

Shell¹ Response to the Presidency Led Initiative The Belém Mission to 1.5

We welcome the opportunity to provide a response on the Presidency-led initiative *The Belém Mission to 1.5*. As requested, this will include identifying the highest impact action areas and solutions to enable/accelerate the ambition/implementation of Nationally Determined Contributions (NDCs) and priorities to further strengthen international cooperation.

According to the IPCC², UNEP³, and IEA⁴, the world is not currently on track to limit warming to 1.5°C without significant overshoot. The IEA in its World Energy Outlook 2025 indicated that the world is currently heading towards outcomes above 1.5 °C. Similarly, the UNEP Emissions Gap Report 2025 notes that contemporary 1.5°C pathways now imply greater temporary exceedance of the temperature target⁵. Therefore, deep emissions reductions and the continued rapid scaling of low carbon technologies are needed, which is currently not happening at the pace and scale required.

There is a need for pragmatic and actionable policies by governments. This includes translating NZE targets into comprehensive policy frameworks to achieve national NZE goals. There is a need for strengthened NDCs that deliver an emissions reduction pathway consistent with national NZE targets, while ensuring security of supply.

One of the highest impact action areas and solutions to strengthen NDCs is developing carbon reductions and removals at scale. As the IPCC highlights, *carbon dioxide removal (CDR) is required to limit global warming to 1.5°C and CDRs will be necessary to achieve net negative CO₂ emissions*⁶. The scale required is significant – with ranges between 8-10 Gt by 2050 by UNEP and the National Academy of Sciences⁷. In Shell's view, CO₂ needs to be captured and stored at large point sources and an ambitious program of both natural and industrial removal of CO₂ from the atmosphere should be implemented. As the IPCC notes, CDR is *an essential element of scenarios that limit warming to 1.5°C or below 2°C (>67%) by 2100, regardless of whether global emissions reach near zero, net zero or net negative levels* and these are assuming large deployment compared to today⁸. This includes but is not limited to implementing policy and regulatory frameworks to support broad scale deployment of CDRs, strong government incentives for projects, robust carbon pricing schemes which include CCS based emissions reductions and removals as compliances pathways, and transparent, clear and streamlined processes for permitting and licensing across value chains.

It is also important to recognize that not all countries (and NDCs) will have the same access or capacity to develop these carbon reductions and removals⁹. As the IPCC highlights, *the technical geological storage capacity is estimated to be on the order of 1000 Gt CO₂, which is more than the CO₂*

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² [IPCC Climate Change Synthesis Report Summary for Policy Makers](#) – Page 10

³ [UNEP Emissions Gap Report 2025: Off target - Continued collective inaction puts global temperature goal at risk](#) – Page 2

⁴ [IEA World Energy Outlook 2025](#) – Page 4

⁵ [UNEP Emissions Gap Report 2025: Off target - Continued collective inaction puts global temperature goal at risk](#) – Page xii

⁶ [IPCC AR6 WGIWG Factsheet CDR](#) – Page 1 and 2

⁷ [Carbon Dioxide Removal - Center for Climate and Energy Solutions](#) – Page N/A (website)

⁸ [IPCC AR6 WGIWG Full Report](#) – Page 114

⁹ [Oxford Institute of Energy Studies. How Carbon Trading Can Unlock Carbon Dioxide Removals](#) – Page 6

storage requirements through 2100 to limit global warming to 1.5°C, although the regional availability of geological storage could be a limiting factor^{10,11}. In order to overcome this regional limitation, the priorities to further strengthen international cooperation include deploying carbon trading, and Article 6, at scale. While the capacity to grow reductions and removals exists, in Shell's view it needs to be complemented with a carbon trading mechanism that can allow for reductions and removals to grow to scale and be used across governments. 89% of NDCs already indicate that governments plan or may use Article 6, but in Shell's view this should be complemented by efforts to operationalize the mechanism at speed and scale as it can help drive decarbonization across countries and support meeting NDC targets¹². Countries, including Singapore, Japan, Switzerland, have recognized that they have limited capacity to develop removals domestically and as such have been early movers in utilizing Article 6 and carbon trading.

Operationalizing the Article 6 mechanism at scale will require policy support and NDC clarity. IETA – of which Shell is a member - has highlighted that this includes but is not limited to¹³:

- explicitly communicate the intent to use Article 6 mechanisms, describing whether the country intends to be a buyer, seller, or both, and identify potential sectors and/or mitigation activities that may be prioritised for Article 6 finance and articulate how and why they may support the achievement of national climate goals in the current NDC period as well as in the longer-term;
- quantify and earmark a carbon budget or emissions trajectory consistent with the NDC for Article 6 authorisation to provide clear and early signals to investors and project developers;
- develop clear processes for authorising cooperative approaches and issuing Letters of Authorization and processes to fulfil reporting obligations, including: publication of LoAs; submission of the Initial Report (IR) and the annual Agreed Electronic Form (AEF) to the UNFCCC; integration of Article 6 activities in the Biennial Transparency Report (BTR) to the UNFCCC; any additional reporting requirements established at the national level
- embed Article 6 activities and transactions into Long Term Low-Emission Development Strategies (LT LEDS) to ensure the impact of Article 6 activities beyond the current NDC cycle are fully understood and tracked
- ensuring funding related to the infrastructure and processes under Article 6.2 are addressed and resourced without delay

Building a major global industry to capture and store CO₂ and to remove CO₂ from the atmosphere now sits at the heart of society meeting the goal of the Paris Agreement as outlined in Article 1.1(a). The transition to a low carbon economy is underway and accelerating, but it isn't sufficient. As highlighted above, in Shell's view the scale up of reductions/removals and carbon trading should be developed at global scale to meet the goals of the Paris Agreement.

The energy transition will require multiple levers, with carbon dioxide reductions and removals being one of the crucial components of the solution, alongside comprehensive, coherent and consistent policy frameworks that will support decarbonisation in key sectors.

¹⁰ [IPCC Climate Change Synthesis Report Summary for Policy Makers](#) – Page 21

¹¹ The same rationale applies to nature based solutions.

¹² [2025 NDC Synthesis Report | UNFCCC](#) – Page 5

¹³ [IETA – Scaling up NDC 3.0 Ambition Through Article 6](#) – Page 5