

SDG7 Energy Compact of Shell A next Decade Action Agenda to advance SDG7 on sustainable energy for all, in line with the goals of the Paris Agreement on Climate Change

SECTION 1: AMBITION

SECTION 1: AMBITION I.1. Ambitions to achieve SDG7 by 2030. [Please select all that apply, and make sure to state the baseline of each target]		
	NDCs, energy policies, national five-year plans etc. targets for companies/organizations could be based on their corporate strategy)	
☑ 7.1. By 2030, ensure universal access to affordable, reliable and modern energy services.	 Target(s): i. By 2030, our ambition is to provide reliable electricity to 100 million people in emerging markets, who do not yet have it. ii. Beyond our commercial activities, Shell's Social Investment teams aim to develop market-based programmes that provide <u>access to clean</u> and affordable energy for some of the world's most remote and vulnerable people. 	
	Time frame: 2030	
	Context for the ambition(s): Shell is committed to supporting new energy access to populations in Africa and Asia. Our purpose to power progress together with more and cleaner energy solutions also means that we are making a conscious effort to expand the energy choices available to those who lack reliable access to power.	
	Beyond our commercial activities, Shell's social investment teams develop market-based programmes that provide access to clean and affordable energy for some of the world's most remote and vulnerable people. This includes identifying sustainable pathways to extend the benefits of cleaner and safer energy access to refugees and their host communities.	
	Also, Shell recognizes that the adverse socio-economic consequences of COVID-19 is reversing progress towards ensuring universal access to energy. To help address this, Shell has already granted \$1.7 million to six renewable energy companies providing energy in India, Kenya, Nigeria, Sierra Leone, Tanzania, and Uganda to help support customers in financial difficulty because of the pandemic.	
☑ 7.2. By 2030, increase substantially the share of renewable energy in the global energy mix.	Target(s): <u>Achieving our climate target</u> could mean that, by 2030, we are: providing enough renewable electricity for 50 million households; operating more than 2.5 million charging points for electric vehicles; producing eight times more low-carbon fuels; and increasing the amount of biofuels and hydrogen in the transport fuels we sell to 10%, from 3% today.	
	Time frame: 2030	
	Context for the ambition(s): Shell will work with customers and across sectors to accelerate the transition to net-zero emissions, in step with society. Shell's Powering Progress Strategy supports the most ambitious goal of the Paris Agreement on climate change to limit the global temperature rise to 1.5° Celsius.	
7.3. By 2030, double the global rate of improvement in energy efficiency.	Target(s): Time frame: Context for the ambition(s):	
□ 7.a. By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.	Target(s): Time frame: Context for the ambition(s):	

	□ 7.b. By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programs of support.	Target(s): Time frame: Context for the ambition(s):
	programs or support.	
.2.	Other ambitions in support of SDG7 by 20	030 and net-zero emissions by 2050. [Please describe below e.g., coal phase out or reforming fossil fuel subsidie
	Target(s):	
	Powering Progress supports the most ambin	tious goal of the Paris Agreement on climate change to limit the global temperature rise to 1.5° Celsius. Shell aims to:
	1.2.1 Reduce the carbon intensity (Net Ca	arbon Footprint) of the energy products we sell by 20% by 2030, 45% by 2035, & 100% by 2050 (compared to 2016), in st
	1.2.2 By 2030, operate more than 2.5 mill	ion charging points for electric vehicles.
	1.2.3 Have a positive impact on biodiversi	ty.
	1.2.4 Conserve fresh water by reducing co	onsumption and increasing reuse and recycling.
	1.2.5 Use resources and materials efficier	ntly and increase reuse and recycling.
	1.2.6 Help improve air quality by reducing	emissions from our operations and providing cleaner ways to power transport and industry.
	Time frame: 2030, 2035, 2050	
		ge is an urgent challenge. It requires a fundamental transformation of the global economy, and the energy system, so that mosphere, achieving what is known as net-zero emissions.
		sions energy business by 2050, in step with society's progress in achieving the goal of the UN Paris Agreement on climate ge laid out in the Paris Agreement: to limit the rise in average global temperature to 1.5°Celsius.
	•	at will drive down carbon emissions as we make progress towards our 2050 target, linked to the remuneration of more th In intensity the energy products we sell by 100% by 2050 (compared to 2016), in step with society.
	helping governments and societies to achie	s been an integral part of the way we do business for many years. We are building on our existing commitments and pract ve the SDGs. Our new environmental framework, launched in 2021, focuses on four priority areas: biodiversity , water , o 2030 and later, as well as shorter-term goals.
	Further details on Shell's Net Carbon Footp	rint are available here and relevant biodiversity definitions are available at shell.com/biodiversity.

ies etc.]	
step with society.	
at society stops adding to the	
te change. This supports the	
han 16,500 staff. This includes	
ctices and will play our part in circular economy and waste ,	

SECTION 2: ACTIONS TO ACHIEVE THE AMBITION

Descriptic Ambition	on of action (please specify for which ambition from Section 1)	Start and end date 2021/2030
i.	Strong partnerships are essential to deliver sustainable, impactful and relevant energy access solutions. Shell works with a range of local and international NGOs, humanitarian organizations, SMEs and social enterprises to extend the benefits of energy access to remote and vulnerable communities around the world. Some of these include Mercy Corps, Pact, UN International Organization for Migration Mozambique (IOM) and the UN World Food Programme Egypt (WFP)."	2021/2030
ii.	Additionally, providing energy choices for displaced people is far too complex a challenge for one country, community or company to solve. That is why Shell is collaborating with humanitarian and private sector partners to offer access to more and cleaner energy choices.	
Descriptic	on of action (please specify for which ambition from Section 1) 7.2:	Start and end date Implementation in progress
We aim to	o invest on average \$2-3 billion each year in our Renewables and Energy Solutions business.	
Ambition		Start and end date Implementation in progress
	Progress supports the most ambitious goal of the Paris Agreement on climate change to limit the global temperature rise to 1.5° Celsius, for we aim to:	
i.	By 2030, end the routine flaring of gas from assets we operate.	
ii.	Secure access to an additional 25 million tonnes a year of carbon capture and storage (CCS) capacity by 2035 – equal to 25 CCS facilities the size of our <u>Quest site in Canada</u> .	
iii.	Invest around \$100 million per annum in nature-based solutions such as forests and wetlands that store carbon.	
Descriptic Ambition	on of action (please specify for which ambition from Section 1)	Start and end date Implementation in progress
i.	Our new projects in areas rich in biodiversity – critical habitats – will be designed to have a net positive impact on biodiversity, starting implementation in 2021.	
ii.	Our nature-based solutions projects, which protect, transform or restore land, will be designed to have a net positive impact on biodiversity, starting implementation in 2021.	
iii.	We will replant forests, achieving net-zero deforestation from new activities, while maintaining biodiversity and conservation value, starting implementation in 2022.	
•	on of action (please specify for which ambition from Section 1)	Start and end date
Ambition i.	1.2.4: We will reduce the amount of fresh water consumed in our facilities, starting by reducing fresh-water consumption by 15% by 2025 compared with 2018 levels in areas where there is high pressure on fresh-water resources.	Implementation in progress
ii.	We will assess options for further reduction goals by the end of 2022.	
Descriptio	on of action (please specify for which ambition from Section 1)	Start and end date
Ambition i.		Implementation in progress
ii.	 We will work with our suppliers and contractors to help end plastic waste in the environment: By 2030, we will increase the amount of recycled plastic in our packaging to 30% and ensure that the packaging we use for our products is reusable or recyclable. 	
	 We will increase the amount of recycled materials used to make our products, starting with plastics. Our ambition is to use one million tonnes of plastic waste a year in our global chemicals plants by 2025. 	

Ambition 1.2.6:

We are helping to improve air quality by reducing emissions from our operations and providing cleaner ways to power transport and industry.

SECTION 3: OUTCOMES – further details forthcoming

3.1. Please add at least one measurable and time-based outcome for each of the actions from section 2. [Please add rows as needed].

Outcome	Date
Ambition 7.1:	
Further details forthcoming i.	
Outcome	Date
Ambition 7.2:	
Further details forthcoming	
Outcome	Date
Ambition 1.2.1:	
Further details forthcoming	
Outcome	Date
Ambition 1.2.3:	
Further details forthcoming	
Outcome	Date
Ambition 1.2.4:	
Further details forthcoming	
Outcome	Date
Ambition 1.2.5:	
Further details forthcoming	
Outcome	
Ambition 1.2.6:	
Further details forthcoming	
3	

Start and end date
Implementation in progress

SECTION 4: REQUIRED RESOURCES AND SUPPORT

4.1. Please specify required finance and investments for **<u>each</u>** of the actions in section 2.

4.2. [For countries only] In case support is required for the actions in section 2, please select from below and describe the required support and specify for which action.

[Examples of support for Member States could include: Access to low-cost affordable debt through strategic de-risking instruments, capacity building in data collection; development of integrated energy plans and energy transition pathways; technical assistance, etc.]

	□Financing	Description
	□ In-Kind contribution	Description
-	□ Technical Support	Description
	⊠ Other/Please specify	Description We're open to collaborative discussions with relevant governments and multilateral stakeholders to accelerate EA investments an of NZE 2050

SECTION 5: IMPACT

5.1. Countries planned for implementation including number of people potentially impacted.

Further details are available here:

https://www.shell.com/sustainability/communities/access-to-energy/access-to-energy-investing-in-communities.html#iframe=L3dlYmFwcHMvYWNjZXNzX3RvX2VuZXJneV9nbG9iZS8

5.2. Alignment with the 2030 Agenda for Sustainable Development – Please describe how <u>each</u> of the actions from section 2 impact advancing the SDGs by 2030. [up to 500 words, please upload supporting strategy documents as needed]

Further details are available here:

1/ https://www.shell.com/powering-progress.html#iframe=Lw

2/ https://www.shell.com/sustainability/our-approach/un-sustainable-development-goals.html#vanityaHR0cHM6Ly93d3cuc2hlbGwuY29tL3NkZ3MuaHRtbA=true&iframe=L3dIYmFwcHMvc2hlbGwtc2RnLw

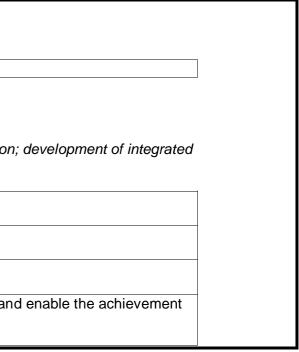
5.3. Alignment with Paris Agreement and net-zero by 2050 - Please describe how <u>each</u> of the actions from section 2 align with the Paris Agreement and national NDCs (if applicable) and support the net-zero emissions by 2050.

[up to 500 words, please upload supporting strategy documents as needed]

Further details are available here:

1/ https://www.shell.com/powering-progress.html#iframe=Lw

2/ https://www.shell.com/energy-and-innovation/the-energy-future/our-climate-target.html#vanityaHR0cHM6Ly93d3cuc2hlbGwuY29tL2VuZXJneS1hbmQtaW5ub3ZhdGlvbi90aGUtZW5lcmd5LWZ1dHVyZS9zaGVsbHMtYW1iaXRpb24tdG8tYmUtYS1uZXQtemVyby1lbWlzc2lvbnMtZW5lcmd5LWJ1c2luZ XNzLmh0bWw=true&iframe=L3dIYmFwcHMvY2xpbWF0ZV9hbWJpdGlvbi8



SECTION 6: MONITORING AND REPORTING

6.1. Please describe how you intend to track the progress of the proposed outcomes in section 3. Please also describe if you intend to use other existing reporting frameworks to track progress on the proposed outcomes.

In partnership with UN-Energy, and to enable achievement and tracking of this Energy Compact, Shell is committed to transparency in support of measuring progress on this Energy Compact.

SECTION 7: GUIDING PRINCIPLES CHECK LIST

Please use the checklist below to validate that the proposed Energy Compact is aligned with the guiding principles.

I. Stepping up ambition and accelerating action - Increase contribution of and accelerate the implementation of the SDG7 targets in support of the 2030 Agenda for Sustainable Development for Paris Agreement

I. 1. Does the Energy Compact strengthen and/or add a target, commitment, policy, action related to SDG7 and its linkages to the other SDGs that results in a higher cumulative impact compared to existing frameworks?

⊠Yes □No

I.2. Does the Energy Compact increase the geographical and/or sectoral coverage of SDG7 related efforts? \square Yes \square No

1.3. Does the Energy Compact consider inclusion of key priority issues towards achieving SDG7 by 2030 and the net-zero emission goal of the Paris Agreement by 2050 - as defied by latest global analysis and data including the outcome of the Technical Working Groups? \boxtimes Yes \Box No

II. Alignment with the 2030 agenda on Sustainable Development Goals - Ensure coherence and alignment with SDG implementation plans and strategies by 2030 as well as national development plans and priorities.

II.1. Has the Energy Compact considered enabling actions of SDG7 to reach the other sustainable development goals by 2030? \boxtimes Yes \square No

II.2. Does the Energy Compact align with national, sectoral, and/or sub-national sustainable development strategies/plans, including SDG implementation plans/roadmaps? 🛛 Yes 🗆 No

II.3. Has the Energy Compact considered a timeframe in line with the Decade of Action? \boxtimes Yes \Box No

III. Alignment with Paris Agreement and net-zero by 2050 - Ensure coherence and alignment with the Nationally Determined Contributions, long term net zero emission strategies.

III.1. Has the Energy Compact considered a timeframe in line with the net-zero goal of the Paris Agreement by 2050? \boxtimes Yes \Box No

III.2. Has the Energy Compact considered energy-related targets and information in the updated/enhanced NDCs? \boxtimes Yes \square No

III.3. Has the Energy Compact considered alignment with reaching the net-zero emissions goal set by many countries by 2050? \boxtimes Yes \Box No

IV. Leaving no one behind, strengthening inclusion, interlinkages, and synergies - Enabling the achievement of SDGs and just transition by reflecting interlinkages with other SDGs.

IV.1. Does the Energy Compact include socio-economic impacts of measures being considered? ⊠Yes □No

IV.2. Does the Energy Compact identify steps towards an inclusive, just energy transition? \boxtimes Yes \square No

IV.3. Does the Energy Compact consider measures that address the needs of the most vulnerable groups (e.g. those impacted the most by energy transitions, lack of energy access)? \boxtimes Yes \square No

V. Feasibility and Robustness - Commitments and measures are technically sound, feasible, and verifiable based a set of objectives with specific performance indicators, baselines, targets and data sources as needed.

V.1. Is the information included in the Energy Compact based on updated quality data and sectoral assessments, with clear and transparent methodologies related to the proposed measures? \boxtimes Yes \square No

V.2. Has the Energy Compact considered inclusion of a set of SMART (specific, measurable, achievable, resource-based and time based) objectives? 🛛 Yes 🗆 No

V.3. Has the Energy Compact considered issues related to means of implementation to ensure feasibility of measures proposed (e.g. cost and financing strategy, technical assistant needs and partnerships, policy and regulatory gaps, data and technology)? \boxtimes Yes \square No

SECTION 8: ENERGY COMPACT GENERAL INFORMATION

8.1. Title/name of the Energy Compact

Decade of Action Agenda to advance SDG7 on sustainable energy for all, in support of all SDGs and in line with the goals of the Paris Agreement

8.2. Lead entity name (for joint Energy Compacts please list all parties and include, in parenthesis, its entity type, using entity type from below)

Shell		
8.3. Lead entity type		
□ Government	□ Local/Regional Government	□ Multilateral body /Intergov
□ Non-Governmental Organization (NGO)	□ Civil Society organization/Youth	□ Academic Institution /Scie
☑ Private Sector	Philanthropic Organization	□ Other relevant actor

8.4. Contact Information

Charlotte Blommestijn - C.Blommestijn@shell.com

8.5. Please select the geographical coverage of the Energy Compact

□Africa □Asia and Pacific □Europe □Latin America and Caribbean □North America □West Asia ⊠Global

8.6. Please select the Energy Compact thematic focus area(s)

Energy Access Energy Transition Enabling SDGs through inclusive just Energy Transitions Innovation, Technology and Data Finance and Investment.

SECTION 9: ADDITIONAL INFORMATION (IF REQUIRED)

Please provide additional website link(s) on your Energy Compact, which may contain relevant key documents, photos, short video clips etc.

Shell powers lives globally through providing vital energy for homes, businesses, transport, cooking, heating and lighting. We recognize the need to significantly increase the scale and speed of actions necessary to achieve sustainable, universal energy access, in support of all SDGs and in line with the goals of the Paris Agreement on Climate Change.

This Energy Compact is a living document to be reviewed over time as Shell further develops and operationalizes its Powering Progress strategy.

In line with our <u>Powering Progress Strategy</u>, Shell is committed to the following principles:

- Shell recognizes energy's fundamental connection to delivering the Sustainable Development Goals, and aims to contribute to actions that can help achieve SDG7 and to reduce inequality, enhance quality of life, and improve human development
- Shell supports the achievement of universal access to sustainable energy by 2030 by taking targeted actions to enable strategic collaborations and catalyze sustainable energy solutions, to deliver this goal.
- Shell is committed to support the energy transition, including through strategic collaborations and investments which enable the ambitions presented in this Energy Compact. Tackling climate change is one of the crucial challenges facing the world today. Our Powering Progress strategy, which we launched in February 2021, sets out how Shell can play a leading role in helping society to meet this challenge.
- Shell supports transparency in the collection, development and sharing of data, linked to SDG7 indicators and energy transition.

We welcome the UN's 17 Sustainable Development Goals (SDGs) and will play our part in helping governments and societies to achieve them. These goals were one of the key considerations in the development of our Powering Progress strategy announced in 2021.

Powering Progress sets out Shell's strategy to accelerate the transition of our business to net-zero emissions in 2050, in step with society. It is designed to integrate sustainability into our business strategy.

Becoming a net-zero emissions energy business means that we are reducing emissions from our operations, and from the fuels and other energy products we sell to our customers. It also means capturing and storing any remaining emissions using technology or balancing them with offsets.

We are transforming our business and finding new opportunities - providing more low-carbon energy such as biofuels, hydrogen, charging for electric vehicles and electricity generated by solar and wind power.

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cientific Community	
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7 and to reduce inequality, enhance quality inable energy solutions, to deliver this goal. y Compact. Tackling climate change is one in helping society to meet this challenge. the key considerations in the development ainability into our business strategy. customers. It also means capturing and icity generated by solar and wind power. Disclaimer: On 26 May 2021, the District Court in The Hague, NL handed down its judgment (the "Judgment") in a case filed against RDS by several plaintiffs. The District Court ordered RDS, both directly and via the companies and legal entities it commonly includes in its consolidated annual accounts and with which it jointly forms the Shell group, to limit or cause to be limited the aggregate annual volume of all CO2 emissions into the atmosphere (Scope 1, 2 and 3) due to the business operations and sold energy-carrying products of the Shell group to such an extent that this volume will have reduced by at least net 45% at end 2030, relative to 2019 levels. RDS continues to review and assess the Court's written opinion. Accordingly, this document is not reflective of the Court's recent decision.

Legal Disclaimer: The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate legal entities. In this content "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 content 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.

This content contains forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995) concerning the financial condition, results of operations and businesses of - Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Shell to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as "aim", "ambition", "anticipate", "believe", "could", "estimate", "expect", "goals", "intend", "may", "milestones" "objectives", "outlook", "plan", "probably", "project", "risks", "schedule", "seek", "should", "target", "will" and similar terms and phrases. There are a number of factors that could affect the future operations of Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this content, 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; (i) legislative, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (I) 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 content 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 plc'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 gualify all forward-looking statements contained in this content and should be considered by the reader. Each forward-looking statement speaks only as of the date of this content, [September 1st, 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 content. We may have used certain terms, such as resources, in this content 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 content does not form part of this announcement.

Also, in this content we may refer to Shell's "Net Carbon Footprint", which includes Shell's carbon emissions from the production of our energy products, our suppliers' carbon emissions in supplying energy for that production and our customers' carbon emissions associated with their use of the energy products we sell. Shell only controls its own emissions. The use of the term Shell's "Net Carbon Footprint" is for convenience only and not intended to suggest these emissions are those of Shell or its subsidiaries. Shell's operating plan, outlook and budgets are forecasted for a ten-year period and are updated every year. They reflect the current economic environment and what we can reasonably expect to see over the next ten years. Accordingly, 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.