

Ben van Beurden

**Chief Executive Officer
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Ms. Patricia Espinosa
Executive Secretary, UNFCCC,
UN Campus,
Platz der Vereinten Nationen 1,
53113 Bonn,
Germany

November 28, 2017

Dear Ms. Espinosa,

I am writing to let you know about an announcement we are making today concerning Shell's aspirations for the future.

As you know, Shell supports the Paris Agreement and its goal of keeping the rise in global temperatures below 2°C, and our plan is to thrive in the energy transition.

This means responding to the great global challenge of meeting growing energy demand while reducing CO2 emissions. To achieve the goals laid out in the Paris Agreement, society will need to reduce its CO2 footprint – the amount of CO2 produced per unit of energy consumed – by around half by 2050.

Today Shell is announcing an ambition to bring down the net footprint of our energy products (expressed in grams of CO2 equivalent per Megajoule consumed) by around half by 2050. As an interim goal, we aim to reduce it by around 20% by 2035 – an ambition that we believe is compatible with a 2°C roadmap.

This ambition includes emissions direct from Shell operations, emissions caused by third parties who supply energy for that production and emissions caused by the use of our products by consumers, as well as activities that reduce or offset CO2 emissions – meaning we aim to help customers reduce their own emissions through the solutions we offer.

We are also including emissions from parts of our supply chain that are not owned by Shell, such as from oil and gas processed by Shell, but not produced by us, or from oil products marketed by Shell that have not been processed in a Shell facility.

We will publish an annual update on our progress towards lowering our net carbon footprint per unit of energy consumed and we will review progress against the world energy system every five years to make sure the company is in step with society.

At this point, so early in the transition, it would be unwise to commit to an exact mix of measures to get to our ambition. There is still too much uncertainty around future policies and what technological change may bring.

However, we expect that meeting the ambition will, over time, involve extending many of our existing activities. This will include: providing lower-carbon fuels like biofuels and hydrogen to customers; driving demand for battery electric vehicles by growing the number of charging points; developing gas markets for power and transport; and providing renewable power from solar and wind. We also plan to pursue further operational efficiencies in our assets and will seek to develop carbon capture and storage. And increasingly we will work with nature, forests and wetlands, to help compensate for those emissions from uses where alternatives do not yet exist or will take time to scale.

These efforts will require well-targeted regulation, support for technological innovation and clear long-term policy frameworks that give strong investment signals and drive different choices and behaviours across the economy. Shell will continue to work with governments to help shape the policy frameworks that promote the decarbonisation of all sectors of the economy without unwanted side effects.

All of us recognise that the challenge of tackling climate change can only be met through a cross-generational, multi-faceted approach to which we all contribute and around which we all collaborate. Today's announcement represents a further step forward in how Shell intends to play its part in helping to make the Paris Agreement a success.

I look forward to the opportunity of meeting you again soon and discussing our aspirations in more detail.

Yours sincerely,

