# CONTENTS

| Message from the Chief Executive Officer | 3 |
| Executive summary | 4 |
| **Our approach** | 6 |
| Informing the debate | 6 |
| Pushing for change | 6 |
| Principles for participation in industry associations | 6 |
| Our climate-related policy positions and advocacy | 7 |
| Payments to industry associations | 8 |
| **Review of Shell’s memberships of industry associations** | 10 |
| Methodology | 10 |
| The results of our review | 11 |
| Case study: Dealing with misalignment | 13 |
| **Working in coalitions and partnerships to accelerate the transition to low-carbon energy** | 14 |
| Closing comment | 17 |
| **Appendix: Assessment results** | 18 |
| Endnotes | 56 |
| Cautionary note | 65 |

Photos used may have been taken prior to imposition of restrictions related to the SARS-COV-2 pandemic and/or reflect the restrictions of the location where the photo was taken.
In February 2021, we announced our refreshed strategy, called Powering Progress, which sets out how we see our role as the world accelerates towards a low-carbon energy future.\(^1\)

Shell’s target to become a net-zero emissions energy business by 2050, in step with society’s progress towards the goal of the UN Paris Agreement, is at the centre of this strategy. It supports the more ambitious goal to tackle climate change in the Paris Agreement: to limit the rise in global average temperature to 1.5° Celsius above pre-industrial levels.

Powering Progress is about transforming our business and the products we offer. We will work more closely than ever with our customers, other companies, investors and governments, and within coalitions and partnerships,\(^2\) to reduce emissions. That includes supporting policies, legislation and regulation to accelerate the move to low-carbon energy, including in industries that are hard to decarbonise, sector by sector.

This report is about our memberships of industry associations, a key part of how we work with others. Industry associations allow us to exchange knowledge with different companies. They set industry standards and best practices. They represent members’ views in discussions with policymakers and regulators around the world.

We must be confident that our participation in industry associations is consistent with our views on climate action. 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.

This is the third time we have reported on our industry associations’ alignment with our climate-related policy positions. We have reviewed 36 associations, double the number in our last update, and provided information on our payments to them.

Society’s expectations have changed in the two years since we published our first report. The European Union, for example, has set a target to reach climate neutrality, or net-zero emissions, by 2050. More recently, we saw fresh momentum on action to tackle climate change when the new administration in the USA rejoined the Paris Agreement.

Shell’s climate-related policy positions have evolved too. We have continued to work to ensure our memberships of industry associations support our positions. And we have seen many positive signs such as wider support for the Paris Agreement, carbon pricing and the regulation of methane emissions.

Today, most of the associations we have reviewed support climate positions that are in line with our positions. In some cases, however, we have been disappointed by the pace of change. Some industry associations have not moved as far or as fast towards climate action as we wanted them to.

For now, we will remain members of these associations and continue to push for them to support climate policies that are in line with our own, or for them to take a more proactive approach to climate advocacy. We see many benefits from our memberships of these organisations and still believe that, in most cases, we are more effective working for change from within an association rather than from outside.

In cases where we find material misalignment with an association, we will reassess our membership. When we see little possibility of change, we are prepared to walk away.

These are not easy decisions and we must continue to engage with the leaders of our associations. Shell’s climate positions, and how we assess associations, will continue to evolve. I have written to all the industry associations featured in this report to clearly set out our expectations. I have also called for more transparency around their policies and advocacy positions related to climate change.

By being more open about Shell’s positions, and by encouraging our industry associations to be more transparent too, I hope that Shell will play an increasing role in advancing policies that promote cleaner energy. In this way, we will power progress.

BEN VAN BEURDEN
Chief Executive Officer
EXECUTIVE SUMMARY

Tackling climate change is an urgent challenge. Shell fully supports the goal of the Paris Agreement on climate change to limit the rise in global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit it to 1.5°C.

We have set a target to become a net-zero emissions energy business by 2050, in step with society. This supports the 1.5°C goal of the Paris Agreement. Achieving this goal will require action by all parts of society including energy producers, consumers and policymakers. We advocate the development of government policies that could help the world to achieve net-zero emissions by 2050.1

We believe our knowledge and expertise of the energy system and energy technologies can help contribute to comprehensive and effective policy, legislation and regulation. We engage with governments, regulators and policymakers directly, and indirectly including through industry associations.

We aim to be at the forefront of the drive for greater corporate transparency around political engagement. We set out our approach, including our principles for responsible lobbying, in our statement on corporate political engagement on our website, shell.com.2 We also provide examples of our advocacy on our website, including our responses to key government consultations.5 We have published our principles for participation in industry associations that govern the way we manage our relationships with industry associations on climate-related policy issues.6

In 2019, we published our first Industry Associations Climate Review,1 and were one of the first companies to report this information. The review found material misalignment with one industry association, American Fuel & Petrochemical Manufacturers (AFPM), which we left as a result.

In 2020, we published our Industry Associations Climate Review Update,7 which highlighted actions we had taken to address differences in climate-related policy positions with the nine industry associations where we found some misalignment in 2019. We also published information on the payments we made to 18 associations.

In 2020, we updated Shell’s climate-related policy positions and published them on our website (see page 7).

In this 2021 Industry Associations Climate Review, we have increased the number of associations we reviewed to 36, including 18 we reviewed previously. We assessed their climate-related policy and advocacy positions against the positions we published in 2020. We found:

- material misalignment with one association;
- some misalignment with seven associations; and
- alignment with 28 associations.
EXECUTIVE SUMMARY continued

We found material misalignment with Queensland Resources Council (QRC) in Australia, and we are reassessing our membership of this association. We plan to take a decision about our continued membership of QRC in October 2021, and to communicate this publicly. We will use the period to October 2021 to monitor any changes in QRC’s policy and advocacy positions.

We found some misalignment with seven associations. We reviewed three of these in our 2019 report where we also found some misalignment – American Petroleum Institute (API), National Association of Manufacturers (NAM) and U.S. Chamber of Commerce (USC).

We have carefully considered our next steps for these three associations and decided to remain members at the current time. This is because there is evidence that their positions are changing, and we believe we can have a greater positive impact within the associations than outside them (see case study on page 13). We also see a broader value in our memberships, for example on health and safety regulation and sharing of industry best practices. We will continue to closely monitor these associations and be transparent about where we find differences.

We found alignment with 28 associations, including six with which we found some misalignment in 2019.

In the two years since our first report, we have seen governments set out plans to achieve net-zero emissions, and wider support for the Paris Agreement. We will continue to work with others, including through industry associations, coalitions and partnerships, to help accelerate the transition to low-carbon energy. And we will continue to be transparent about that work. We plan to publish an update of our policy positions in 2021 and our next industry associations update in 2022.
INFORMING THE DEBATE

Industry associations play an important role in developing and implementing industry standards and best practices in areas such as health, safety, security and the protection of the environment. They also provide a valuable platform for industry-wide engagements with governments, regulators and communities on a wide range of issues including climate change, trade, transport and tax.

For example, industry associations may provide regulators and policymakers with aggregated data that individual companies may not be able to provide on their own for legal or commercial reasons. Some industry associations also develop the standards governments use directly or use as reference for regulations.

We aim to contribute to industry associations setting climate-related policies that align with the goal of the Paris Agreement and help the world to achieve net-zero emissions by 2050. Industry associations can help inform the policy debate.

PUSHING FOR CHANGE

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, other specialist committees and working groups. In other cases, we have an observer or associate status only. Sometimes we second Shell employees to work at an industry association for a temporary period.

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

PRINCIPLES FOR PARTICIPATION IN INDUSTRY ASSOCIATIONS

In 2019, we published a set of principles in our Industry Associations Climate Review to govern how we manage our relationships with industry associations on climate-related policy issues. These build on the Shell General Business Principles and Code of Conduct. The principles have been incorporated in the Shell Control Framework, which sets the requirements for how all Shell entities operate. The principles strengthen our governance and aim to ensure our memberships of industry associations do not undermine our support for the goal of the Paris Agreement and the development of government policies that could help the world to achieve net-zero emissions by 2050.

Our principles set out the actions we take when we find misalignment between the climate-related policy positions we support and the policy and advocacy positions of the industry associations we belong to.
OUR APPROACH continued

OUR CLIMATE-RELATED POLICY POSITIONS AND ADVOCACY

Shell’s strategy, called Powering Progress, involves partnering with others to reduce carbon emissions, especially in sectors that are hard to decarbonise. A central part of this is our work to support government policies to reduce carbon emissions, both directly, and indirectly through industry associations, coalitions and partnerships (see page 14).

We publish our global climate-related policy positions on our website,1 along with examples of our advocacy.11 These global positions guide the positions we take on specific policies in countries and regions.

We provide our climate-related policy positions, published in 2020, below. We used these six positions as the basis for our review of the 36 associations in this report.

These six climate-related policy positions replaced the set of four that we published in 2019 and used as the basis for the review of the associations in our 2019 Industry Associations Climate Review.12

We plan to publish updated policy positions ahead of the UN Climate Change Conference (COP 26) in November 2021. These positions will outline the policies we think are needed to help decarbonise the energy system, in line with our Powering Progress strategy and increasing societal expectations.

They will guide our advocacy and form the basis of our assessments in our next industry associations review. By evolving our policy positions, and sharing these with industry associations and other stakeholders, we aim to increase collaboration around the climate policy frameworks needed to help the world to achieve net-zero emissions by 2050.

SHELL’S CLIMATE-RELATED POLICY POSITIONS, 2020

1. The Paris Agreement — Shell strongly supports the goal of the Paris Agreement to limit the average rise in global temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit it to 1.5°C.
   - The scientific link between human activity and climate change is clear and we recognise the reports of the Intergovernmental Panel on Climate Change as an authoritative source on climate science.
   - We advocate governments create and implement policies aimed at reducing greenhouse gas emissions in line with the Paris goal.

2. Net-zero emissions — Shell’s ambition is to be a net-zero emissions energy business by 2050, and sooner if that is possible, in step with society and our customers.
   - We support the development of robust and sustainable policies to help the world get to net-zero emissions by 2050, an unprecedented challenge.
   - We recognise that the nature and pace of change will vary between countries and regions, reflecting different types of economies and development priorities.

3. Carbon pricing — Shell views government-led carbon pricing mechanisms as a key policy for meeting the Paris goal.
   - Governments can implement carbon pricing directly, through taxes and cap-and-trade and hybrid systems, and indirectly, for example through technology or performance standards and energy efficiency measures.
   - Shell advocates mechanisms that help markets to be linked internationally, promote increased ambition in reducing emissions and create incentives to invest in low-carbon technology and infrastructure.
   - We support measures to prevent industries from shifting to states or countries that do not put a price on carbon — so-called carbon leakage.

4. Additional policies — Shell believes that government-led carbon pricing mechanisms alone will not deliver the necessary reductions in emissions to achieve the Paris goal.
   - We support policy frameworks that improve energy efficiency.
   - We promote collaboration between industrial sectors, energy suppliers and governments to reduce emissions across the lifecycle of energy products and encourage consumers to make low-carbon energy choices.

5. The energy transition — Shell believes the energy transition will require growth in renewables accompanied by a vital contribution from other lower-carbon energies, including natural gas.
   - We advocate policies that support a role for natural gas in decarbonising the transport, industrial and building sectors and as a replacement for coal in power generation.
   - We advocate the direct regulation of methane emissions as a risk to the climate system and support reductions in methane emissions throughout the natural gas supply chain.

6. Carbon sinks — Shell believes that carbon sinks have a crucial role to play in achieving net-zero emissions.
   - We advocate regulatory frameworks and other government support that enable the deployment of carbon capture, utilisation and storage at scale.
   - We support policies that recognise a role for nature-based solutions — projects which protect or redevelop natural ecosystems, absorbing carbon dioxide from the atmosphere – in helping balance emissions from sectors that are harder to abate, such as aviation, shipping and heavy industry.
   - We advocate that credits from investment in natural carbon sinks such as forests and wetlands are integrated into regulation in a manner that does not undermine incentives to invest in direct reductions of emissions.
OUR APPROACH continued

PAYMENTS TO INDUSTRY ASSOCIATIONS

In line with the Shell General Business Principles, Shell companies do not make payments to political parties, organisations or their representatives. 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.

We typically pay annual membership fees to industry associations. In some cases, we make additional payments, to sponsor research or an event, for example. 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. Table 1 (page 9) provides an overview of the payments we made to the 36 industry associations in 2020.

In the European Union (EU) and the USA, we report the amount Shell spends on lobbying activities in line with the requirements and guidelines set out in the EU Transparency Register and the US Lobbying Disclosure Act. These submissions are publicly available. There are different rules for which costs should be reported in these two submissions and we are required to comply with the appropriate requirements for each jurisdiction.

For the EU Transparency Register, we report direct and indirect lobbying costs, such as staff and office costs, and the estimated percentage of the membership fees of industry associations used for lobbying as set out in the guidelines.

For the US Lobbying Disclosure Act submission, we are required to report our direct lobbying costs only, so indirect costs relating to industry associations are not included.
## OUR APPROACH

### TABLE 1: PAYMENTS AND MEMBERSHIPS OF GOVERNING BODIES

<table>
<thead>
<tr>
<th>Shell payments in 2020 (USD range)</th>
<th>Industry associations</th>
<th>Member of board or executive committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 - &lt;12.5M</td>
<td>American Petroleum Institute (API)</td>
<td>Board, executive committee</td>
</tr>
<tr>
<td>7.5 - &lt;10M</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5 - &lt;7.5M</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.5 - &lt;5 M</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1 - &lt;2.5M</td>
<td>American Chemistry Council (ACC)</td>
<td>Board, executive committee</td>
</tr>
<tr>
<td></td>
<td>International Association of Oil &amp; Gas Producers (IOGP)</td>
<td>Management committee</td>
</tr>
<tr>
<td></td>
<td>U.S. Chamber of Commerce (USC)</td>
<td>Board</td>
</tr>
<tr>
<td></td>
<td>Western States Petroleum Association (WSPA)</td>
<td>Board</td>
</tr>
<tr>
<td>500,000 - &lt;1M</td>
<td>Australian Petroleum Production &amp; Exploration Association (APPEA)</td>
<td>Board</td>
</tr>
<tr>
<td></td>
<td>Cefic</td>
<td>Board, executive committee</td>
</tr>
<tr>
<td></td>
<td>European Petroleum Refiners Association (including FuelsEurope and Concawe)</td>
<td>Board</td>
</tr>
<tr>
<td></td>
<td>IPIECA</td>
<td>Executive committee</td>
</tr>
<tr>
<td></td>
<td>National Association of Manufacturers (NAM)</td>
<td>Board</td>
</tr>
<tr>
<td></td>
<td>OUGK</td>
<td>Board</td>
</tr>
<tr>
<td></td>
<td>Oil and Gas Climate Initiative (OGCI)</td>
<td>Executive committee</td>
</tr>
<tr>
<td>100,000 - &lt;500,000</td>
<td>Canadian Association of Petroleum Producers (CAPP)</td>
<td>Board, executive committee</td>
</tr>
<tr>
<td></td>
<td>Canadian Fuels Association (CFA)</td>
<td>Board</td>
</tr>
<tr>
<td></td>
<td>Confederation of British Industry (CBI)</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Electric Power Supply Association (EPSA)</td>
<td>Board</td>
</tr>
<tr>
<td></td>
<td>Eurogas</td>
<td>Board</td>
</tr>
<tr>
<td></td>
<td>International Air Transport Association (IATA)</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>International Emissions Trading Association (IETA)</td>
<td>Council</td>
</tr>
<tr>
<td></td>
<td>Natural Gas Supply Association (NGSA)</td>
<td>Board</td>
</tr>
<tr>
<td></td>
<td>Queensland Resources Council (QRC)</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Solar Energy Industries Association (SEIA)</td>
<td>Board</td>
</tr>
<tr>
<td></td>
<td>United Kingdom Petroleum Industry Association (UKPIA)</td>
<td>UKPIA Council</td>
</tr>
<tr>
<td></td>
<td>Confederation of Nethelands Industry and Employers (VNO-NCW)</td>
<td>Board</td>
</tr>
<tr>
<td></td>
<td>Vereniging Nederlandse Petroleum Industrie (VNPI)</td>
<td>Board</td>
</tr>
<tr>
<td>50,000 - &lt;100,000</td>
<td>Business Council of Australia (BCA)</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>European Round Table for Industry (ERT)</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Texas Oil &amp; Gas Association (TXOGA)</td>
<td>Board</td>
</tr>
<tr>
<td></td>
<td>WindEurope</td>
<td>Board</td>
</tr>
<tr>
<td>0 - &lt;50,000</td>
<td>Australian Industry Greenhouse Network (AIGN)</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Australian Industry Group (Ai Group)</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>BusinessEurope</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Chamber of Minerals and Energy Western Australia (CME)</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Hydrogen Europe</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>International Gas Union (IGU)</td>
<td>Executive committee</td>
</tr>
</tbody>
</table>

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.
REVIEW OF SHELL’S MEMBERSHIPS OF INDUSTRY ASSOCIATIONS

METHODOLOGY

Shell companies are members of hundreds of industry associations around the world. We selected the 36 industry associations in this report for the following reasons:

- we consider them to be influential in climate-related public policy;
- they operate in regions or countries where we have significant business activities; and
- either their climate-related policy and advocacy positions have attracted the attention of Shell, investors and non-governmental organisations, or Shell could be considered influential in those industry associations.

We reviewed the industry associations’ publicly stated policy and advocacy positions for the period April 2020 to March 2021 against Shell’s climate-related policy positions provided on page 7. For associations featured in this report for the first time, we also considered information from outside this period where appropriate.

We assessed whether meaningful differences existed and whether those differences could have an impact on governments’ climate-related policies. We also considered whether the policy and advocacy positions taken by the associations appear to be intended to help advance the energy transition or impede the technologies or markets that will be needed. We considered the following key questions:

- do the policy and advocacy positions of an association undermine our support of the goal of the Paris Agreement and policies to help the world to achieve net-zero emissions by 2050;
- does an identified misalignment relate to policy positions or a difference in advocacy on a specific policy proposal or legislation; and
- is there evidence of positive change in the policy and advocacy positions of an industry association during the period of the review?

If an association publicly stated a position that was against one of Shell’s climate-related policy positions, we considered this to be misalignment. If an association did not publicly state a position supporting the goal of the Paris Agreement or carbon pricing, we also considered this to be misalignment.

Where an association did not publicly state a position on other climate-related policy positions that we support, we did not automatically consider this misalignment, unless we believed the association’s actions undermined our support for the goal of the Paris Agreement and support for policies to help the world to achieve net-zero emissions by 2050.
THE RESULTS OF OUR REVIEW

Summary of findings
Table 2 (page 12) summarises the findings of our review. Of the 36 industry associations we reviewed, we found:

- material misalignment with one;
- some misalignment with seven; and
- alignment with 28.

Misalignment
In line with our principles for participation in industry associations, we take one or more actions when we identify misalignment. These actions are determined by our assessment of the importance of the topic, the extent of the misalignment, and the broader value of our membership.

Material misalignment
For the one association with which we have identified material misalignment, Queensland Resources Council (QRC), we are reassessing our membership. We plan to take a decision about our continued membership of QRC in October 2021, and to communicate this publicly. We will use the period to October 2021 to monitor any changes in QRC’s policy and advocacy positions (see page 19).

Some misalignment
We found some misalignment with seven associations:

- American Petroleum Institute (API)
- Chamber of Minerals and Energy of Western Australia (CME)
- Electric Power Supply Association (EPSA)
- National Association of Manufacturers (NAM)
- Texas Oil & Gas Association (TXOGA)
- U.S. Chamber of Commerce (USC)
- WindEurope.

We also found some misalignment with three of these associations in 2019 – API, NAM and USC. We have carefully considered our next steps for these associations and decided to remain members at the current time. This is because there is evidence their positions are changing and we believe we can have a greater positive impact within the associations than outside them. We also continue to see a broader value in our memberships.

The other four associations where we found some misalignment were reviewed for the first time in this report - CME, EPSA, TXOGA and WindEurope.

We found WindEurope to be aligned with most of our climate-related policy positions, including support for the EU Emissions Trading System and the need to increase renewable energy targets. However, WindEurope has stated that the transition to net-zero emissions should not be based on strong assumptions about the role of carbon sinks, which Shell considers crucial to balance emissions in the hard-to-abate sectors. The finding of some misalignment reflects this difference in our positions.

We will continue to engage with industry associations where we found some misalignment. We will promote climate-related policies that support the goal of the Paris Agreement and help the world to achieve net-zero emissions by 2050. We will track alignment of our positions on climate-related policy and where we find misalignment we will continue to report on our differences; we will also take one or more of the following actions:

- remain in the industry associations and increase our engagement with them in areas where we have different views;
- pursue our advocacy independently or through other coalitions when we are not aligned; and/or
- reassess our membership where we identify a risk of material misalignment, including ending activities such as board and committee participation, or ending overall membership.

Alignment
We found alignment with 28 associations. We are pleased to see the progress of six of these associations since our first report, which have moved from some misalignment to alignment:

- American Chemistry Council (ACC)
- BusinessEurope
- Canadian Association of Petroleum Producers (CAPP)
- Cefic
- FuelsEurope
- Western States Petroleum Association (WSPA).

We will continue to engage with these associations and work constructively with them on climate-related policies that support the goal of the Paris Agreement and help the world to achieve net-zero emissions by 2050. We will continue to track alignment of our positions on climate-related policy and where we find misalignment we will report on our differences.
### TABLE 2: SUMMARY OF REVIEW FINDINGS AND ACTIONS
For details of the individual reviews, see the Appendix or click on the links below.

<table>
<thead>
<tr>
<th>INDUSTRY ASSOCIATION</th>
<th>FINDINGS AND ACTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MATERIAL MISALIGNMENT</strong></td>
<td></td>
</tr>
<tr>
<td>Queensland Resources Council* (QRC)</td>
<td>We have identified material misalignment.</td>
</tr>
<tr>
<td><strong>SOME MISALIGNMENT</strong></td>
<td></td>
</tr>
<tr>
<td>American Petroleum Association (API)</td>
<td>We have identified some misalignment on climate-related policy positions with these industry associations.</td>
</tr>
<tr>
<td>Chamber of Minerals and Energy of Western Australia* (CME)</td>
<td>ACTIONS</td>
</tr>
<tr>
<td>Electric Power Supply Association* (EPSA)</td>
<td>We will continue to engage with these industry associations to promote climate-related policies that support the goal of the Paris Agreement and help the world to achieve net-zero emissions by 2050.</td>
</tr>
<tr>
<td>National Association of Manufacturers (NAM)</td>
<td>We will track alignment of our positions on climate-related policy and where we find misalignment we will continue to report on our differences; we will also take one or more of the following actions:</td>
</tr>
<tr>
<td>Texas Oil &amp; Gas Association* (TXOGA)</td>
<td></td>
</tr>
<tr>
<td>U.S. Chamber of Commerce (USC)</td>
<td>■ remain in the industry associations and increase our engagement with them in areas where we have different views;</td>
</tr>
<tr>
<td>WindEurope*</td>
<td>■ pursue our advocacy independently or through other coalitions when we are not aligned; and/or</td>
</tr>
<tr>
<td><strong>ALIGNMENT</strong></td>
<td></td>
</tr>
<tr>
<td>American Chemistry Council (ACC)</td>
<td>We are aligned on climate-related policy positions with these industry associations.</td>
</tr>
<tr>
<td>Australian Industry Greenhouse Network (AIGN)</td>
<td>ACTIONS</td>
</tr>
<tr>
<td>Australian Industry Group* (Ai Group)</td>
<td>We will continue to engage with these associations and work constructively with them on climate-related policies that support the goal of the Paris Agreement and help the world to achieve net-zero emissions by 2050.</td>
</tr>
<tr>
<td>Australian Petroleum Production &amp; Exploration Association (APPEA)</td>
<td>We will track alignment of our positions on climate-related policy and where we find misalignment we will report on our differences.</td>
</tr>
<tr>
<td>Business Council of Australia (BCA)</td>
<td></td>
</tr>
<tr>
<td>BusinessEurope</td>
<td></td>
</tr>
<tr>
<td>Canadian Association of Petroleum Producers (CAPP)</td>
<td></td>
</tr>
<tr>
<td>Canadian Fuels Association* (CFA)</td>
<td></td>
</tr>
<tr>
<td>Cefic</td>
<td></td>
</tr>
<tr>
<td>Confederation of British Industry* (CBI)</td>
<td></td>
</tr>
<tr>
<td>Confederation of Netherlands Industry and Employers* (VNO-NCW)</td>
<td></td>
</tr>
<tr>
<td>Eurogas*</td>
<td></td>
</tr>
<tr>
<td>European Round Table for Industry (ERT)</td>
<td></td>
</tr>
<tr>
<td>FuelsEurope</td>
<td></td>
</tr>
<tr>
<td>Hydrogen Europe*</td>
<td></td>
</tr>
<tr>
<td>International Air Transport Association (IATA)</td>
<td></td>
</tr>
<tr>
<td>International Association of Oil &amp; Gas Producers (IOGP)</td>
<td></td>
</tr>
<tr>
<td>International Emissions Trading Association (IETA)</td>
<td></td>
</tr>
<tr>
<td>International Gas Union* (IGU)</td>
<td></td>
</tr>
<tr>
<td>IPIECA</td>
<td></td>
</tr>
<tr>
<td>Natural Gas Supply Association* (NGSA)</td>
<td></td>
</tr>
<tr>
<td>OGUK*</td>
<td></td>
</tr>
<tr>
<td>Oil and Gas Climate Initiative* (OGCI)</td>
<td></td>
</tr>
<tr>
<td>Solar Energy Industries Association* (SEIA)</td>
<td></td>
</tr>
<tr>
<td>United Kingdom Petroleum Industry Association* (UKPIA)</td>
<td></td>
</tr>
<tr>
<td>Vereniging Nederlandse Petroleum Industrie* (VNPNI)</td>
<td></td>
</tr>
<tr>
<td>Western States Petroleum Association (WSPA)</td>
<td></td>
</tr>
<tr>
<td>World Business Council for Sustainable Development (WBCSD)</td>
<td></td>
</tr>
</tbody>
</table>

* Indicates an association reviewed for the first time in 2021.
CASE STUDY: DEALING WITH MISALIGNMENT

The USA is one of Shell’s biggest markets, and industry associations play an important role for many parts of our business there, from setting safety standards to representing our industry with policymakers.

In this report, we have found some misalignment with a number of industry associations in the USA. Some investors and non-governmental organisations have been critical of our memberships of these groups.

Following our review in 2019, we left one association in the USA, American Fuel & Petrochemical Manufacturers (AFPM), after we found material misalignment. In line with our principles, we stayed in two other important associations when we found some misalignment: the Washington-based American Petroleum Institute (API) and U.S. Chamber of Commerce (USC).

Since then, we have used our positions within these associations to push hard for policy and advocacy positions that can help accelerate the energy transition. We have asked API and USC to support climate-related positions, including the goal of the Paris Agreement, carbon pricing and the direct regulation of methane emissions.

Shell is a member of API’s executive committee, board of directors, climate working group and climate committee. We believe these roles helped us to shape key policy decisions, including API’s 2021 statements in support of the Paris Agreement, carbon pricing and the direct regulation of methane emissions. We were closely involved in the development of API’s Climate Action Framework, published in March 2021.34

Shell became a member of USC’s board in 2021 and is part of the association’s task force on climate actions, which helps inform USC’s climate-related policy positions. The task force played a central role in moving the position of USC to support the direct federal regulation of methane emissions in January 2021.35 In 2020, USC also publicly stated its support for the Paris Agreement.36

We welcome the changes that API and USC have made over the past two years, and with the USA rejoining the Paris Agreement we see new momentum for support of climate action.

However, we continue to urge API to embed statements supporting the goal of the Paris Agreement, carbon pricing and the direct regulation of methane emissions into API’s climate position and climate policy principles.37 We urge API to engage in sustained, strong and constructive advocacy in support of these positions.

We are also calling for USC to embed its statement supporting direct federal regulation of methane emissions into its policy positions and advocacy.

We will continue to be transparent about the progress we have made within these two associations and where we still have differences in our policies and advocacy.
WORKING IN COALITIONS AND PARTNERSHIPS TO ACCELERATE THE TRANSITION TO LOW-CARBON ENERGY

Shell’s Powering Progress strategy includes partnering with others to reduce carbon emissions, especially in sectors that are hard to decarbonise. This involves supporting government policies to reduce carbon emissions, sector by sector, as well as economy-wide policies to support carbon pricing and the deployment of key lower-carbon energies and technologies such as clean hydrogen and carbon capture, utilisation and storage.

Alongside our work with industry associations, we are working with broader coalitions and partnerships to identify and help to shape the policies needed to speed up the pace of decarbonisation. We provide details of some of these coalitions and partnerships in this section.
SECTOR BY SECTOR

We are members of the Mission Possible Partnership that was launched in 2021 by the World Economic Forum, Energy Transitions Commission, Rocky Mountain Institute and We Mean Business coalition.\(^2\) The Mission Possible Partnership brings together several sectoral initiatives that Shell is a member of, such as the Getting to Zero Coalition for shipping;\(^3\) the Clean Skies for Tomorrow Coalition for aviation;\(^4\) and the Road Freight Zero coalition for heavy-duty road transport.\(^5\) We are also engaged in the Net-Zero Steel Initiative\(^6\) for the steel sector and the Accelerating Clean Hydrogen Initiative.\(^7\)

These coalitions of companies, investors and governments are helping to create pathways to net-zero emissions for these sectors by identifying technological solutions, addressing funding and market challenges, and advocating enabling government policies.

AVIATION SECTOR

Shell is one of the founders of the Clean Skies for Tomorrow Coalition and is a member of the steering committee.\(^8\) In 2020, this coalition published a policy proposal advocating an ambitious mandate for sustainable aviation fuel in Europe to help meet the EU Green Deal’s climate neutrality, or net-zero emissions, by 2050 target.\(^9\) The policy proposal was endorsed by 14 other leading industry partners including aircraft manufacturers, airlines and airports.

Shell is a member of the UK Jet Zero Council (JZC), a partnership between industry and government. JZC aims to deliver zero-emission transatlantic flight within a generation, and to drive new technologies and innovative ways to cut aviation emissions.\(^10\) We also participate in the fuels workstream of the Dutch Sustainable Aviation Roundtable, which is focused on sustainable aviation fuel.\(^11\)

ACROSS SECTORS

Shell supports economy-wide carbon pricing as a key policy instrument to reduce emissions. We also support policies that promote collaboration between industrial sectors, energy suppliers and governments to reduce emissions across the life cycle of energy products, while speeding up the deployment of lower-carbon energies and technologies.

DEVELOPING CLEAN HYDROGEN\(^12\)

Shell is a founding member of the Hydrogen Council.\(^13\) This is a global CEO-led initiative of leading companies working to develop hydrogen solutions to accelerate the transition to low-carbon energy. Initiatives by the Hydrogen Council include a partnership with the European Investment Bank, one of the world’s largest providers of climate finance, to develop innovative financing schemes for hydrogen projects.\(^14\) In January 2021, the Hydrogen Council published a report on hydrogen decarbonisation pathways.\(^15\) This provided new life-cycle greenhouse gas emissions data on different methods for producing clean hydrogen.

In 2020, Shell co-launched the H2Accelerate collaboration with Daimler Truck AG, IVECO, OMV and the Volvo Group to help create the conditions for the mass-market roll-out of hydrogen trucks in Europe.\(^16\) The participants will engage with policymakers and regulators to encourage policies that will support the manufacture of hydrogen trucks and the creation of a Europe-wide refuelling network for clean hydrogen.\(^17\)
WORKING IN COALITIONS AND PARTNERSHIPS TO ACCELERATE THE TRANSITION TO LOW-CARBON ENERGY continued

REDUCING METHANE EMISSIONS

Shell is a founder and signatory of the Methane Guiding Principles, which aim to drive methane emissions reductions along the full natural gas supply chain.56

We are a member of the Oil and Gas Methane Partnership (OGMP), which in 2020 launched the OGMP 2.0 reporting framework to improve the accuracy and transparency of emissions reported in the oil and gas sector.57

We are also a member of the World Bank’s Global Gas Flaring Reduction Partnership, a public-private initiative which seeks to remove technical and regulatory barriers to flaring reduction.58

CARBON CAPTURE, UTILISATION AND STORAGE

Shell is a member of several coalitions and partnerships to accelerate the deployment at scale of carbon capture, utilisation and storage (CCUS). These include the Global CCS Institute, an international think tank which aims to accelerate the deployment of CCS including through policy engagement.59 We are also a member of the Zero Emissions Platform (ZEP),60 which advises the EU Commission on CCUS. In 2020, ZEP produced policy papers and engaged EU policymakers, making the case for CCUS to help the EU achieve its climate and energy targets.61

In the USA, Shell is a member of the Carbon Capture Coalition, which builds federal policy support for economy-wide deployment of carbon capture, transport, use, removal and storage.62 In Australia, Shell is a member of CO2CRC, a CCUS research organisation.63 In 2020, CO2CRC established a CCS Policy Forum to work with governments, industry and other stakeholders to progress policies and a regulatory framework to accelerate the development and deployment of CCS technology in Australia.64

ENCOURAGING INNOVATION AND INVESTMENT TO GET TO NET-ZERO EMISSIONS

Shell supports policies that help the world to achieve net-zero emissions by encouraging innovation and investment by businesses.

We are a member of the Carbon Pricing Leadership Coalition (CPLC), which brings together leaders from government, business, academia and civil society, to support carbon pricing, share experiences and enhance understanding of carbon pricing implementation.65

We participate in the Sustainable Markets Initiative (SMI), a global coalition to accelerate global progress towards a sustainable future.66 Shell is part of the SMI task forces for nature-based solutions, hydrogen and carbon capture and storage.

Shell is also involved in net-zero initiatives in countries. For example we work with a coalition facilitated by the Energy Future Forum in Canada, whose mission is to develop practical measures to help the country meet or exceed its 2030 emission targets on the way to a net-zero future.67 We also work with an industry coalition in India, supported by The Energy and Resources Institute, that is looking at how policy advocacy, new technology adoption, best practice sharing and other initiatives can contribute to decarbonisation.68
CLOSING
COMMENT

Shell seeks to engage positively and constructively with governments, investors, non-governmental organisations, industry
associations, coalitions and partnerships on climate change.

The publication of this report is a further step towards greater transparency around our activities in this area. We plan to publish
our next update in 2022.

We must be confident that our memberships of industry associations do not undermine our support for the goal of the Paris
Agreement and government policies to help the world to achieve net-zero emissions by 2050.

Achieving net-zero emissions will require action by all parts of society including energy producers, consumers and policymakers.
This action will need to be more decisive and faster than it is today.
APPENDIX: ASSESSMENT RESULTS
APPENDIX: ASSESSMENT RESULTS

QUEENSLAND RESOURCES COUNCIL (QRC)

Membership of board/executive committee: None.

QRC represents the interests of Queensland’s minerals and energy sectors, which include the coal, oil and gas industries.

Climate-related policy review 2021: Material misalignment
Climate-related policy review 2019: Not reviewed

THE PARIS AGREEMENT
QRC supports global action on climate change. QRC updated its position on energy and climate change in March 2021 to state: “An orderly transition to a low emission economy will require an integrated set of national policies, which are technology neutral. These policies must encompass Australia’s participation in global agreements, including the Paris Agreement.”

NET-ZERO EMISSIONS
QRC has not stated a position on the Queensland state government’s net-zero emissions goal.

CARBON PRICING
QRC has stated support for “an integrated national suite of stable market-based policies that prioritise least cost abatement of greenhouse gas emissions” and “deliver a clear, predictable and long-term price signal to enable investment”. QRC’s stated positions do not explicitly advocate carbon pricing.

ADDITIONAL POLICIES
QRC has not stated positions in support of policies to improve energy efficiency, deliver low-carbon electrification of the energy system or time-limited policy support for low-carbon technologies and fuels.

QRC has stated support for “technology neutrality” and “a sustained investment programme to research and deploy the full range of low and zero-emissions technologies”. QRC has also stated support for efforts by its members to improve energy efficiency and use renewable energy.

RETURN TO LIST OF ASSOCIATIONS

SUMMARY VIEW

Shell benefits from its relationship with QRC, in particular from QRC’s advocacy and expertise in environmental and regulatory issues, indigenous participation, and women in mining and resources initiatives. QRC is also a key advocate for the gas sector in Queensland.

QRC ran a political campaign in the 2020 Queensland state election, urging voters to vote against the Queensland Greens party. Shell companies do not take part in party politics and we did not support QRC’s campaign. In March 2021, QRC published a political engagement policy that states “QRC does not seek to intervene in the electoral process by directly campaigning for or against any particular political party, group or individual”.

We have identified material misalignment with QRC and are reassessing our membership. We plan to take a decision about our continued membership of QRC in October 2021, and to communicate this publicly. We have noted QRC’s recent update to its position on energy and climate change and publication of its political engagement policy. We will use the period to October 2021 to monitor any further changes in QRC’s policy and advocacy positions.

We urge QRC to update its position on energy and climate change to:
- explicitly support the goal of the Paris Agreement;
- explicitly support carbon pricing;
- explicitly support policies to encourage fuel-switching to lower-emissions energy sources in power generation; and
- include a position that it will not advocate any new unabated coal-fired power generation.

We encourage QRC to state support for the direct regulation of methane emissions and reductions in methane emissions throughout the natural gas supply chain, as well as framing its support for carbon capture and storage in the context of support for the goal of the Paris Agreement and net-zero emissions.
American Petroleum Institute (API)

Membership of board/executive committee:
Shell is a member of the board of directors and the executive committee.

API is the only national industry association that represents members from across all parts of the oil and natural gas industry in the USA. It is the major standard-setting organisation for the industry. API’s mission is to promote safety across the industry globally and to influence public policy in support of a strong, viable oil and natural gas industry in the USA.

Climate-related policy review 2021: Some misalignment
Climate-related policy review 2019: Some misalignment

The Paris Agreement
In January 2021, API’s CEO stated that API supports the ambitions of the Paris Agreement.

Net-Zero Emissions
API has not stated a position in support of net-zero emissions.

Carbon Pricing
In March 2021, API stated support for carbon pricing. It declared “an economy wide government carbon price policy is the most impactful and transparent way to achieve meaningful progress.”

API has stated support for the design and structure of the Regional Greenhouse Gas Initiative, and has expressed a preference for an economy-wide cap and trade programme over sector-specific approaches.

Additional Policies
API has stated support for the development of cost-effective technologies to reduce emissions, including through government-backed research and development in areas such as sustainable and efficient fuels. It advocates a fuel and technology-neutral approach but does not state support for mandates or tax subsidies and credits.

API states support for federal funding for low-carbon research, development and deployment. API has stated support for elements of the Transportation and Climate Initiative of the north-east and mid-Atlantic states and remains constructively engaged in the development design process.

On alternative transport fuels, API and Shell differ on their respective stated positions regarding the Renewable Fuel Standard. However, API and Shell have a similar advocacy approach to reforming the standard.

While API has stated positions critical of an order by the governor of California to ban internal combustion engine (ICE) vehicles by 2035, Shell responded to the order by highlighting its willingness to continue to help build cleaner transport infrastructure, including for electric and hydrogen vehicles. However, we have not taken a position as details of the ICE ban have yet to be provided.

The Energy Transition
API has stated positions in support of the role of natural gas in the energy transition and the importance of addressing methane emissions.

In January 2021, API’s CEO stated that API supports the direct regulation of methane emissions at “new and existing sources”. This is also stated in its March 2021 Climate Action Framework. This is a change from API’s previous position of not stating support for the direct regulation of methane emissions.

API states support for further mitigation of methane emissions from operations, including refineries and upstream.

API leads the Environmental Partnership, an organisation aimed at improving the industry’s environmental performance, whose initial focus is to reduce the industry’s air emissions, including methane.

API has highlighted the role of natural gas in supporting the growth of renewable energy, as well as the importance of lower-carbon gases such as hydrogen.

Carbon Sinks
API has stated support for the development and fast-tracked deployment of carbon capture, utilisation and storage, and for legislation to advance carbon capture technologies. API has stated support for the use of carbon offsets, but has not stated a position in support of nature-based solutions.
SUMMARY VIEW

Shell benefits from its membership of API, including API’s representation of the industry with regulatory agencies and in legal proceedings. We welcome API’s advocacy on a range of state and federal issues, including trade, transport, taxes and the environment.

API sets safety, environmental and technical standards for oil and natural gas companies and creates certification programmes for people working in the industry and for products, allowing us to bring them to market. API is also a leading voice on key issues that impact our customers, including standards for biofuels. We recognise API’s leading role in creating the Environmental Partnership.

Overall, we have found API to have some misalignment with our climate-related policy positions. However, we are encouraged by the API CEO’s recent statements in support of the ambitions of the Paris Agreement and the direct regulation of methane emissions. We welcome API’s Climate Action Framework, published in March 2021, which states support for carbon pricing and the direct regulation of methane emissions.[103]

We will remain a member of API at the current time, including its climate committee. We will continue to track alignment between API’s climate-related policy positions and our own, and will be transparent about where we find differences. We will continue to engage the association in areas where we have different views.

Shell continues to urge API to take a more proactive and constructive approach to climate-related policy and advocacy, in line with the goal of the Paris Agreement.

We are encouraged by API’s recent publication of its Climate Action Framework, and welcome its significant policy advancements in 2021.

We urge API in the coming months to explicitly state support for the goal of the Paris Agreement, carbon pricing, and the direct regulation of methane emissions in API’s climate position and climate policy principles.[104] We also urge API to engage in sustained, strong and constructive advocacy in support of these new policy positions.
APPENDIX: ASSESSMENT RESULTS

CHAMBER OF MINERALS AND ENERGY OF WESTERN AUSTRALIA (CME)

Membership of board/executive committee:
None. Shell is a member of the executive council (which has a consultative role) but is not a member of the executive committee (which manages the activities of CME).

Climate-related policy review 2021: Some misalignment
Climate-related policy review 2019: Not reviewed

THE PARIS AGREEMENT
CME has stated support for the goal of the Paris Agreement.104

NET-ZERO EMISSIONS
CME has not stated a position on net-zero emissions.

CARBON PRICING
CME has stated support for the adoption of “market-based mechanisms across the whole economy to achieve abatement at the lowest cost”, but does not explicitly advocate putting a price on carbon.105

ADDITIONAL POLICIES
CME has stated support for electrification of the energy system and development of Western Australia’s hydrogen economy. CME has not stated a position on energy efficiency policies.108

THE ENERGY TRANSITION
CME has stated support for Australia’s liquefied natural gas industry and for the Western Australia government’s Renewable Hydrogen Strategy.109

CME has not stated a position on methane emissions management.

CARBON SINKS
CME has stated support for carbon capture and storage and carbon farming to help reduce emissions.110 It also advocates the creation of international markets for trading certified and credible carbon offsets and initiatives.111

SUMMARY VIEW

Shell benefits from its membership of CME, including its advocacy on issues relating to environment, climate, economic competitiveness, skills development, health and safety, infrastructure and land access.

We have found CME to have some misalignment with our climate-related policy positions.

Shell will remain a member of CME at the current time. We urge CME to publish climate policy principles on the climate policy section of its website, and to explicitly state its support of carbon pricing. We also encourage CME to state its support for the direct regulation and reduction of methane emissions throughout the natural gas supply chain. We will continue to engage CME on climate-related topics and will track alignment between its climate-related policy positions and our own.
APPENDIX: ASSESSMENT RESULTS

ELECTRIC POWER SUPPLY ASSOCIATION (EPSA)

Membership of board/executive committee: Shell is a member of the board of directors.

Climate-related policy review 2021: Some misalignment
Climate-related policy review 2019: Not reviewed

THE PARIS AGREEMENT
EPSA does not state a position on the goal of the Paris Agreement. EPSA states that it supports efforts to combat climate change.

NET-ZERO EMISSIONS
EPSA has not stated a position on net-zero emissions.

CARBON PRICING
EPSA has stated it supports carbon pricing.

ADDITIONAL POLICIES
EPSA has stated support for policies to increase electrification and to encourage low-cost emission reductions from all sectors including, buildings and transport.

THE ENERGY TRANSITION
EPSA has stated that competitive markets, properly structured, can deliver cleaner, more affordable power to consumers. It states that natural gas is the most cost-effective resource to support power grid reliability in a lower-carbon future, and states support for its members’ efforts to deliver lower-carbon electricity by investing in battery storage and wind power.

CARBON SINKS
Although EPSA has not stated a position on the role of carbon sinks or nature-based solutions, it has highlighted the importance of carbon capture and storage in delivering climate goals.

SUMMARY VIEW

Shell benefits from its membership of EPSA, particularly in relation to power market advocacy.

We have found EPSA to have some misalignment with our climate-related policy positions.

Shell will remain a member of EPSA at the current time. We will continue to track alignment between EPSA’s climate-related policy positions and our own, and will be transparent about where we find differences.

Shell urges EPSA to state support for the goal of the Paris Agreement.
NATIONAL ASSOCIATION OF MANUFACTURERS (NAM)

Membership of board/executive committee: Shell is a member of the board of directors.

Climate-related policy review 2021: Some misalignment
Climate-related policy review 2019: Some misalignment

THE PARIS AGREEMENT
NAM has stated support for the objectives of the Paris Agreement.

NET-ZERO EMISSIONS
NAM has not stated a position on net-zero emissions.

CARBON PRICING
NAM has not stated a position on carbon pricing. NAM’s climate policy principles call for market signals to be adopted to reduce greenhouse gas emissions; NAM has stated support for economy-wide policy options that use market-based options.

ADDITIONAL POLICIES
NAM has stated support for additional policies, including the need for policymakers to prioritise immediate investment in energy efficiency, climate and clean energy R&D programmes and the development of a smart power grid.

THE ENERGY TRANSITION
NAM has stated support for the role of natural gas in the energy system. NAM does not state a position on regulating methane emissions.

NAM states there is the need to modernise the power grid to allow for better integration of low-carbon power generation.

CARBON SINKS
NAM has stated support for incentives for carbon capture, utilisation and storage (CCUS), including tax credits and policies to support research, development and demonstration of CCUS technology.

NAM advocates policies that promote sustainable climate-smart land use and carbon offsets that achieve verifiable, permanent and effective emission reductions.

SUMMARY VIEW
Shell benefits from its membership of NAM, in particular from its expertise in trade, environmental regulation, the role of natural gas and tax.

Shell has participated in NAM’s climate working group and contributed to its energy and environmental policy, published in 2020, and its programme for climate action “The Promise Ahead” in 2021.

We have found NAM to have some misalignment with our climate-related policy positions.

We will remain a member of NAM at the current time and will continue to participate in NAM’s climate working group. We will continue to track alignment between NAM’s climate-related policy positions and our own, and will be transparent about where we find differences. We will continue to engage the association in areas where we have different views. Shell urges NAM to state explicit support for carbon pricing.
**APPENDIX: ASSESSMENT RESULTS**

**TEXAS OIL & GAS ASSOCIATION (TXOGA)**

Membership of board/executive committee: Shell is a member of the board of directors.

TXOGA is the only industry association that represents members from all parts of the oil and natural gas industry in Texas, including small independent companies and major producers. TXOGA’s mission is to promote safety across the industry globally and to influence public policy in support of a strong, viable oil and natural gas industry in Texas.

Climate-related policy review 2021: Some misalignment
Climate-related policy review 2019: Not reviewed

**THE PARIS AGREEMENT**
TXOGA has not stated a position on the Paris Agreement. The association does state that it recognises that action is required on climate change.

**NET-ZERO EMISSIONS**
TXOGA has not stated a position on net-zero emissions.

**CARBON PRICING**
TXOGA has not stated a position on carbon pricing.

**ADDITIONAL POLICIES**
TXOGA has not stated a position on additional policies. TXOGA highlights that oil and natural gas companies are making their operations more efficient, developing cleaner fuels, and investing in renewables like wind and solar and in technologies that capture, reuse and store carbon dioxide.

**THE ENERGY TRANSITION**
TXOGA has stated support for the role of natural gas in the energy system, including the use of gas as a lower-carbon partner for renewables.

TXOGA has stated support for the Texas Emissions Reduction Plan (TERP) and using TERP’s funds to reduce pollution and improve air quality in the state.

TXOGA has stated support for zero routine flaring and has advocated this through the Texas Methane & Flaring Coalition, which has set the goal of ending routine flaring by 2030. TXOGA is promoting operational and environmental practices to minimise flaring and methane emissions in Texas.

**CARBON SINKS**
TXOGA has stated support for carbon capture and storage.

TXOGA has not stated a position on nature-based solutions.

**SUMMARY VIEW**

Shell benefits from its membership of TXOGA, which provides leadership in regulation, environmental performance and taxation in Texas.

We have found TXOGA to have some misalignment with our climate-related policy positions.

We will remain a member of TXOGA at the current time and will continue to engage the association in areas where we have different views. We will continue to track alignment between TXOGA’s climate-related policy positions and our own, and will be transparent about where we find differences.

Shell urges TXOGA to develop and publish a climate policy that includes stating support for the goal of the Paris Agreement and carbon pricing.
APPENDIX: ASSESSMENT RESULTS

U.S. CHAMBER OF COMMERCE (USC)

Membership of board/executive committee: Shell is represented on the board of directors.

USC claims to be the world’s largest business organisation, representing the interests of businesses of all sizes and sectors in the USA, including the oil and gas, renewable energy and nuclear power industries.

Climate-related policy review 2021: Some misalignment
Climate-related policy review 2019: Some misalignment

THE PARIS AGREEMENT
USC has stated support for US participation in the Paris Agreement and in January 2021 welcomed President Biden’s executive decision to rejoin the Paris Agreement.

NET-ZERO EMISSIONS
USC has not stated a position on net-zero emissions.

CARBON PRICING
USC has not explicitly stated a position in support of carbon pricing. It has stated that it supports a market-based approach to accelerate greenhouse gas emission reductions across the US economy.

ADDITIONAL POLICIES
USC has stated that it supports additional policies. It calls for technology-neutral policies to deliver cost-effective, achievable and meaningful reductions in greenhouse gas emissions. It highlights the importance of energy efficiency and in developing technologies such as large-scale renewables, energy storage and batteries, with support from the public and private sectors.

On transport, the USC’s stated support for reform of the vehicle fuel economy standards is not consistent with Shell’s position.

THE ENERGY TRANSITION
Shell and USC are aligned on the role of natural gas in the energy system.

In January 2021, USC stated support for the direct regulation of methane emissions.

USC has stated support for the increased use of renewables.

CARBON SINKS
USC has stated support for carbon capture, utilisation and storage, but has not stated a position on nature-based solutions.

SUMMARY VIEW

Shell benefits from its membership of USC, especially on broader policy issues that affect Shell as a major contributor to the US economy; for example, energy policy, tax reform, international trade and investment, and innovation.

Shell has recently assumed a USC board role. Shell participates in USC’s task force on climate actions, which aims to inform USC’s climate policy positions. The task force played a strong role in moving the USC to support the direct federal regulation of methane emissions in January 2021.

We have found USC to have some misalignment with our climate-related policy positions.

Shell will remain a member of USC at the current time. We will continue to track alignment between USC’s climate-related policy positions and our own, and will be transparent about where we find differences. We will continue to engage the association in areas where we have different views.

Shell urges USC to explicitly state support for the following in its climate change position and advocacy:
- carbon pricing; and
- the direct regulation of methane emissions.
Shell benefits from its membership of WindEurope, in particular from its offshore wind policy advocacy.

We found WindEurope to be aligned with most of our climate-related policy positions, including support for the EU Emissions Trading System and the need to increase renewable energy targets. However, WindEurope has stated that the transition to net-zero emissions should not be based on strong assumptions about the role of carbon sinks, which Shell considers crucial to balance emissions in the hard-to-abate sectors. The finding of some misalignment reflects this difference in our positions.

We continue to have important areas of common interest with WindEurope relating to the deployment of renewables and the expansion of power grid infrastructure and clean hydrogen.

Shell will remain a member of WindEurope, including its climate committee. We will continue to engage WindEurope on climate-related topics and will track alignment between its climate-related policy positions and our own.
AMERICAN CHEMISTRY COUNCIL (ACC)

Membership of board/executive committee: Shell is a member of the executive committee and board of directors.

ACC represents chemical manufacturers in the USA. Its mission is to deliver value to members through advocacy, member engagement, communications and scientific research.\(^{967}\)

Climate-related policy review 2021: Alignment
Climate-related policy review 2019: Some misalignment

THE PARIS AGREEMENT
ACC has stated support for the goals of the Paris Agreement.\(^{966}\) In January 2021, ACC stated that it welcomed President Biden’s executive decision to rejoin the Paris Agreement.\(^{969}\)

NET-ZERO EMISSIONS
ACC has not stated a position on net-zero emissions.

CARBON PRICING
ACC has stated support for carbon pricing.\(^{970}\)

ADDITIONAL POLICIES
ACC has stated positions that support additional policies, calling for the US government to reward investments in combined heat and power, energy efficiency, demand response, renewable energy and the development of innovations that use chemistry to reduce greenhouse gas emissions.\(^{971}\)

ACC has stated support for the use of legislation to promote research and development in low-carbon manufacturing and other initiatives like the use of recycled plastics in new packaging and other plastic products.\(^{972}\) In Pennsylvania in 2020, ACC and Shell stated support for a proposed bill to encourage the conversion of plastic waste into feedstock that can be used to make new chemicals.\(^{973}\)

THE ENERGY TRANSITION
ACC has stated positions that recognise the role of natural gas in the energy transition.\(^{974}\)

ACC does not currently have a position on whether there should be direct regulation of methane emissions.

ACC has stated support for a comprehensive energy policy that draws on diverse energy supplies, including renewables and energy recovery from plastics.\(^{975}\)

CARBON SINKS
ACC has stated support for the development of carbon capture, utilisation and storage, and the need for legislation on advanced carbon capture technologies.\(^{976}\) ACC has not stated a position on nature-based solutions.

SUMMARY VIEW:

Shell benefits from its membership of ACC, in particular from ACC’s Responsible Care programme for the environment, health, safety and security. We welcome ACC’s federal- and state-level advocacy on topics such as chemical management, product stewardship, trade policy, transport and infrastructure. We also support ACC’s From Single Use to Reuse initiative, of which we are a member, which seeks to eliminate plastic waste.\(^{977}\)

We have found ACC to be aligned with our climate-related policy positions.

Shell will remain a member of ACC and its climate committee. We will continue to engage ACC on climate-related topics and will track alignment between its climate-related policy positions and our own. We will continue to be actively involved in ACC’s work to reduce greenhouse gas emissions in the chemical sector and the policies that will be needed to support this.\(^{978}\)
SUMMARY VIEW

Shell benefits from its membership of AIGN, especially in relation to joint industry action on climate change to promote the sustainable development of Australia’s industrial resources.

We have found AIGN to be aligned with our climate-related policy positions.

Shell will remain a member of AIGN. We will continue to engage AIGN on climate-related topics and will encourage AIGN to state an explicit position in support of carbon pricing. We will continue to track alignment between its climate-related policy positions and our own.
Shell benefits from its membership of Ai Group, especially in relation to energy market and energy efficiency policies. Ai Group is also a member of the Australian Climate Roundtable and signatory to its joint principles for climate policy.

We have found Ai Group to be aligned with our climate-related policy positions.

Shell will remain a member of Ai Group. We will continue to engage Ai Group on climate-related topics and will track alignment between its climate-related policy positions and our own.
Shell Industry Associations Climate Review 2021

APPENDIX: ASSESSMENT RESULTS

AUSTRALIAN PETROLEUM PRODUCTION & EXPLORATION ASSOCIATION (APPEA)

Membership of board/executive committee: Shell is a member of the board of directors.

APPEA is the national body representing Australia’s oil and gas exploration and production industry. It has around 60 full member companies and about 140 associate member companies which provide goods and services to the upstream oil and gas industry. APPEA works with the Australian federal and state governments to promote the development of oil and gas resources and maximise the return to Australian industry and the community.

Climate-related policy review 2021: Alignment
Climate-related policy review 2019: Alignment

THE PARIS AGREEMENT
APPEA has stated support for the goal of the Paris Agreement.

NET-ZERO EMISSIONS
APPEA has stated support for policies that seek to achieve emission reductions consistent with net-zero emissions across the Australian economy by 2050.

CARBON PRICING
APPEA’s climate policy principles state that Australia should seek to deliver low-cost greenhouse gas emissions abatement through an appropriately designed price mechanism. The mechanism should provide an economy-wide transparent signal to shape business and consumer plans and investments.

ADDITIONAL POLICIES
APPEA has stated support for the development and deployment of new and emerging low-emission technologies, such as carbon capture, utilisation and storage.

THE ENERGY TRANSITION
APPEA has stated support for a key role for natural gas in the energy transition, as a partner to renewables and as a replacement for coal in power generation.

APPEA states that reducing methane emissions across the natural gas value chain is a priority for the natural gas industry.

CARBON SINKS
APPEA has stated support for carbon capture and storage and carbon capture, utilisation and storage.

APPEA does not take a position on nature-based solutions, but has stated support for policies that allow the widest range of credible domestic and international offsets.

SUMMARY VIEW

Shell benefits from its membership of APPEA, especially in relation to its advocacy on gas, offshore oil and gas, and technology. We welcome APPEA’s recent update of its climate change policy principles, which were published in February 2021.

We have found APPEA to be aligned with our climate-related policy positions.

Shell will remain a member of APPEA. We will continue to engage APPEA on climate-related topics and will encourage APPEA to state an explicit position in support of carbon pricing and to support the direct regulation and reduction of methane emissions throughout the natural gas supply chain. We will continue to track alignment between its climate-related policy positions and our own.
**BUSINESS COUNCIL OF AUSTRALIA (BCA)**

Membership of board/executive committee: None.

BCA represents Australia’s largest employers. Members represent sectors including mining, retail, manufacturing, infrastructure, information technology, financial services and banking, energy, professional services, transport and telecommunications.

---

**Climate-related policy review 2021: Alignment**

**Climate-related policy review 2019: Alignment**

---

**THE PARIS AGREEMENT**

BCA has stated support for the Paris Agreement.

**NET-ZERO EMISSIONS**

BCA has stated support for “transitioning to net-zero emissions by 2050”.

**CARBON PRICING**

BCA has stated support for a market-based carbon price to drive the transition and incentivise investment in low- and zero-emission technologies.

**ADDITIONAL POLICIES**

BCA’s submission to the government’s technology roadmap includes stated support for policies to enable deployment of energy efficiency technologies. BCA has not taken a position on low-carbon electrification of the energy system. BCA has stated support for a technology-neutral approach to the energy mix and advocates allowing clean energy technologies to succeed on merit, be they carbon capture and storage for coal and gas, or geothermal, solar, wave or wind power.

**THE ENERGY TRANSITION**

BCA has stated support for natural gas to replace coal as part of the energy transition and for Australia (as a liquefied natural gas exporter) to play a role in decarbonising the world. BCA has also stated support for a role for renewables and low-carbon gases, including biomethane and hydrogen produced by electrolysis.

**CARBON SINKS**

BCA has stated support for the use of carbon sinks, among other emission reduction measures, to help the transition to net-zero emissions and to offset emissions that cannot be eliminated.

---

**SUMMARY VIEW**

Shell benefits from its membership of BCA, which provides an important platform for Shell to engage with businesses in Australia on taxes, climate policy and other issues. BCA is also a member of the Australian Climate Roundtable and signatory to its joint principles for climate policy.

We have found BCA to be aligned with our climate-related policy positions.

Shell will remain a member of BCA. We will continue to engage BCA on climate-related topics and will track alignment between its climate-related policy positions and our own.
APPENDIX: ASSESSMENT RESULTS

BUSINESSEUROPE

Membership of board/executive committee: None.

BusinessEurope represents companies across the European continent. It campaigns on growth and competitiveness issues that influence the performance of those companies. Its direct members are national business federations. Shell has associate status; this means we can participate in working groups but do not have voting rights.

Climate-related policy review 2021: Alignment
Climate-related policy review 2019: Some misalignment

THE PARIS AGREEMENT
BusinessEurope has stated support for the goal of the Paris Agreement.216

NET-ZERO EMISSIONS
BusinessEurope has stated support for the EU Green Deal’s target to achieve climate neutrality by 2050.217, 218

CARBON PRICING
BusinessEurope has stated support for the EU Emissions Trading System as “a cornerstone of the EU’s climate policy” and “the main driver for European industry and the power and aviation sectors to reduce greenhouse gas emissions in a market-based and cost-effective manner”.219

ADDITIONAL POLICIES
BusinessEurope has stated support for additional policies to achieve net-zero emissions, including energy efficiency, electrification and support for low-carbon technologies.220

THE ENERGY TRANSITION
BusinessEurope has stated support for the role of natural gas and low-carbon gases, including hydrogen, in the energy transition, alongside an increase in renewable energy development and use.221

BusinessEurope has stated that the “completion of the internal European gas market is crucial to strengthen the competitiveness of the European Union and to increase security of supply”.222

BusinessEurope has not stated a position on methane emissions regulation.

CARBON SINKS
BusinessEurope has stated support for a role for carbon capture and storage and carbon capture and utilisation in any scenario that aims to reduce greenhouse gases by more than 80%.223 BusinessEurope has not stated a position on nature-based solutions.

SUMMARY VIEW

Shell benefits from its associate membership of BusinessEurope, in particular through BusinessEurope’s role as an influential voice in the EU policy debate on the global competitiveness of European industry. Our participation provides us with a platform to interact with representatives of national business associations.

We have found BusinessEurope to be aligned with our climate-related policy positions.

Shell will remain a member of BusinessEurope. We will continue to engage BusinessEurope on climate-related topics and will track alignment between its climate-related policy positions and our own.
APPENDIX: ASSESSMENT RESULTS

CANADIAN ASSOCIATION OF PETROLEUM PRODUCERS (CAPP)

Membership of board/executive committee:
Shell is a member of the executive committee and the board of governors.

CAPP represents large and small companies that explore, develop and produce natural gas and crude oil in Canada, as well as companies that provide services to the sector. Its member companies produce 80% of Canada’s oil and natural gas.225 CAPP’s mission is to advocate and enable economic competitiveness and safe, environmentally and socially responsible performance by Canada’s upstream oil and gas industry.225

Climate-related policy review 2021: Alignment
Climate-related policy review 2019: Some misalignment

THE PARIS AGREEMENT
CAPP has stated support for the goal of the Paris Agreement.226

NET-ZERO EMISSIONS
CAPP has stated support for the Canadian government’s target to achieve net-zero emissions by 2050.227 Shell has also welcomed the government’s target.228

CARBON PRICING
CAPP states that carbon pricing mechanisms, when implemented properly, can be an effective means to reduce emissions.229

ADDITIONAL POLICIES
CAPP has stated support for additional policies that lower greenhouse gas emissions and improve the efficiency of existing production facilities, including research and development and innovation.230

THE ENERGY TRANSITION
CAPP has stated support for the role of natural gas in the energy transition.231 This includes increasing the use of renewable energy by balancing intermittent renewable electricity supply with natural gas power generation,232 and the need for methane emissions management.233 CAPP’s upstream methane management principles are aligned with the Methane Guiding Principles, 234 of which Shell was a founding signatory.235

CARBON SINKS
CAPP has stated support for the use of international and domestic carbon offsets, such as nature-based solutions and carbon capture, utilisation and storage.236

SUMMARY VIEW
Shell benefits from its membership of CAPP, in particular through CAPP’s role as a platform for presenting a unified voice to government and the public on upstream policies and topics, such as climate, carbon leakage, health and safety, and engagement with indigenous peoples and other stakeholders.

We welcome CAPP’s updated climate positions in its Industry’s Climate Commitment,237 published in October 2020, which includes support for the goal of the Paris Agreement and acknowledges the effectiveness of carbon pricing mechanisms in reducing emissions when implemented properly.

We have found CAPP to be aligned with our climate-related policy positions. We note that in March 2020, CAPP made a number of recommendations to the federal government, including holding existing carbon price levels and a three-year implementation delay on the Clean Fuel Standard.238 While Shell did not support these recommendations, CAPP subsequently updated its climate positions in October 2020, including on carbon pricing, and supported Canada’s net-zero emissions by 2050 goal in November 2020. As such, we note these advocacy differences, but assess that overall our positions are aligned on these issues.

Shell will remain a member of CAPP. We will continue to engage CAPP on climate-related topics and will track alignment between its climate-related policy positions and our own.
CANADIAN FUELS ASSOCIATION (CFA)

Membership of board/executive committee: Shell is a member of the board.

Climate-related policy review 2021: Alignment
Climate-related policy review 2019: Not reviewed

THE PARIS AGREEMENT
CFA has stated a position that recognises the fuel industry’s role in delivering emission reductions and Canada’s commitments under the Paris Agreement. CFA has stated support for the Canadian government’s target to achieve net-zero emissions by 2050, which is aligned with the goal of the Paris Agreement.

NET-ZERO EMISSIONS
CFA has stated support for Canada’s federal government target of net-zero emissions by 2050. Shell also welcomed the government’s target.

CARBON PRICING
CFA has stated support for carbon pricing.

ADDITIONAL POLICIES
CFA has stated support for additional policies, including the need for more low-carbon fuel choices, improved vehicle efficiency and a stable policy environment.

THE ENERGY TRANSITION
CFA has stated that a transformation of the transport energy system will be needed to meet Canada’s emission reduction targets, including a role for fuels such as hydrogen.

CARBON SINKS
CFA has stated support for nature-based solutions (NBS) and a Shell NBS reforestation project in British Columbia. CFA has stated that carbon capture and storage is essential to global energy transformation.

SUMMARY VIEW
Shell benefits from its membership of CFA, in particular through CFA’s advocacy of policies that shape the downstream business.

We have found CFA to be aligned with our climate-related policy positions.

Shell will remain a member of CFA. We will continue to engage CFA on climate-related topics and will track alignment between its climate-related policy positions and our own.
Shell benefits from its membership of Cefic, in particular through Cefic’s advocacy of issues that impact the chemical sector. These include emissions (air, water and waste) and regulations related to chemical health and safety, energy and climate. We have found Cefic to be aligned with our climate-related policy positions.

Shell will remain a member of Cefic. We will continue to engage Cefic on climate-related topics and will track alignment between its climate-related policy positions and our own.
## APPENDIX: ASSESSMENT RESULTS

### CONFEDERATION OF BRITISH INDUSTRY (CBI)

**Membership of board/executive committee:** None. Shell is a member of the CBI President’s Committee, which acts as an advisory body to the CBI president and CBI executive.

CBI is the leading business organisation in the UK. It represents around 190,000 businesses which employ almost seven million people.

### Climate-related policy review 2021: Alignment
Climate-related policy review 2019: Not reviewed

#### THE PARIS AGREEMENT
CBI has stated support for the goal of the Paris Agreement.

#### NET-ZERO EMISSIONS
CBI has stated support for the UK’s net-zero emissions by 2050 target and the need for long-term policy frameworks to drive decarbonisation across the economy.

#### CARBON PRICING
CBI has stated support for carbon pricing. It has stated positions that advocate a robust post-Brexit carbon pricing regime to be introduced immediately after the UK leaves the EU Emissions Trading System.

#### ADDITIONAL POLICIES
CBI has stated support for policy frameworks across a range of technologies to deliver on the UK’s 2050 net-zero emissions target. This includes proposals for policies that improve energy efficiency, accelerate the production of low-carbon electricity, support continued funding for R&D and investment to scale up technologies like hydrogen.

#### THE ENERGY TRANSITION
CBI has stated support for a range of proposals to help the UK achieve the net-zero emissions by 2050 target, including accelerating the use of low-carbon electricity and preparing the UK’s infrastructure for alternative fuels such as biofuels and lower-carbon gases like biomethane and hydrogen. CBI has not taken a public position on the long-term role of natural gas or methane emissions management.

#### CARBON SINKS
CBI has stated support for the role of carbon capture and storage to help achieve net-zero emissions. It has not stated a public position on nature-based solutions.

### SUMMARY VIEW

Shell benefits from its membership of CBI, in particular on climate and energy, taxation, finance and skills development.

We have found CBI to be aligned with our climate-related policy positions.

Shell will remain a member of CBI and the CBI Energy and Climate Change Board. We will continue to engage CBI on climate-related topics and will track alignment between its climate-related policy positions and our own.
Confederation of Netherlands Industry and Employers (VNO-NCW)

Membership of board/executive committee: Shell is a member of the board.

Climate-related policy review 2021: Alignment
Climate-related policy review 2019: Not reviewed

The Paris Agreement
VNO-NCW has stated support for the goal of the Paris Agreement. 271

Net-Zero Emissions
VNO-NCW has stated support for the EU Green Deal’s target to achieve climate neutrality by 2050. 276, 277 It has also stated support for the Netherlands’ ambition to reduce CO2 emissions by 49% by 2030 compared to 1990. 278

Carbon Pricing
VNO-NCW has stated support for the EU Emissions Trading System (EU ETS). 279 VNO-NCW has also stated support for the Netherlands’ CO2 pricing instrument, provided it does not undermine the EU ETS or lead to carbon leakage to other countries. 280

Additional Policies
VNO-NCW has stated support for policies for energy efficiency, increased electrification and the creation of a hydrogen economy across sectors. 281

The Energy Transition
VNO-NCW has not stated a position on the role of natural gas in the energy transition or on methane emissions management. VNO-NCW has stated support for renewable deployment, notably offshore wind. 282

Carbon Sinks
VNO-NCW has stated support for carbon capture and storage and nature-based solutions. 283

Summary View
Shell benefits from its membership of VNO-NCW, which is an influential voice in the national policy debate on the competitiveness of Dutch industry and corporations. Participation provides us with a platform to engage with other companies on issues such as climate change (including the National Climate Agreement), pension reform, gender equality and social licence to operate.

We have found VNO-NCW to be aligned with our climate-related policy positions.

Shell will remain a member of VNO-NCW. We will continue to engage VNO-NCW on climate-related topics and will track alignment between its climate-related policy positions and our own.
Shell Industry Associations Climate Review 2021

APPENDIX: ASSESSMENT RESULTS

EUROGAS

Membership of board/executive committee: Shell is a member of the governing board.

Climate-related policy review 2021: Alignment
Climate-related policy review 2019: Not reviewed

THE PARIS AGREEMENT
Eurogas has stated support for the goal of the Paris Agreement.285

NET-ZERO EMISSIONS
Eurogas has stated support for the EU Green Deal’s target to reach climate neutrality by 2050.286,287
Eurogas has stated support for the European Commission’s proposed target to reduce greenhouse gas emissions by 55% by 2030,288 which Shell also supports.289

CARBON PRICING
Eurogas has stated support for a robust EU Emissions Trading System to deliver “market-based price signals to drive decarbonisation efforts”.290

ADDITIONAL POLICIES
Eurogas has stated support for energy efficiency, electrification and targeted support for commercially immature technologies, including targets for renewable and low-carbon gases.291

THE ENERGY TRANSITION
Eurogas has stated support for a role for natural, renewable and decarbonised gases292 - including hydrogen and biomethane - to achieve climate neutrality by 2050 and greenhouse gas reduction targets by 2030. Eurogas has stated positions on tackling energy-related methane emissions,293 and is a supporting organisation of the Methane Guiding Principles.294

CARBON SINKS
Eurogas has stated support for the role of carbon capture, utilisation and storage.295

It has not stated a position on nature-based solutions.

SUMMARY VIEW
Shell benefits from its membership of Eurogas, in particular from its policy advocacy supporting the role of renewable and low-carbon gases in the transition to climate neutrality.

We have found Eurogas to be aligned with our climate-related policy positions.

Shell will remain a member of Eurogas. We will continue to engage Eurogas on climate-related topics and will track alignment between its climate-related policy positions and our own.
APPENDIX: ASSESSMENT RESULTS

EUROPEAN ROUND TABLE FOR INDUSTRY (ERT)

Membership of board/executive committee: None.

ERT is a forum that brings together CEOs and chairs from around 60 of Europe’s largest companies in the industrial and technological sector. ERT supports a strong, open and competitive Europe, with the EU and its single market as a driver for inclusive growth and sustainable prosperity. ERT has stated support for the EU Green Deal’s target to achieve climate neutrality by 2050.

Climate-related policy review 2021: Alignment
Climate-related policy review 2019: Alignment

THE PARIS AGREEMENT
ERT has stated support for the goal of the Paris Agreement.

NET-ZERO EMISSIONS
ERT has stated support for the EU Green Deal’s target to achieve climate neutrality by 2050.

ERT has also stated support for the European Commission’s proposed target to reduce greenhouse gas emissions by 55% by 2030, which Shell also supports.

CARBON PRICING
ERT has stated support for explicit carbon pricing that is “expanded to all sectors and activities”.

ERT has stated four key drivers for decarbonising European industry, including “an effective carbon pricing policy”.

ADDITIONAL POLICIES
ERT has stated support for additional policies to achieve net-zero emissions, including energy efficiency, electrification, a sectoral approach and support for low-carbon technologies.

ERT has stated a position that calls for “Sectoral Roadmaps to net-zero emissions to enhance the European Climate Law as a framework to invest in climate neutrality”, which Shell also supports.

THE ENERGY TRANSITION
ERT has stated support for low-carbon gases, including hydrogen and biomethane, and the role of natural gas as a transitional energy source, alongside renewables.

ERT has not stated a position on methane emissions regulation.

CARBON SINKS
ERT has stated support for the use of carbon capture, utilisation and storage.

ERT has not stated a position on nature-based solutions.

SUMMARY VIEW

Shell benefits from its membership of ERT as an executive-level industrial network that engages with the EU on strategic issues.

We have found ERT to be aligned with our climate-related policy positions.

Shell will remain a member of ERT. We will continue to engage ERT on climate-related topics and will track alignment between its climate-related policy positions and our own.
APPENDIX: ASSESSMENT RESULTS

**FUELS EUROPE**

**Membership of board/executive committee:** Shell is a member of the EPRA board of directors.

FuelsEurope represents the interests of 40 companies operating refineries in the EU. Members account for almost 100% of EU petroleum refining capacity and more than 75% of EU motor fuel retail sales. FuelsEurope is one of two divisions within the European Petroleum Refiners Association (EPRA); the other division is Concawe, which carries out research in environmental, health and safety issues relevant to the oil industry.

**CLIMATE-RELATED POLICY REVIEW 2021: Alignment**

**CLIMATE-RELATED POLICY REVIEW 2019: Some misalignment**

**THE PARIS AGREEMENT**

FuelsEurope has stated support for the goal of the Paris Agreement.

**NET-ZERO EMISSIONS**

FuelsEurope has stated support for the EU Green Deal’s target to achieve climate neutrality by 2050.

**CARBON PRICING**

FuelsEurope has stated a position that recognises the EU Emissions Trading System as a “cost-effective market mechanism for emissions reduction in the power and energy sector.”

**ADDITIONAL POLICIES**

FuelsEurope has stated support for energy efficiency and targeted policy support for pre-commercial low-carbon fuels.

**THE ENERGY TRANSITION**

FuelsEurope focuses on the refining sector. It has not stated a position on natural gas in the energy system or on methane emissions regulation. FuelsEurope has stated support for the EU’s hydrogen strategy.

**CARBON SINKS**

FuelsEurope has stated support for a role for “carbon sinks technologies such as carbon capture, storage and utilisation as important contributors to a climate-neutral energy system.”

FuelsEurope has not stated a position on nature-based solutions.

**SUMMARY VIEW**

Shell benefits from FuelsEurope’s advocacy on issues that impact the refining sector. This includes its Vision 2050 programme for developing low-carbon fuels for all transport types, as well as advocacy relating to air, water and waste emissions, technical and fuel specifications, and energy and climate regulations.

Both FuelsEurope and Concawe (the other division of EPRA) provide best practice on managing risks to the environment from the production and use of oil products.

We have found FuelsEurope to be aligned with our climate-related policy positions.

Shell will remain a member of FuelsEurope (through our membership of EPRA). We will continue to engage FuelsEurope on climate-related topics and will track alignment between its climate-related policy positions and our own.
SUMMARY VIEW

Shell benefits from its membership of Hydrogen Europe, in particular from its advocacy of policy levers to establish an EU hydrogen economy. Hydrogen Europe is the only EU trade association representing the full hydrogen value chain.

We have found Hydrogen Europe to be aligned with our climate-related policy positions.

Shell will remain a member of Hydrogen Europe. We will continue to engage Hydrogen Europe on climate-related topics and will track alignment between its climate-related policy positions and our own.
INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA)

Membership of board/executive committee: None.

Climate-related policy review 2021: Alignment
Climate-related policy review 2019: Alignment

THE PARIS AGREEMENT
IATA has stated that it welcomes the Paris Agreement.\(^{232,234}\)

Like Shell, IATA has stated support for a global sectoral approach to decarbonising international aviation because of the uniqueness (along with shipping) of the industry.\(^{235}\)

NET-ZERO EMISSIONS
In 2020, IATA renewed its ambition to cut aviation CO\(_2\) emissions by half by 2050.\(^{236}\)

It stated a position that although the pace will vary in different regions the aviation industry could achieve net-zero emissions a decade or so later, reflecting the fact that the industry does not yet have readily available solutions to decarbonise.\(^{237}\)

CARBON PRICING
IATA has stated support for carbon pricing.\(^{238}\)

It favours a global carbon pricing system to avoid a patchwork of different policies for international aviation.\(^{239}\)

ADDITIONAL POLICIES
IATA has stated support for additional policies, such as on the deployment of sustainable low-carbon aviation fuels.\(^{240}\)

For example, IATA has expressed support for regional mandates for sustainable aviation fuels.\(^{241}\)

THE ENERGY TRANSITION
IATA has not stated a position on the role of natural gas or the management of methane emissions, since gas is not a viable energy solution for aviation.

CARBON SINKS
IATA has stated support for the use of carbon offsets and nature-based solutions within the Carbon Offsetting and Reduction Scheme for International Aviation framework.\(^{242}\)

IATA has stated that it expects carbon offsets to play a lesser role in aviation decarbonisation, with new technologies and sustainable aviation fuels becoming the principal means to achieving net-zero emissions.\(^{243}\)

IATA is the international trade association for the world’s airlines.\(^{232}\) Shell is not a member but a strategic partner of IATA.

SUMMARY VIEW
Shell benefits from its strategic partnership with IATA, as the relationship allows us to connect with other companies and organisations in the aviation industry. Participation in IATA’s technical fuels forum allows us to engage on issues such as fuel management, compliance standards, and health, safety, security and the environment. We also benefit from IATA’s alternative fuels symposium.

We have found IATA to be aligned with our climate-related policy positions.

Shell will remain a strategic partner of IATA. We will continue to engage IATA on climate-related topics and will track alignment between IATA’s climate-related policy positions and our own.
**APPENDIX: ASSESSMENT RESULTS**

**INTERNATIONAL ASSOCIATION OF OIL & GAS PRODUCERS (IOGP)**

Membership of board/executive committee: Shell is a member of the management committee, which is responsible for IOGP’s overall strategy and direction. [246]

Shell benefits from its membership of IOGP, in particular through IOGP’s engagement with regulators in many jurisdictions. We value the forum that IOGP presents to share knowledge and good practices with industry peers, and to achieve improvements in areas such as health, safety, the environment, security and social responsibility.

We have found IOGP to be aligned with our climate-related policy positions.

Shell will remain a member of IOGP. We will continue to engage IOGP on climate-related topics and will track alignment between its climate-related policy positions and our own.

**ASSOCIATION RESULTS**

<table>
<thead>
<tr>
<th>Climate-related policy review 2021: Alignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate-related policy review 2019: Alignment</td>
</tr>
</tbody>
</table>

---

**THE PARIS AGREEMENT**

IOGP has stated support for the goal of the Paris Agreement. [246]

**NET-ZERO EMISSIONS**

IOGP has stated support for the EU Green Deal’s target to achieve climate neutrality by 2050. [249, 250]

**CARBON PRICING**

IOGP has stated support for carbon pricing mechanisms. [251]

**ADDITIONAL POLICIES**

IOGP has stated support for additional policies, including energy efficiency and low-carbon liquids (biofuels and synthetic fuels). [252]

**THE ENERGY TRANSITION**

IOGP has stated support for the role of natural gas in the energy transition and the importance of addressing methane emissions. [253, 254]

IOGP is a supporting organisation of the Methane Guiding Principles, of which Shell was a founding signatory. [254]

IOGP has also stated support for the role of renewable and low-carbon gases such as hydrogen in the energy transition. [255]

IOGP’s stated positions highlight the role of the oil and gas sector in providing cleaner energy solutions and the investments its member companies are making in renewable energies. [256]

**CARBON SINKS**

IOGP has stated support for enabling policies for carbon capture, (use) and storage at scale and nature-based solutions. [257]

**SUMMARY VIEW**

Shell benefits from its membership of IOGP, in particular through IOGP’s engagement with regulators in many jurisdictions. We value the forum that IOGP presents to share knowledge and good practices with industry peers, and to achieve improvements in areas such as health, safety, the environment, security and social responsibility.

We have found IOGP to be aligned with our climate-related policy positions.

Shell will remain a member of IOGP. We will continue to engage IOGP on climate-related topics and will track alignment between its climate-related policy positions and our own.

IOGP is the voice of the global upstream energy industry. Its members produce 40% of the world’s oil and gas. [247]
Shell benefits from its membership of IETA through IETA’s role as a worldwide advocacy platform and source of information and expertise on carbon pricing and trading, a key area of advocacy for Shell.

We have found IETA to be aligned with our climate-related policy positions.

Shell will remain a member of IETA. We will continue to engage IETA on climate-related topics and will track alignment between its climate-related policy positions and our own.
APPENDIX: ASSESSMENT RESULTS

INTERNATIONAL GAS UNION (IGU)

Membership of board/executive committee: Shell is a member of the executive committee. IGU advocates natural gas as an integral part of a sustainable global energy system. The members of IGU are gas industry associations and companies, which represent more than 95% of the global gas market.

Climate-related policy review 2021: Alignment
Climate-related policy review 2019: Not reviewed

THE PARIS AGREEMENT
IGU has stated support for the goal of the Paris Agreement.

NET-ZERO EMISSIONS
IGU has not stated a position on net-zero emissions.

In Europe, IGU was a signatory to a letter submitted to the EU Commission in 2020 highlighting the role of gas in helping the EU achieve net-zero emissions by 2050.

CARBON PRICING
IGU has stated support for carbon pricing.

ADDITIONAL POLICIES
IGU has stated support for additional policies, including emission reducing solutions such as energy efficiency.

THE ENERGY TRANSITION
IGU has stated positions that promote the importance of gas in driving the energy transition, including the role that gas-fired power generation plays as a lower-carbon partner for renewable energy.

IGU has stated support for the management of methane emissions in the gas value chain. IGU facilitates the sharing of industry best practice and participates in industry initiatives, including as a supporting organisation of the Methane Guiding Principles, of which Shell was a founding signatory.

IGU has stated a position highlighting the importance of lower-carbon gases like hydrogen to drive energy system decarbonisation.

CARBON SINKS
IGU has stated positions in support of carbon capture, utilisation and storage. It has not stated a position on nature-based solutions.

SUMMARY VIEW

Shell benefits from its membership of IGU, in particular from IGU’s advocacy of the benefits of gas and its role in the energy transition. IGU also participates in international forums, such as the UNFCCC Conference of the Parties (COP).

We have found IGU to be aligned with our climate-related policy positions.

Shell will remain a member of IGU. We will continue to engage IGU on climate-related topics and will track alignment between its climate-related policy positions and our own.
IPIECA

Membership of board/executive committee: Shell is a member of the executive committee.

IPIECA is the global oil and gas industry association for advancing environmental and social issues. It develops, shares and promotes good practice and knowledge to help the industry improve its environmental and social performance.  

Climate-related policy review 2021: Alignment
Climate-related policy review 2019: Alignment

THE PARIS AGREEMENT
IPIECA has stated support for the goal of the Paris Agreement.  

NET-ZERO EMISSIONS
IPIECA has not stated a position on net-zero emissions in specific countries or regions. However, it is setting up a new net-zero emissions task force in 2021, which will help IPIECA members contribute to the policies and approaches being established by governments.  

CARBON PRICING
IPIECA has stated a position recognising the importance of carbon pricing. IPIECA and Shell are aligned on key elements of policy design.  

ADDITIONAL POLICIES
IPIECA has stated positions in support of additional policies, including its members’ efforts to increase energy efficiency and invest in low-carbon technologies and fuels.  

THE ENERGY TRANSITION
IPIECA has stated support for the role of natural gas in the energy transition and the management of methane emissions. It is a supporting organisation of the Methane Guiding Principles, of which Shell was a founding signatory. IPIECA’s stated positions recognise the role of renewables in the energy transition.  

CARBON SINKS
IPIECA has stated support for the role of carbon capture and storage and nature-based solutions in the energy transition.  

SUMMARY VIEW
Shell benefits from its membership of IPIECA, which provides an effective platform to exchange experience and good practice across a wide range of themes. It is also the oil and gas industry’s main channel of formal communication with the United Nations on environmental and social issues.  

We have found IPIECA to be aligned with our climate-related policy positions.  

Shell will remain a member of IPIECA. We will continue to engage IPIECA on climate-related topics and will track alignment between its climate-related policy positions and our own.
Shell benefits from its membership of NGSA, in particular from its expertise in natural gas market and supply issues.

We have found NGSA to be aligned with our climate-related policy positions.

Shell will remain a member of NGSA. We will continue to engage NGSA on climate-related topics and will track alignment between its climate-related policy positions and our own.

**NATURAL GAS SUPPLY ASSOCIATION (NGSA)**

Membership of board/executive committee: Shell is a member of the board of directors.

**Climate-related policy review 2021: Alignment**

Climate-related policy review 2019: Not reviewed

---

**THE PARIS AGREEMENT**

NGSA has stated support for the Paris Agreement and the USA rejoining the agreement.\(^{287}\)

**NET-ZERO EMISSIONS**

NGSA has not stated a position on net-zero emissions.\(^{288}\)

**CARBON PRICING**

NGSA has stated support for carbon price signals in power markets.\(^{315}\)

**ADDITIONAL POLICIES**

NGSA has not stated a position on additional policies to carbon pricing.

**THE ENERGY TRANSITION**

NGSA has stated that natural gas will play an essential role in the energy transition, as both a lower-carbon fuel and as a partner for renewable energy sources.\(^{316}\) NGSA has stated support for the development of technologies that reduce or eliminate carbon emissions.\(^{317}\)

**CARBON SINKS**

NGSA has stated support for methane management through voluntary efforts and well-designed government policies.\(^{318}\)

NGSA has stated support for technologies that capture and store carbon emissions.\(^{319}\) It has also stated positions that highlight actions taken by its members to deliver nature-based solutions.\(^{320}\)

---

**SUMMARY VIEW**

Shell benefits from its membership of NGSA, in particular from its expertise in natural gas market and supply issues.

We have found NGSA to be aligned with our climate-related policy positions.

Shell will remain a member of NGSA. We will continue to engage NGSA on climate-related topics and will track alignment between its climate-related policy positions and our own.
Shell Industry Associations Climate Review 2021

APPENDIX: ASSESSMENT RESULTS

OGUK

Membership of board/executive committee: Shell is a member of the OGUK board.

OGUK is the leading representative body for the UK offshore oil and gas industry.290

Climate-related policy review 2021: Alignment
Climate-related policy review 2019: Not reviewed

THE PARIS AGREEMENT
OGUK has stated support for the UK net-zero emissions by 2050 target,297 which was set in line with the Paris Agreement goal.298

NET-ZERO EMISSIONS
OGUK has stated support for the UK net-zero emissions by 2050 target.297

CARBON PRICING
OGUK has stated support for carbon pricing.400

ADDITIONAL POLICIES
OGUK has stated positions that advocate additional policy support for decarbonisation and government support for offshore facility electrification, hydrogen production and carbon transport and storage infrastructure.401

THE ENERGY TRANSITION
OGUK has set out a 2050 net-zero emissions pathway for the UK oil and gas sector.402 OGUK has stated that the energy transition will require growth in renewables.403 OGUK has stated support for the role of natural gas and hydrogen in the energy transition.404 OGUK has stated support for the World Bank’s Zero Routine Flaring by 2030 initiative.405

CARBON SINKS
OGUK has stated support for carbon capture, utilisation and storage.406 OGUK has not stated a position on nature-based solutions.

SUMMARY VIEW:
Shell benefits from its membership of OGUK, especially in relation to the environment, decommissioning, gas market regulation, chemicals, and health and safety.

We have found OGUK to be aligned with our climate-related policy positions.

Shell will remain a member of OGUK. We will continue to engage OGUK on climate-related topics and will track alignment between its climate-related policy positions and our own.
Shell benefits from its membership of OGCI. It is a CEO-led industry platform of independent and national oil and gas companies that work together to accelerate the energy transition and tackle climate change. Representing almost 30% of global oil and gas production, OGCI member companies work to reduce greenhouse gas emissions from their operations and use their collective strength to support the transition to a low-carbon future. They do this in part through OGCI Climate Investments, a separate entity owned by OGCI members that invests in commercially viable and scalable decarbonisation technologies and solutions.

**OIL AND GAS CLIMATE INITIATIVE (OGCI)**

Membership of board/executive committee: Shell is represented on the OGCI executive committee.

**THE PARIS AGREEMENT**
OGCI has stated support for the goal of the Paris Agreement.

**NET-ZERO EMISSIONS**
OGCI has not stated a position on net-zero emissions, although it highlights member companies’ announcements of their net-zero emissions ambitions.

**CARBON PRICING**
OGCI has stated support for carbon pricing.

**ADDITIONAL POLICIES**
OGCI has stated support for additional policies, including those that accelerate the reduction of operational emissions and the uptake of decarbonisation solutions in sectors such as industry, transport and buildings. OGCI is currently focused on reducing transport sector emissions by using its industry expertise to develop a portfolio of solutions, including for heavy-duty trucks, shipping and long-haul aviation.

OGCI has stated support for the development of pre-commercial low-carbon technologies. For example, its KickStarter initiative is designed to facilitate large-scale commercial investment in carbon capture, utilisation and storage and identify policy options to accelerate its deployment.

**THE ENERGY TRANSITION**
OGCI has stated support for the role of natural gas in the energy transition and the importance of addressing methane emissions. It is a supporting organisation of the Methane Guiding Principles, of which Shell was a founding signatory.

OGCI members set a collective methane emissions target in 2018 and a collective upstream carbon intensity target in 2020.

OGCI shares case studies of where its member companies have integrated investments in renewable energy into their operations.

**CARBON SINKS**
OGCI has stated support for carbon capture, utilisation and storage and nature-based solutions.

---

**SUMMARY VIEW**

Shell benefits from its membership of OGCI. It is a CEO-led industry platform of independent and national oil and gas companies that work together to help accelerate the energy transition and tackle climate change.

We have found OGCI to be aligned with our climate-related policy positions.

Shell will remain a member of OGCI. We will continue to engage OGCI on climate-related topics and will track alignment between its climate-related policy positions and our own.
### SOLAR ENERGY INDUSTRIES ASSOCIATION (SEIA)

**Membership of board/executive committee:** Shell is represented on the board of directors.

#### Climate-related policy review 2021: Alignment
**Climate-related policy review 2019:** Not reviewed

<table>
<thead>
<tr>
<th>THE PARIS AGREEMENT</th>
<th>ADDITIONAL POLICIES</th>
<th>CARBON SINKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEIA has stated support for the goal of the Paris Agreement. (424)</td>
<td>SEIA has stated positions that support additional policies, including the development of energy storage, electric vehicle charging infrastructure, wind power and other technologies that will transform the energy system. (426)</td>
<td>SEIA has not stated a position on the role of carbon sinks or nature-based solutions.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET-ZERO EMISSIONS</th>
<th>THE ENERGY TRANSITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEIA has not stated a position on net-zero emissions.</td>
<td>SEIA’s focus is on increasing solar power generation, but its stated positions support an electricity portfolio of clean energy sources and technologies. (427)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CARBON PRICING</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEIA has stated support for carbon pricing, although it has not taken a position on a specific carbon pricing approach. (421)</td>
</tr>
</tbody>
</table>

### SUMMARY VIEW

Shell benefits from its membership of SEIA, in particular from SEIA’s expertise and advocacy of energy storage, electric vehicle and power transmission solutions, including the need for greater coordination of interregional power transmission planning.

We have found SEIA to be aligned with our climate-related policy positions.

Shell will remain a member of SEIA. We will continue to engage SEIA on climate-related topics and will track alignment between its climate-related policy positions and our own.
**UNIVERSAL KINGDOM PETROLEUM INDUSTRY ASSOCIATION (UKPIA)**

**Membership of board/executive committee:** Shell is a member of the UKPIA Council which governs UKPIA.\(^{428}\)

**Climate-related policy review 2021: Alignment**
**Climate-related policy review 2019: Not reviewed**

<table>
<thead>
<tr>
<th>THE PARIS AGREEMENT</th>
<th>ADDITIONAL POLICIES</th>
<th>CARBON SINKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>UKPIA has stated support for the UK net-zero emissions by 2050 target,(^{429}) which was set in line with the Paris Agreement goal.(^{430})</td>
<td>UKPIA has stated support for additional policy support for decarbonisation, electrification and energy efficiency measures at refineries and for low-carbon fuel mandates.(^{434})</td>
<td>UKPIA has stated support for the need for carbon capture and storage to help refineries and industry clusters to decarbonise.(^{436}) UKPIA has not stated a position on nature-based solutions.</td>
</tr>
<tr>
<td>NET-ZERO EMISSIONS</td>
<td>THE ENERGY TRANSITION</td>
<td></td>
</tr>
<tr>
<td>UKPIA has stated support for the UK net-zero emissions target.(^{432})</td>
<td>UKPIA has stated support for a role for low-carbon technologies, including hydrogen, to reduce vehicle CO(_2) emissions,(^{435}) but does not state specific positions on the role of natural gas or low-carbon gases in the energy transition.</td>
<td></td>
</tr>
<tr>
<td>CARBON PRICING</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UKPIA has stated support for carbon pricing.(^{425})</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### SUMMARY VIEW:

Shell benefits from its membership of UKPIA, which provides a platform to engage government on common issues impacting the downstream sector in the UK, such as the implementation of new E10 fuel requirements.

We have found UKPIA to be aligned with our climate-related policy positions.

Shell will remain a member of UKPIA. We will continue to engage UKPIA on climate-related topics and will track alignment between its climate-related policy positions and our own.
VERENIGING NEDERLANDSE PETROLEUM INDUSTRIE (VNPI)

Membership of board/executive committee: Shell is a member of the board.

Climate-related policy review 2021: Alignment
Climate-related policy review 2019: Not reviewed

THE PARIS AGREEMENT
VNPI has stated support for the goal of the Paris Agreement.\(^{414}\)

NET-ZERO EMISSIONS
VNPI has stated support for the EU Green Deal’s target of achieving climate neutrality by 2050.\(^{419,440}\) It has also stated support for the Netherlands’ ambition to reduce CO\(_2\) emissions by 49% by 2030 compared to 1990.\(^{441}\)

CARBON PRICING
VNPI has stated support for the EU Emissions Trading System (EU ETS).\(^{442}\) It has also stated support for the Netherlands’ CO\(_2\) pricing instrument, provided it does not undermine the EU ETS or lead to carbon leakage to other countries.\(^{443}\)

ADDITIONAL POLICIES
VNPI has stated support for the national industrial energy efficiency policy and facilitates industry consultation on innovation subsidies.\(^{444}\)

THE ENERGY TRANSITION
VNPI has stated support for biofuels development as an alternative for liquid energy carriers.\(^{445}\) VNPI has not stated a position on the role of natural gas or renewables in the energy transition or on methane emissions management.

CARBON SINKS
VNPI has stated support for the role of carbon capture and storage,\(^{446}\) but has not stated a position on nature-based solutions.

SUMMARY VIEW
Shell benefits from its membership of VNPI, in particular through VNPI’s advocacy of issues that impact the refining and retail fuel sectors. VNPI provides Shell with a platform to work with other companies on joint studies that articulate a vision for the sector, including refinery decarbonisation, refinery feedstock transition and retail stations of the future. We have found VNPI to be aligned with our climate-related policy positions. Shell will remain a member of VNPI. We will continue to engage VNPI on climate-related topics and will track alignment between its climate-related policy and our own.
**APPENDIX: ASSESSMENT RESULTS**

**WESTERN STATES PETROLEUM ASSOCIATION (WSPA)**

**Membership of board/executive committee:** Shell is a member of the board of directors.

WSPA represents companies that account for most of the petroleum exploration, production, refining, transport and marketing in the five western states of Arizona, California, Nevada, Oregon and Washington in the USA.447

---

**Climate-related policy review 2021: Alignment**

**Climate-related policy review 2019: Some misalignment**

---

**THE PARIS AGREEMENT**

In January 2021, WSPA’s president stated that WSPA supports the goals of the Paris Agreement.448

**NET-ZERO EMISSIONS**

WSPA has not stated a position on net-zero emissions.

**CARBON PRICING**

WSPA has stated support for carbon pricing, including market-based approaches such as cap-and-trade programmes and carbon taxes.449 In May 2020, WSPA publicly stated support for the California Cap-and-Trade Program.450

**ADDITIONAL POLICIES**

WSPA has stated support for additional technology-neutral policies that encourage a wide variety of low-carbon solutions.451 Its stated positions highlight the role of energy efficiency and the progress its members are making on advancing renewable energy and fuels.452

**THE ENERGY TRANSITION**

WSPA has stated support for the role of natural gas in the energy system.453 It has highlighted the role of the industry in advancing renewable energy.454

**CARBON SINKS**

WSPA has stated support for carbon capture and storage.455 WSPA has not stated a position on nature-based solutions.

---

**SUMMARY VIEW**

Shell benefits from its membership of WSPA, in particular from its supply of accurate information on the oil industry to different audiences.

We welcome WSPA’s advocacy on a wide range of issues, such as the California Cap-and-Trade Program, carbon capture and storage, single-use plastics, industrial safety, taxes, permitting and energy markets.

We also welcome WSPA’s recent support for the goal of the Paris Agreement and its engagement on carbon pricing issues, advocating well-designed policies to reduce carbon emissions. WSPA has also increased its advocacy on the role of natural gas in the energy transition.

We have found WSPA to be aligned with our climate-related policy positions.

Shell will remain a member of WSPA. We will continue to engage WSPA on climate-related topics and will track alignment between its climate-related policy positions and our own.

Shell encourages WSPA to state support for nature-based solutions.
World Business Council for Sustainable Development (WBCSD)

Membership of board/executive committee: Shell is a member of the executive committee.

Climate-related policy review 2021: Alignment

Climate-related policy review 2019: Alignment

The Paris Agreement
WBCSD has stated support for the goal of the Paris Agreement.

Net-zero emissions
WBCSD has stated support for countries and businesses bringing greater ambition to limit global warming to 1.5°C and for developed countries to achieve net-zero emissions by no later than 2050.

WBCSD has stated support for the EU’s target to achieve climate neutrality by 2050.

Carbon pricing
WBCSD has stated support for carbon pricing.

Additional policies
WBCSD has stated support for additional policies, including clear and consistent policies and economic incentives to enable business to work towards and invest in a low-carbon future.

WBCSD’s Mobility Decarbonisation project aims to support investments, accelerate electrification of mobility, develop infrastructure and cut emissions in cities around the world.

The energy transition
WBCSD has not stated a detailed policy position on the role of natural gas or managing methane emissions.

WBCSD runs several projects to decarbonise energy use in buildings, transport and services.

WBCSD has stated that its REscale initiative aims to increase renewable energy deployment to achieve 3.5 terawatts of capacity by 2025.

Actions include engaging with policymakers on integrating renewables into electricity markets.

Carbon sinks
WBCSD has stated support for nature-based solutions.

WBCSD has stated positions that highlight the role that carbon capture and storage can play in tackling climate change.

Summary View
Shell benefits from its membership of WBCSD, which is an important platform for Shell to exchange information with businesses around the world on issues relating to sustainability.

In 2020, WBCSD launched its SOS 1.5 climate action roadmap to support companies in all sectors to work towards the 1.5°C goal. Participating companies must implement science-based climate action plans to reach net-zero emissions before 2050. Shell supports this project.

We also recognise the importance of WBCSD’s observer status within the UNFCCC.

We have found WBCSD to be aligned with our climate-related policy positions.

Shell will remain a member of WBCSD. We will continue to engage WBCSD on climate-related topics and will track alignment between its climate-related policy positions and our own.
ENDNOTES

1. www.shell.com/poweringprogress
2. The terms “partnership” and “partner” in this report are not used to describe a legal relationship.
12. www.shell.com/advocacy
17. In the USA, Shell's reported expenses related to lobbying practices were $7,150,000 in 2020. These can be accessed on http://disclosures.house.gov/ using the search criteria: House ID “316890000”. In the EU, Shell's reported “Estimated annual costs related to activities covered by the register” were €4,250,000 – 4,499,000 in 2020. Shell's submission to the EU Transparency Register can be accessed on europa.eu/transparencyregister/ by searching the ID-number: B616.
18. Shell is a member of the IOGP Management Committee, which is responsible for IOGP's overall strategy and direction.
19. Appointments to the board are subject to confirmation by the APPEA board.
20. Shell is a member of the EPRA board.
21. The figure represents payments to OGCI, it does not include contributions to OGCI Climate Investments.
22. Shell is a member of the OGCI executive committee. Shell is also a member of the OGCI Climate Investments board; OGCI Climate Investments is a separate entity owned by OGCI members that invests in commercially viable and scalable decarbonisation technologies and solutions.
23. 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.
24. The IETA council is also known as the board of directors. Appointments to the IETA council are subject to confirmation by the council and election by members at the IETA Annual General Meeting.
25. 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.
26. Shell is represented on the Queensland State Advisory Council of AI Group.
27. Shell is a member of the CME Executive Council, which has a consultative role. Shell is not a member of the CME executive committee.
28. A Shell employee is a member of IGU's executive committee but this position is not a Shell-designated position.
29. Where an association took a position in support of a government's net-zero emissions by 2050 target (in Canada, the EU and the UK), we considered this to be support for the goal of the Paris Agreement.
31. The 2019 report assessed these associations against our 2019 climate-related policy positions. The 2021 report assesses these associations against our 2020 climate-related policy positions.
32. Although memberships are held by separate Shell legal entities, for the purposes of this report we use the term “Shell”.
34. www.api.org/news-policy-and-issues/climate-change
35. www.globalenergyinstitute.org/oil-and-natural-gas
36. www.uschamber.com/climate-change-position
38. Shell's definition of clean hydrogen includes hydrogen made from renewable sources (usually referred to as green hydrogen) and hydrogen made from natural gas with carbon capture and storage (usually referred to as blue hydrogen).
39. We are working with broader coalitions and partnerships in accordance with applicable anti-trust requirements. The terms "partnership" and "partner" in this report are not used to describe a legal relationship.
ENDNOTES continued


263 www.cbi.org.uk/about-us/


274 www.vno-ncw.nl/over/vno-ncw/consultatie-co2-heffing-industrie-29-me-2020

275 www.vno-ncw.nl/brieven-en-commentaren/reactie-consultatie-co2-heffing-industrie-29-me-2020

276 Net-zero greenhouse gas emissions is referred to as climate neutrality in the EU context.


278 www.vno-ncw.nl/brieven-en-commentaren/reactie-consultatie-co2-heffing-industrie-29-me-2020


284 eurogas.org/about-eurogas/


286 Net-zero greenhouse gas emissions is referred to as climate neutrality in the EU context.


296 ert.eu/about/

297 ert.eu/about/


299 Net-zero greenhouse gas emissions is referred to as climate neutrality in the EU context.


306 ert.eu/documents/ert-statement-on-sectoral-approaches/


309 www.fuelseurope.eu/about-us/mission/


312 www.fuelseurope.eu/policy-priorities/climate-energy/industry-strategy/


315 www.fuelseurope.eu/policy-priorities/climate-energy/industry-strategy/

316 www.fuelseurope.eu/policy-priorities/climate-energy/industry-strategy/

317 www.fuelseurope.eu/policy-priorities/climate-energy/industry-strategy/


319 www.fuelseurope.eu/about-us/115-2/


321 Net-zero greenhouse gas emissions is referred to as climate neutrality in the EU context.

322 ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/1208-Climate-Law/F514944

323 ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/1208-Climate-Law/F514944


326 ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/1208-Climate-Law/F514944


331 ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/1208-Climate-Law/F514944

332 www.iata.org/en/about/

333 www.iata.org/en/pressroom/pr/2015-12-12-01/

334 The International Civil Aviation Organization (ICAO), a United Nations agency, has the mandate to address international civil aviation issues, including climate. Therefore, aviation is not directly included within the Paris Agreement, but has its own internationally harmonised framework of actions to decarbonise the sector.


336 aviationbenefits.org/media/167187/w2050_full.pdf

337 aviationbenefits.org/media/167187/w2050_full.pdf


340 www.iata.org/en/programs/environment/carbonate-

341 www.iata.org/en/programs/environment/carbonate-

342 www.iata.org/en/programs/environment/carbonate-

343 www.iata.org/en/programs/environment/carbonate-offset-

344 aviationbenefits.org/media/167187/w2050_full.pdf

345 IOGP Europe was established in 2021 with its own board of directors, of which Shell is a member in addition to it being a member of the IOGP management committee. For the purpose of this report, since IOGP Europe remains subordinate to the global IOGP organisation, IOGP will be considered as one industry association, with any specific geographic differences in IOGP positions identified in the text.

346 www.iogp.org/about-us/

347 www.iogp.org/about-us/

348 www.iogp.org/blog/post-statements/climate-change-ijogp-position-paper/

349 Net-zero greenhouse gas emissions is referred to as climate neutrality in the EU context.


352 gtw1h238bgv3dmbvo37kcoow-wpengine.netdna-ssl.com/wp-content/uploads/2020/05/Moving-Together-Into-Tomorrow.pdf


354 www.methaneguidingprinciples.org/signatories-and-supporting-organisations


356 www.oilandgaseurope.org/#section-our-way-forward

357 gtw1h238bgv3dmbvo37kcoow-wpengine.netdna-ssl.com/wp-content/uploads/2020/05/Moving-Together-Into-Tomorrow.pdf

358 The IETA council is also known as the board of directors. Appointments to the IETA council are subject to confirmation by the council and election by members at the IETA annual general meeting.
359 www.ieta.org/Our-Mission/
360 www.ieta.org/Our-Mission/
361 Net-zero greenhouse gas emissions is referred to as climate neutrality in the EU context.
363 www.ieta.org/About-IETA
364 www.ieta.org/Our-Principles
365 www.ieta.org/Our-Principles
366 www.ieta.org/Our-Mission/
367 ncs.ieta.org/
368 A Shell employee is a member of IGU’s executive committee but this position is not a Shell-designated position.
369 www.igu.org/about/#overview
373 www.igu.org/resources/gas-technology-and-innovation-for-a-sustainable-future/
374 www.igu.org/resources/gas-technology-and-innovation-for-a-sustainable-future/
375 ieta.org/news/ieta-responds-methane/
376 www.methaneprinciples.org/signatories-and-supporting-organisations
379 www.ipieca.org/about/
381 www.ipieca.org/about/us/
388 www.ngsa.org/about-us/
391 www.ngsa.org/issues/natural-gas-for-electricity/
392 www.ngsa.org/partnering-with-renewables/
395 www.ngsa.org/we-are-committed-to-sustainability-and-stewardship-of-land-and-water/
396 oilandgasuk.co.uk/about/
400 oilandgasuk.co.uk/wp-content/uploads/2020/12/Economic-Report-2020-OGUK.pdf
405 roadmap2035.co.uk/roadmap-2035/supporting-net-zero/supporting-key-actions/
407 oilandgasclimateinitiative.com/about-us/
408 OGCI Climate Investments does not engage in advocacy activities.
409 oilandgasclimateinitiative.com/about-us/
410 oilandgasclimateinitiative.com/?s=net+zero
411 oilandgasclimateinitiative.com/about-us/ogci-position-papers/
The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate legal entities. In this presentation “Shell”, “Shell Group” and “Group” are sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, the words “we”, “us” and “our” are also used to refer to Royal Dutch 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 presentation refer to entities over which Royal Dutch 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. 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.

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, Shell’s operating plans, outlooks, budgets and pricing assumptions do not reflect our net-zero emissions target. In the future, as society moves towards net-zero emissions, we expect Shell’s operating plans, outlooks, budgets and pricing assumptions to reflect this movement.

This document 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 Royal Dutch 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 Royal Dutch 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”, “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 Royal Dutch Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this presentation, 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, fiscal and regulatory developments including regulatory measures addressing climate change; and (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 presentation 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 Royal Dutch Shell’s Form 20-F for the year ended December 31, 2020 (available at www.shell.com/investors and www.sec.gov). These risk factors also expressly qualify all forward-looking statements contained in this presentation and should be considered by the reader. Each forward-looking statement speaks only as of the date of this presentation, April 7, 2021. Neither Royal Dutch 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 presentation. We may have used certain terms, such as resources, in this presentation 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. The content of websites referred to in this document do not form part of this document.
CHECK OUR LATEST NEWS

@SHELL

Follow @Shell on Twitter
www.facebook.com/shell

ALL OUR REPORTS ARE AVAILABLE AT HTTP://REPORTS.SHELL.COM

- Comprehensive financial information on our activities throughout 2020
- Detailed information on Shell’s taxes
- Reports on our progress in contributing to sustainable development