



SHELL USE OF 'COMPLEMENTARY MEASURES' FOR DECARBONISATION

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Xavier Riera-Palou, CO₂ Strategy manager

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Shell Strategy on Climate Change + Low Carbon Activity

Gas



Energy Efficiency



Biofuels



Carbon Capture & Storage



Tools for portfolio CO₂ management

Basis for influencing CO₂ resilience

Robust
assets

Competitive
products

Current tools and where they apply

CO₂ Performance
Standards

\$40 CO₂ PSV

Business CO₂
strategies

Largest new projects

Largest existing assets

\$40/tonne CO₂ PSV key to ensuring a CO₂-resilient portfolio

Intent is to:

- Quantify long-term explicit *and* implicit cost signals from governments.
- Prompt a deeper discussion on risk with most exposed projects.
- Drive design choices to develop a resilient portfolio ...and assure investors of that.

What it is

Ensure portfolio is resilient

Mandatory in base case economics

Risk of our assets' operations

Owned by Group CO₂

What it is not

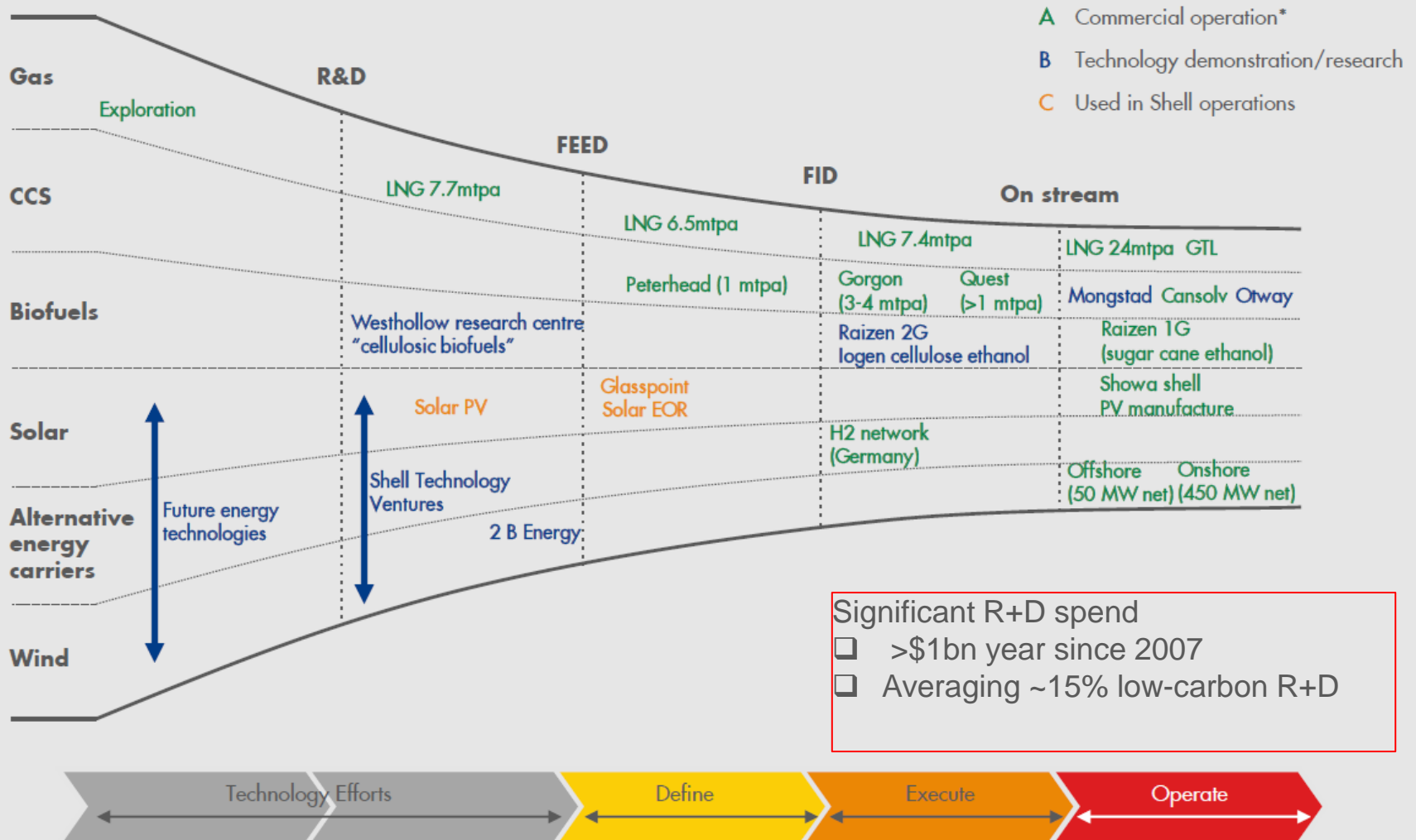
Price forecast

Optional sensitivity case

Risks from our products

Negotiable by projects

Low Carbon R+D and Investment Strategies



* Volumes in Shell share

Public Policy Position and Memberships

Pro-active advocacy:

- A meaningful price on carbon
- Government support for early stage low carbon technologies
- Explore plausible futures in Shell scenarios
- Work with governments on energy transitions

Member of / supported:

- World Bank Carbon Pricing statement (2014)
- World Bank Zero routine flaring initiative
- International Emissions Trading Association
- Prince of Wales Corporate Leaders Group
- Zero Emissions Platform
- WEF Oil & Gas Climate Initiative



