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 CO$_2$ management

Basis for influencing CO$_2$ resilience

Robust assets

Competitive products

Current tools and where they apply

- CO$_2$ Performance Standards
- $40$ CO$_2$ PSV
- Business CO$_2$ 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.

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<thead>
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<th>What it is</th>
<th>What it is not</th>
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<tr>
<td>Ensure portfolio is resilient</td>
<td>Price forecast</td>
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<td>Mandatory in base case economics</td>
<td>Optional sensitivity case</td>
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<td>Risk of our assets’ operations</td>
<td>Risks from our products</td>
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<td>Owned by Group CO₂</td>
<td>Negotiable by projects</td>
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Significant R+D spend
- $>1$bn year since 2007
- Averaging ~15% low-carbon R+D

*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 Zero routine flaring initiative
- International Emissions Trading Association
- Prince of Wales Corporate Leaders Group
- Zero Emissions Platform
- WEF Oil & Gas Climate Initiative