Getting to Zero

Challenges and opportunities in decarbonising manufacturing

Andrew Evans
GM light industry, Shell

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Definitions & Cautionary Note

Adjusted Earnings is the income attributable to Shell plc shareholders for the period, adjusted for the after-tax effect of oil price changes on inventory and for identified items. In this presentation, "earnings" refers to "Adjusted Earnings" unless stated otherwise. Adjusted EBITDA (FIFO basis) is the income/(loss) attributable to Shell plc shareholders adjusted for identified items; tax charge/(credit); depreciation, amortisation and depletion; exploration well write-offs and net interest expense. Adjusted EBITDA on a CCS (current cost of supplies) basis is used to remove the impact of price changes on our inventories in our Oil Products and Chemicals segments, therefore enabling comparisons over time. In this presentation, "operating expenses", "costs" and "underlying costs" refer to "Underlying operating expenses" unless stated otherwise. Underlying operating expenses represent "operating expenses excluding identified items". Operating expenses consist of the following lines in the Consolidated Statement of Income: (i) production and manufacturing expenses; (ii) selling, distribution and administrative expenses; and (iii) research and development expenses. Cash flow from operating activities excluding working capital movements is defined as "Cash flow from operating activities" less the sum of the following items in the Consolidated Statement of Cash Flows: (i) (increase)/decrease in inventories, (ii) (increase)/decrease in current receivables, and (iii) increase/(decrease) in current payables. In this presentation, "capex" refers to "Cash capital expenditure" unless stated otherwise. Cash capital expenditure comprises the following lines from the Consolidated Statement of Cash Flows: Capital expenditure, Investments in joint ventures and associates and Investments in equity securities. Free cash flow is defined as the sum of "Cash flow from operating activities" and "Cash flow from investing activities". Organic free cash flow is defined as free cash flow excluding inorganic cash capital expenditure, divestment proceeds and tax paid on divestments. In this presentation, "divestments" refers to "divestment proceeds" unless stated otherwise. Divestment proceeds are defined as the sum of (i) proceeds from sale of property, plant and equipment and businesses, (ii) proceeds from sale of joint ventures and associates, and (iii) proceeds from sale of equity securities. Net debt is defined as the sum of current and non-current debt, less cash and cash equivalents, adjusted for the fair value of derivative financial instruments used to hedge foreign exchange and interest rate risks relating to debt, and associated collateral balances. Reconciliations of the above non-GAAP measures are included in the Shell plc Unaudited Condensed Financial Report for the full year ended December 31, 2021. Reserves: Our use of the term "reserves" in this presentation means United States Securities and Exchange Commission (SEC) proved oil and gas reserves. Resources: Our use of the term "resources" in this presentation includes quantities of oil and gas not yet classified as SEC proved oil and gas reserves. Resources are consistent with the Society of Petroleum Engineers (SPE) 2P + 2C definitions.

This presentation contains certain following forward-looking non-GAAP measures such as cash capital expenditure and divestments. We are unable to provide a reconciliation of these forward-looking Non-GAAP measures to the most comparable GAAP financial measures because certain information needed to reconcile those Non-GAAP measures to the most comparable GAAP financial measures is dependent on future events some of which are outside the control of the company, such as oil and gas prices, interest rates and exchange rates. Moreover, estimating such GAAP measures with the required precision necessary to provide a meaningful reconciliation is extremely difficult and could not be accomplished without unreasonable effort. Non-GAAP measures in respect of future periods which cannot be reconciled to the most comparable GAAP financial measure are calculated in a manner which is consistent with the accounting policies applied in Shell plc's consolidated financial statements.

The companies in which Shell plc directly and indirectly owns investments are separate legal entities. In this presentation "Shell", "Shell Group" and "Group" are sometimes used for convenience where references are made to Shell plc and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to 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 presentation refer to entities over which 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.

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. Also, in this presentation 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 plc or its subsidiaries.

This presentation 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 presentation, 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; (j) legislative, judicial, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) 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 presentation 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 Shell plc's Form 20-F for the year ended December 31, 2021 (available at www.shell.com/investors and www.sec.gov). These risk factors also expressly qualify all forward-looking statements contained in this presentation and should be considered by the reader. Each forward-looking statement speaks only as of the date of this presentation, November 4th, 2022. Neither 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 presentation. The content of websites referred to in this announcement does not form part of this announcement. We may have used certain terms, such as resources, in this presentation that the 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.

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What will I talk about today?

Why should the energy transition be a priority for manufacturing?

Where should manufacturers focus their resources?

What are the challenges of decarbonisation and how can you tackle them?

The energy trilemma has important implications for the manufacturing sector

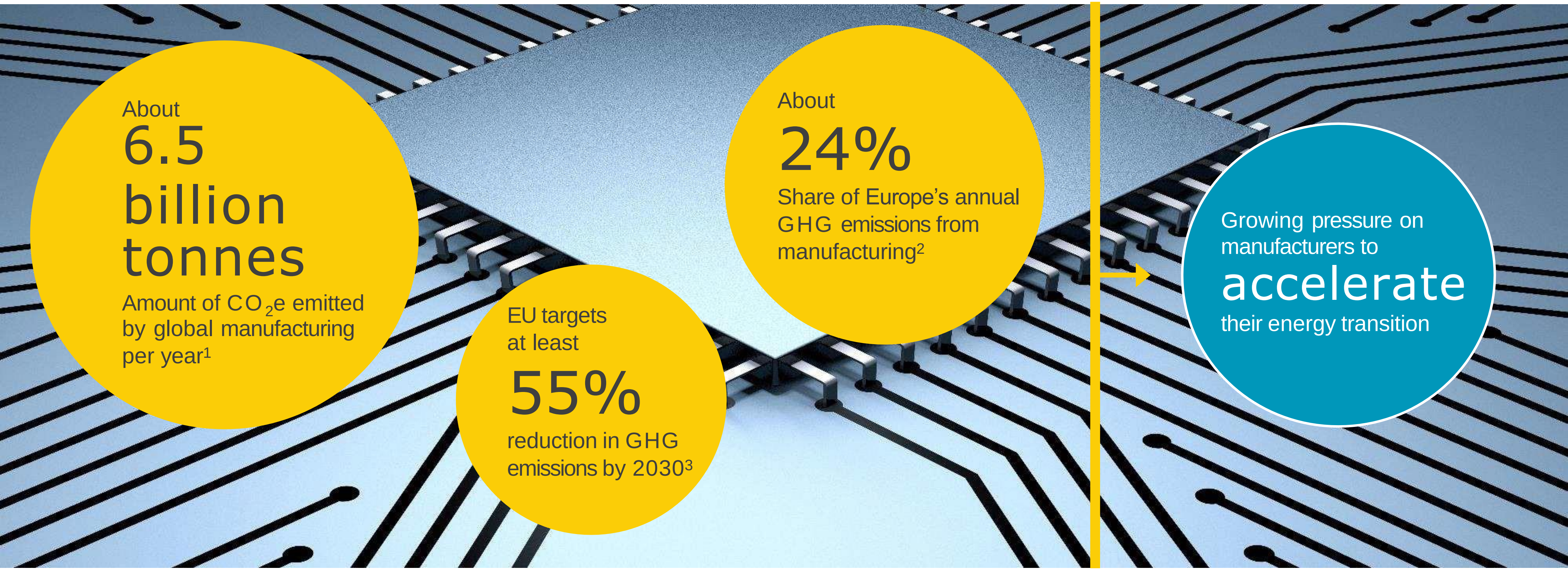
How can manufacturers…

…secure the energy they need

…at an affordable price, and

…in a sustainable way?

And why is it important for manufacturers to lower their emissions?



About
6.5 billion tonnes
Amount of CO_2e emitted by global manufacturing per year[1]

EU targets at least
55%
reduction in GHG emissions by 2030[3]

About
24%
Share of Europe's annual GHG emissions from manufacturing[2]

Growing pressure on manufacturers to
accelerate
their energy transition

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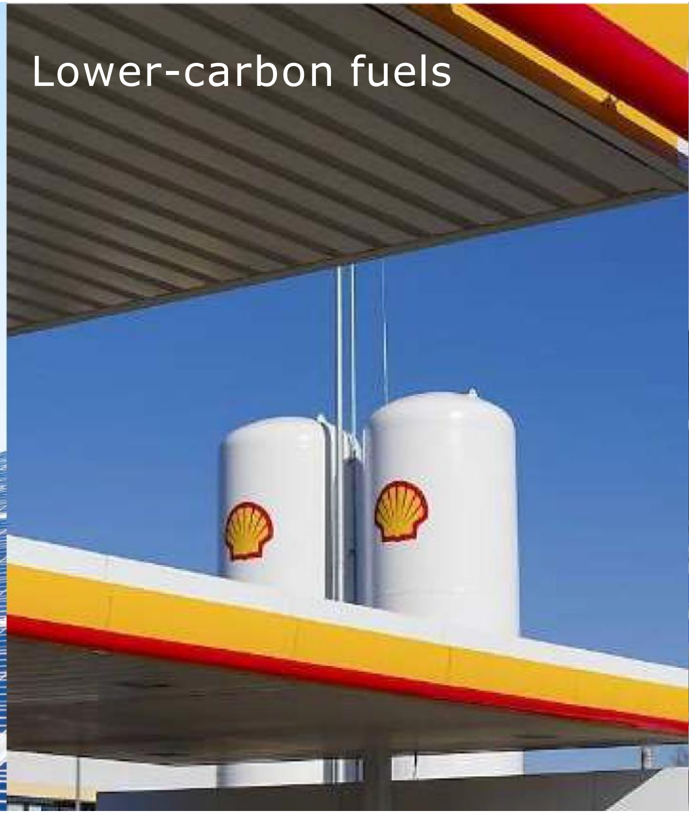
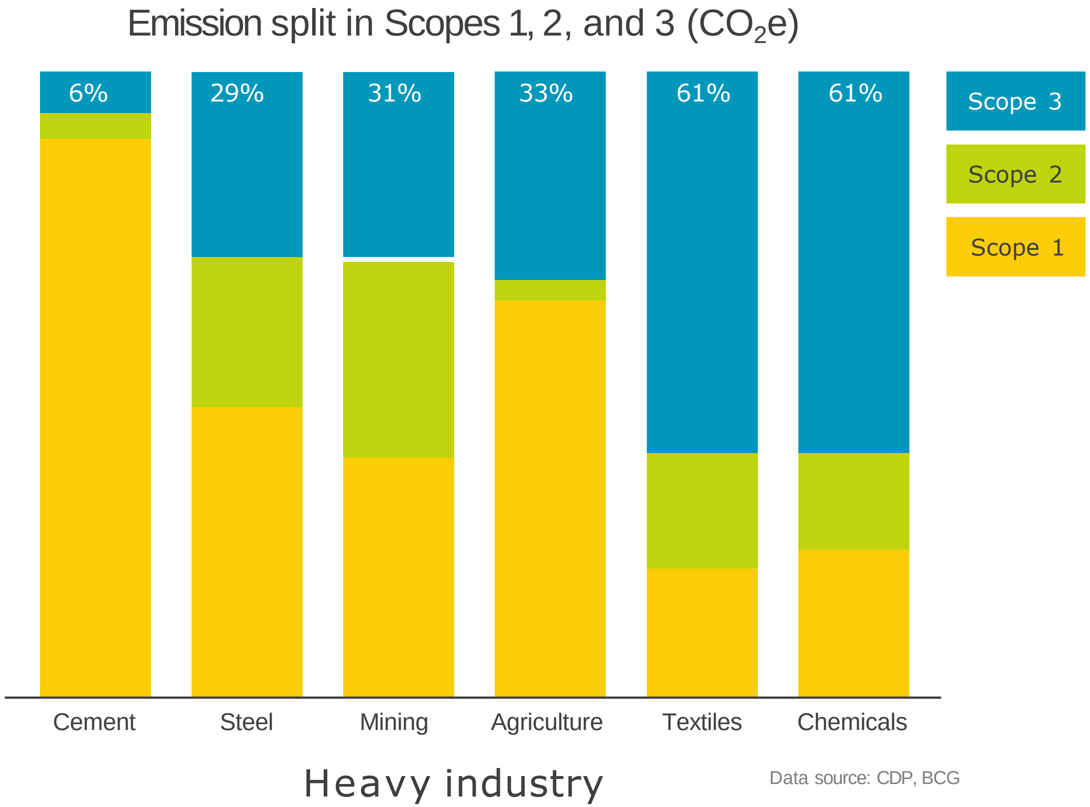
[1] https://www.weforum.org/impact/carbon-footprint-manufacturing-industry/
[2] https://www.rolandberger.com/en/Insights/Publications/Climate-protection-in-the-manufacturing-sector-Challenges-and-solutions.html
[3] https://www.consilium.europa.eu/en/policies/green-deal/fit-for-55-the-eu-plan-for-a-green-transition/

Many companies are already taking great strides in reducing their carbon footprint



Most will prioritise reducing their own operational (Scope 1 and 2) emissions which works for Heavy Industry

About
70%+
Scope 1 and 2
emissions



Data source: CDP, BCG

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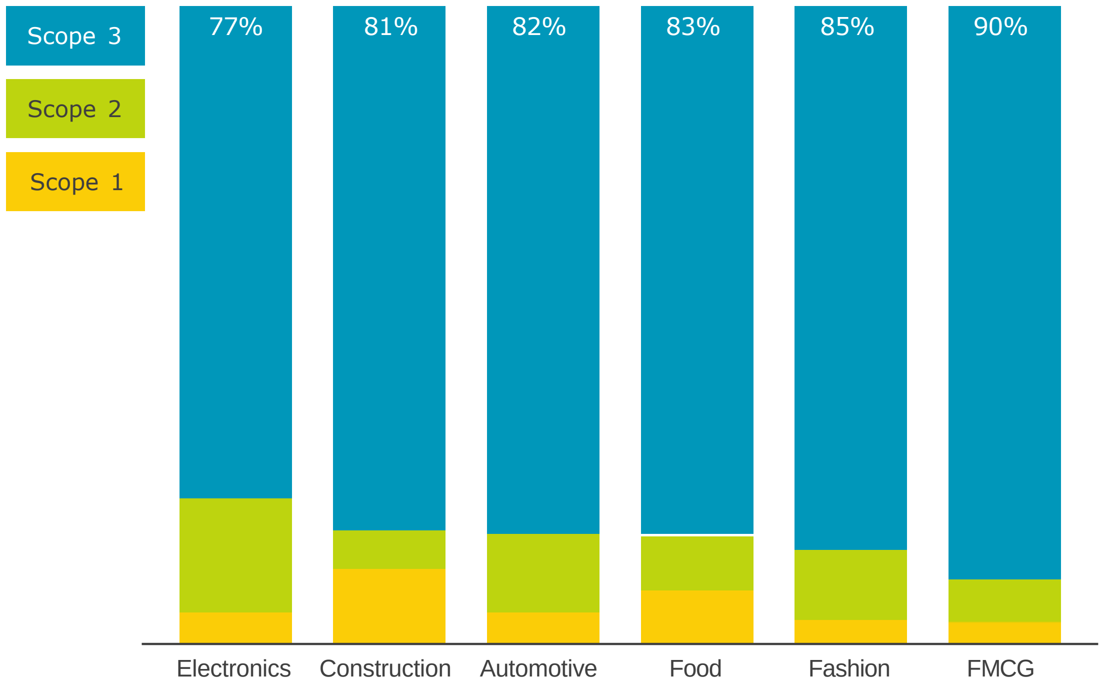
But this will have a smaller impact for “light industry” manufacturers

Emission split in Scopes 1, 2, and 3 (CO_2e)



‘Light’ industry

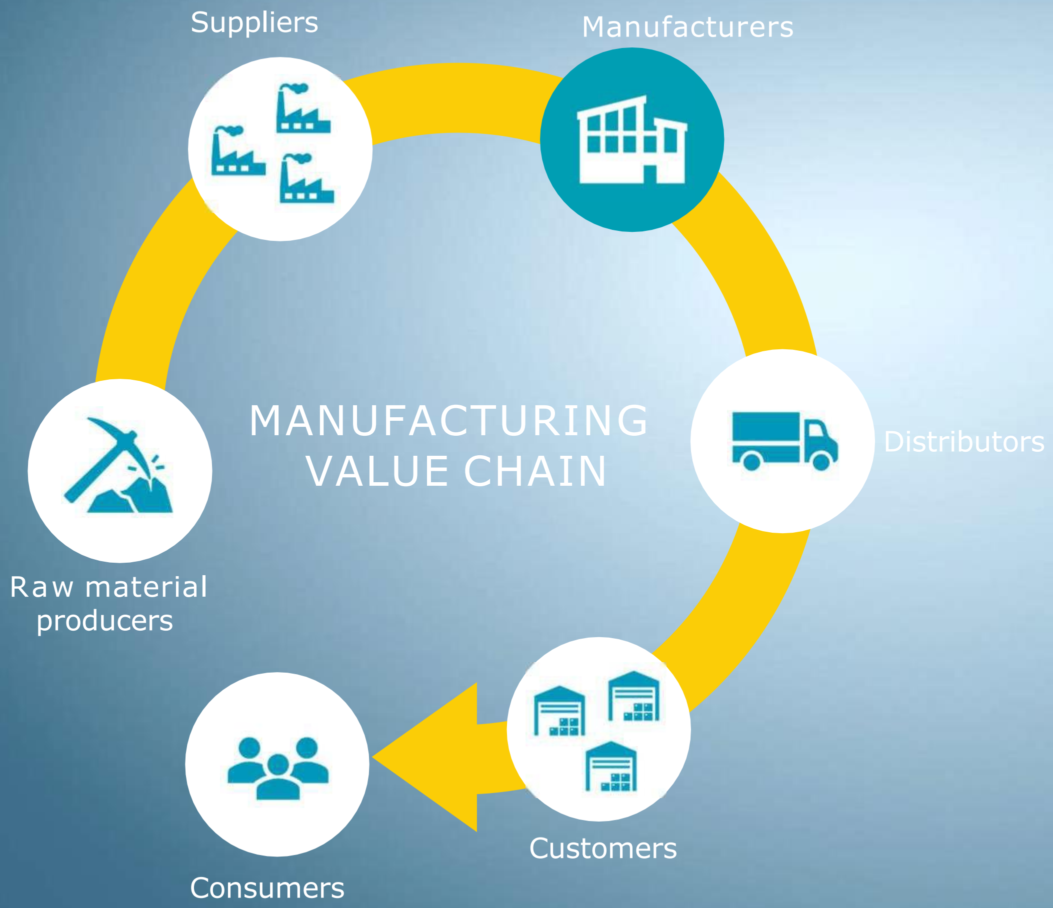
Data source: CDP, BCG

As much as
90%
Scope 3
emissions

Tackling the full scope of emissions, in particular Scope 3, can unlock business opportunities

- Lower operational costs
- Access to cheaper capital
- Increased revenue
- Enhanced reputation

But tackling Scope 3 emissions is complex



- Middle of the value chain
- Opaque or missing data
- Fragmented stakeholder groups
- Stranded value

Value chain collaboration is key

Value chain partners			
	OEMs	Metal producers	Component manufacturers
	Distributors	Plastic producers	Packaging companies

- Help you and your partners switch to renewable sources of energy and lower-carbon fuels
- Help suppliers incorporate more circular materials into the products that they sell to you.
- Offer carbon credits from certified renewable energy and nature-based solutions projects.

Decarbonising across the value chain can help you remain relevant, competitive and sustainable

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Q&A

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