

Royal Dutch Shell plc

Mr. Frans Timmermans
Executive Vice-President of the European Commission
Rue de la Loi
1049 Brussels
Belgium

10 March 2021

Re: Upcoming "Fit for 55%" Package / The Case for Sectoral Roadmaps to NZE / Shell's Powering Progress Strategy

Dear Executive Vice President,

Despite the challenges the past year has brought us, it is encouraging to see the momentum behind the European Green Deal, under the Commission's leadership. I have no doubt that the transition to climate neutrality in combination with the EU recovery plan will become a force for hope in the delivery of a sustainable exit from the current crisis.

As you may have seen, Shell has recently updated its strategy, called Powering Progress. This outlines how we intend to deliver on our own target to become a Net Zero Emissions (NZE) energy business by 2050, or sooner if possible, in step with society. This target covers the emissions from our operations and the emissions from the use of all the energy products we sell. And crucially, it includes emissions from the oil and gas that others produce, and Shell then sells as products to customers, making the target comprehensive. Powering Progress sets out where we will spend, and why, our carbon reduction targets and how we measure them, the structure of our business and how we will be profitable even as we change. We are transforming our business and finding new opportunities – providing more low-carbon energy such as biofuels, hydrogen, charging for electric vehicles and renewable power from solar and wind. Achieving our target 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.

The upcoming "Fit for 55%" package is key for companies like Shell to accelerate investments in low and zero carbon products and technologies. As discussed in previous meetings, we believe a sectoral decarbonisation approach is essential to make this happen;

hence our strong support for the inclusion of Sectoral Roadmaps to NZE in the European Climate Law. I believe Sectoral Roadmaps would complement and enhance the effectiveness of the legislative package. They would strengthen policy coherence and send a powerful signal to investors about the decarbonisation pathway in major sectors, which is particularly relevant in the harder to abate sectors such as industry, aviation or road freight transport. Considering the urgency of the investment needed to meet the 2030 climate targets, Sectoral Roadmaps would be important to kickstart sectoral markets for clean energy in full synchronisation with investment in supply and in infrastructure.

In this context, I would welcome the opportunity to continue our conversation of last year. I am keen to exchange views on critical elements of the legislative package, such as reform of the EU Emissions Trading System so that it aligns with the climate neutrality target; and the review of the Renewable Energy Directive to support increased renewable electricity production, as well as its potential to create emerging sectoral markets for the use of renewables, notably clean hydrogen, in industry and transport.

The Shell EU Affairs team in Brussels will contact your office on my behalf in the next days to request a meeting and will be at your disposal for any additional information you may require.

Sincerely,

