial road transport and heavy industry.<sup>18</sup> These include sectoral mandates for the use of renewable hydrogen in heavy industry and road transport under the Renewable Energy Directive, as well as sustainable aviation fuels under the proposed ReFuelEU Aviation regulation.

We worked with the news organisation POLITICO Europe to present three policy dialogues with EU policymakers on key aspects of the FF55 package. These events included public discussions on the

decarbonisation of aviation, the role of hydrogen in heavy industry and transport, and a pathway for the EU to reach its climate neutrality target.<sup>19</sup>

We also joined an alliance to urge the European Commission to accelerate the deployment of renewable energy in the industrial sector.<sup>20</sup> We welcomed the Commission's proposed revision of the Renewable Energy Directive and the inclusion of renewable energy mandates for the industrial and transport sectors.<sup>21</sup>

We will continue to advocate an ambitious FF55 package. Key areas of focus include supporting the revision of the EU ETS, scaling up investment in low-carbon industrial processes, setting sectoral renewable energy targets to drive renewables into transport and industry, and defining higher blending mandates for sustainable aviation fuels.

We provide updates about our advocacy on our website and in our Shell EU Affairs Twitter account.<sup>22</sup>

### USA

Shell has advocated in support of the Biden administration's target of net-zero emissions by 2050.<sup>23</sup> We have also supported calls for ambitious 2030 emission reductions in line with the Biden administration's 2050 target.<sup>24</sup>

We have advocated the restoration of direct federal regulation of methane emissions from new or modified sources, which was signed into law in 2021, and for new regulation of methane from existing sources.<sup>25</sup>

We have also publicly stated support for the bipartisan infrastructure package which was signed into law in November 2021.<sup>26</sup> This \$1.2 trillion package includes billions of dollars for hydrogen hubs, carbon capture utilisation and storage (CCUS), clean energy infrastructure (including for electric vehicles) and a modernised power grid better able to support renewable electricity.<sup>27</sup>

Shell and other companies have written a letter in support of the climate provisions in the Build Back Better Act (BBBA).<sup>28</sup> The proposed climate provisions include expanded tax credits for CCUS, the purchase of electric vehicles, and wind, solar and hydrogen production.<sup>29</sup> The legislation passed the US House of Representatives last year and is still under consideration in the Senate.

We have found that working with fuel- and technology-specific coalitions, such as the Clean Hydrogen Future Coalition and the Carbon Capture Coalition,<sup>30</sup> is effective in moving energy transition priorities through Congress and building administration support for them.<sup>31</sup> The CEO Climate Dialogue, a group of 26 companies and four environmental non-profit organisations, has also helped to advance key elements of both spending packages while continuing to press for more meaningful policy action, such as an economy-wide carbon price.<sup>32</sup>

We will continue to advocate directly and through coalitions and industry associations for government actions to advance the energy transition and make progress towards short- and long-term climate goals in the USA. We plan to continue to support the key climate provisions in the BBBA. We intend to recommend the prompt deployment of funds from the infrastructure package to create clean hydrogen hubs and develop CCUS, as well as to modernise the power grid and build infrastructure for electric vehicles, among other things.

We provide updates about our advocacy on our website and in our Shell US Twitter account.<sup>33</sup>

**Table 2: Update on industry associations which had material misalignment or some misalignment in Shell's 2021 Industry Associations Climate Review**

Industry association	Action taken by Shell (since our 2021 review)	Key changes in the industry association's climate positions (since our 2021 review)	Next steps
<b>Material misalignment in our 2021 review</b>			
<b>Queensland Resources Council (QRC)</b>	<p>Shell urged QRC to update its position on energy and climate change to support the goal of the Paris Agreement and carbon pricing. We also urged it to support policies to encourage fuel-switching to lower-emission energy sources in power generation and to include a position that it will not advocate any new unabated coal-fired power generation.</p> <p>We encouraged QRC to state support for the direct regulation of methane emissions and reductions in methane emissions throughout the natural gas supply chain. We encouraged it to frame its support for carbon capture and storage within the context of the goal of the Paris Agreement and net-zero emissions.</p> <p>QRC provided a draft updated policy document to Shell in September 2021. We wrote to QRC in October 2021 to indicate our intention to remain in QRC, subject to publication of its updated policy document and assurance that it would advocate in line with this. Following publication of QRC's updated energy and climate policy in March 2022, we wrote to QRC to confirm our membership.<sup>34</sup></p>	<p>QRC published its updated energy and climate policy in March 2022.<sup>35</sup> It states:</p> <ul style="list-style-type: none"> <li>▪ support for the goal of the Paris Agreement and net-zero emissions by 2050;</li> <li>▪ support for "market-based policies to meet emission-reduction goals" that "deliver a clear, predictable and long-term price signal to enable investment in new generation and also to research and deploy the full range of low and zero-emission technologies";</li> <li>▪ support for "investments in fuel switching to lower emissions energy sources"; and</li> <li>▪ that "QRC does not advocate investment in new domestic unabated coal-fired power generation".</li> </ul>	<p>Shell will remain a member of QRC at the current time. We will continue to engage with the association in areas where we have different views.</p> <p>We will encourage QRC to support the positions that we support in our latest global climate and energy transition policy positions.</p> <p>We will continue to track alignment between QRC's positions and our own, and will be transparent about where we find differences.</p>
<b>Some misalignment in our 2021 review</b>			
<b>American Petroleum Institute (API)</b>	<p>Through our membership of API's board and climate working group, we urged API to engage in sustained and strong climate advocacy.</p> <p>Following API's 2021 statements in support of the goal of the Paris Agreement, carbon pricing and the direct regulation of methane emissions,<sup>36</sup> we also urged API to add these positions to its climate position and climate policy principles on its website.</p> <p>We engaged with API on our updated global climate and energy transition policy positions.</p>	<p>We believe that API engaged more positively on climate and energy transition policies.</p> <p>API provided its Climate Action Framework – which includes statements in support of carbon pricing and the direct regulation of methane emissions – on its climate change policy and issues webpage.<sup>37</sup></p> <p>API has stated its support for the direct regulation of methane emissions under the Clean Air Act. This includes supporting the restoration of methane regulation relating to new or modified sources, which was signed into law in 2021.<sup>38</sup> It also includes supporting new methane regulation relating to existing sources.<sup>39</sup></p> <p>In 2021, API did not support the methane fee proposal in the US budget bill.<sup>40</sup> API stated that the proposal duplicated the methane regulations of the Clean Air Act. Shell also has concerns about the proposed methane fee as written; we have signalled support for a well-designed methane fee.<sup>41</sup></p>	<p>Shell will remain a member of API at the current time. We will continue to engage with the association in areas where we have different views.</p> <p>We will encourage API to support the positions that we support in our latest global climate and energy transition policy positions.</p> <p>We will continue to encourage API to engage in sustained and strong climate advocacy.</p> <p>We will continue to track alignment between API's positions and our own, and will be transparent about where we find differences.</p>

Industry association	Action taken by Shell (since our 2021 review)	Key changes in the industry association's climate positions (since our 2021 review)	Next steps
<b>Some misalignment in our 2021 review</b> <i>continued</i>			
<b>Chamber of Minerals and Energy of Western Australia (CME)</b>	<p>Shell engaged with CME and urged it to update its climate policy to include support for carbon pricing and net-zero emissions.</p> <p>We encouraged CME to state support for the direct regulation of methane emissions. We also encouraged it to state support for the reduction of methane emissions throughout the natural gas supply chain.</p> <p>We engaged with CME on our updated global climate and energy transition policy positions.</p>	<p>CME published its updated climate policy in 2021.<sup>42</sup> It includes a statement of support for “reducing emissions to net zero as soon as possible and no later than 2050”.</p> <p>It also states that CME will advocate “a transparent price signal across the whole economy and promotion of lowest cost abatement, leveraging existing mechanisms where possible, and appropriately considering the international competitiveness of trade exposed industries”.</p>	<p>Shell will remain a member of CME at the current time. We will continue to engage with the association in areas where we have different views.</p> <p>We will encourage CME to support the positions that we support in our latest global climate and energy transition policy positions.</p> <p>We will continue to track alignment between CME's positions and our own, and will be transparent about where we find differences.</p>
<b>Electric Power Supply Association (EPSA)</b>	<p>Shell continued to be a member of EPSA's board and urged EPSA to state support for the goal of the Paris Agreement.</p> <p>We engaged with EPSA on our updated global climate and energy transition policy positions.</p>	<p>EPSA's advocacy is focused on power markets. Its policy principles state support for “efforts to combat climate change through transparent, open, and nondiscriminatory competitive markets”.<sup>43</sup></p> <p>Although it has not stated support for the goal of the Paris Agreement, EPSA's power market advocacy is based on the assumption that the energy transition is taking place; its advocacy includes explaining how power markets can contribute to achieving net-zero emissions.<sup>44</sup></p>	<p>Shell will remain a member of EPSA at the current time. We will continue to engage with the association in areas where we have different views.</p> <p>We will encourage EPSA to support the positions that we support in our latest global climate and energy transition policy positions.</p> <p>We will continue to track alignment between EPSA's positions and our own, and will be transparent about where we find differences.</p>
<b>National Association of Manufacturers (NAM)</b>	<p>Shell continued to be a member of NAM's board and climate working group. We urged NAM to state support for carbon pricing.</p> <p>We engaged with NAM on our updated global climate and energy transition policy positions.</p>	<p>NAM has not stated support for carbon pricing. NAM updates its policy positions on a four-year cycle (last updated in 2020).<sup>45</sup></p>	<p>Shell will remain a member of NAM at the current time. We will continue to engage the association in areas where we have different views.</p> <p>We will encourage NAM to support the positions that we support in our latest global climate and energy transition policy positions.</p> <p>We will continue to track alignment between NAM's positions and our own, and will be transparent about where we find differences.</p>

Industry association	Action taken by Shell (since our 2021 review)	Key changes in the industry association's climate positions (since our 2021 review)	Next steps
<b>Some misalignment in our 2021 review</b> <i>continued</i>			
<b>Texas Oil &amp; Gas Association (TXOGA)</b>	<p>Shell continued to be a member of TXOGA's board and encouraged TXOGA to develop and publish a climate policy that includes support for the goal of the Paris Agreement and carbon pricing.</p> <p>We participated in TXOGA's working groups on climate policy and carbon management.</p> <p>We engaged with TXOGA on our updated global climate and energy transition policy positions.</p>	<p>TXOGA published its first climate statement in March 2022.<sup>46</sup> This states that TXOGA "seeks to be part of the solution to climate change" and that TXOGA supports "public policy that recognizes oil and natural gas are indispensable, facilitates meaningful greenhouse gas (GHG) emissions reductions, and balances economic, environmental, energy and national security needs while promoting innovation".</p> <p>TXOGA's climate statement does not include support for the goal of the Paris Agreement or carbon pricing.</p>	<p>Shell will remain a member of TXOGA at the current time, with a particular focus on carbon capture, utilisation and storage.</p> <p>We will increase our engagement with TXOGA to encourage it to support the goal of the Paris Agreement and net-zero emissions. We will also encourage TXOGA to support other positions that we support in our latest global climate and energy transition policy positions.</p> <p>We will continue to track alignment between TXOGA's positions and our own, and will be transparent about where we find differences.</p>
<b>U.S. Chamber of Commerce (USC)</b>	<p>Shell continued to be a member of USC's board and task force on climate actions (within USC's Global Energy Institute).</p> <p>Following USC's 2021 statement in support of the direct regulation of methane emissions, we urged USC to state this support in its climate change position and advocacy. We also urged USC to state support for carbon pricing.</p> <p>We engaged with USC on our updated global climate and energy transition policy positions.</p>	<p>USC has stated support for the direct regulation of methane emissions, under very strict conditions, in its climate position and advocacy.<sup>47</sup></p> <p>USC continues to support a market-based approach to accelerate the reduction of greenhouse gas emissions across the economy.<sup>48</sup> It has not explicitly stated a position in support of carbon pricing.</p>	<p>Shell will remain a member of USC at the current time. We will continue to engage with the association in areas where we have different views.</p> <p>We will encourage USC to support the positions that we support in our latest global climate and energy transition policy positions.</p> <p>We will continue to track alignment between USC's positions and our own, and will be transparent about where we find differences.</p>
<b>WindEurope</b>	<p>Shell engaged with WindEurope about the role of carbon sinks in the transition to net-zero emissions.</p> <p>We engaged with WindEurope on our updated global climate and energy transition policy positions.</p>	<p>WindEurope has not updated its published statements on carbon sinks.</p>	<p>Shell will remain a member of WindEurope.</p> <p>We will encourage WindEurope to support the positions that we support in our latest global climate and energy transition policy positions.</p> <p>We will continue to track alignment between WindEurope's positions and our own, and will be transparent about where we find differences.</p>

## END NOTES

- 1 [www.shell.com/powering-progress.html](http://www.shell.com/powering-progress.html)
- 2 [www.shell.com/advocacy](http://www.shell.com/advocacy)
- 3 [www.shell.com/about-us/our-values.html](http://www.shell.com/about-us/our-values.html)
- 4 In the USA, Shell's reported expenses related to lobbying practices were \$7,080,000 in 2021. These can be accessed at <http://disclosures.house.gov/> using the search criteria: House ID "316890000". In the EU, Shell's reported "Estimated annual costs attributable to activities covered by the register" were €4,000,000 – €4,499,999 in 2021. Shell's submission to the EU Transparency Register can be accessed at [ec.europa.eu/transparencyregister/public/consultation/search.do?locale=en&reset=](http://ec.europa.eu/transparencyregister/public/consultation/search.do?locale=en&reset=) by searching the ID-number: 8616.
- 5 Shell is a member of the EPRA board.
- 6 Shell is a member of the IOGP Management Committee, which is responsible for IOGP's overall strategy and direction.
- 7 Appointments to the board are subject to confirmation by the APPEA board.
- 8 Shell is a member of the CBI President's Committee, which acts as an advisory body to the president and CBI executive on issues of national importance.
- 9 Shell is a member of the UKPIA Council, which governs UKPIA. The council is a non-executive body of members that oversees UKPIA's activities and sets its direction.
- 10 A Shell employee is a member of IGU's executive committee but this is not a Shell-designated position.
- 11 [www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/global-climate-and-energy-transition-policy-positions.html](http://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/global-climate-and-energy-transition-policy-positions.html)
- 12 [www.shell.com/promos/sustainability/industry-associations-climate-review-2021/\\_jcr\\_content.stream/1617784370604/bbe8a29c319bef3c08424184b21543dc6c032239/shell-industry-associations-report-2021.pdf](http://www.shell.com/promos/sustainability/industry-associations-climate-review-2021/_jcr_content.stream/1617784370604/bbe8a29c319bef3c08424184b21543dc6c032239/shell-industry-associations-report-2021.pdf)
- 13 [www.qrc.org.au/policies/energy-climate-policy/](http://www.qrc.org.au/policies/energy-climate-policy/) and [www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/our-work-with-industry-associations.html](http://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/our-work-with-industry-associations.html)
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## CAUTIONARY NOTE

The companies in which Shell plc directly and indirectly owns investments are separate legal entities. In this 2022 Industry Associations Climate Review Update “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 2022 Industry Associations Climate Review Update refer to entities over which Shell plc either directly or indirectly has control. Entities and unincorporated arrangements over which Shell has joint control are generally referred to as “joint ventures” and “joint operations”, respectively. “Joint ventures” and “joint operations” are collectively referred to as “joint arrangements”. Entities over which Shell has significant influence but neither control nor joint control are referred to as “associates”. 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.

This 2022 Industry Associations Climate Review Update 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”, “could”, “estimate”, “expect”, “goals”, “intend”, “may”, “milestones”, “objectives”, “outlook”, “plan”, “probably”, “project”, “risks”, “schedule”, “seek”, “should”, “target”, “will” 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 2022 Industry Associations Climate Review Update, 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; 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 2022 Industry Associations Climate Review Update 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, 2021 (available at [www.shell.com/investor](http://www.shell.com/investor) and [www.sec.gov](http://www.sec.gov)). These risk factors also expressly qualify all forward-looking statements contained in this 2022 Industry Associations Climate Review Update and should be considered by the reader. Each forward-looking statement speaks only as of the date of this 2022 Industry Associations Climate Review Update, April 5, 2022. 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 2022 Industry Associations Climate Review Update.

Also, in this 2022 Industry Associations Climate Review Update we may refer to Shell’s “Net Carbon Footprint” or “Net Carbon Intensity”, which include 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 only controls its own emissions. The use of the term Shell’s “Net Carbon Footprint” or “Net Carbon Intensity” are for convenience only and not intended to suggest these emissions are those of Shell plc or its subsidiaries.

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 Net Carbon Footprint (NCF) targets over the next ten years. However, Shell’s operating plans cannot reflect our 2050 net-zero emissions target and 2035 NCF target, as these targets are 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.

This 2022 Industry Associations Climate Review Update 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 referred to in this 2022 Industry Associations Climate Review Update do not form part of this 2022 Industry Associations Climate Review Update.

We may have used certain terms, such as resources, in this 2022 Industry Associations Climate Review Update 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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