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As used in this Report, “Accountable” is intended to mean: required or expected to justify actions or decision (implementation is usually carried out byerty who is Responsible) but must organise the requisite assurance from Shell companies that the framework is operating effectively. “Responsible” is intended to mean: required or expected to implement actions or decisions. Each Shell company and Shell operated venture is responsible for its operational performance and compliance with the Shell General Business Principles, Code of Conduct, Statement on Risk Management and Risk Manual, and Standards and Manuals. This includes responsibility for the operationalisation and implementation of Shell Group strategies and policies.

This Report references Shell’s Sky and new Sky 1.5 scenarios, specifically within the Climate change and energy transition section (pages 94-107). Unlike Shell’s previously published Mountains and Oceans exploratory scenarios, the Sky scenario is based on the assumption that society reaches the Paris Agreement’s goal of holding the rise in global average temperatures this century to well below two degrees Celsius (2°C) above pre-industrial levels. Unlike Shell’s Mountains and Oceans scenarios which unfolded in an open-ended manner, the Sky scenario was specifically designed to reach the Paris Agreement’s goal in a technically possible manner.

Sky 1.5 scenario starts with data from Shell’s Sky scenario but is more aggressive and challenging in its assumptions about energy transitions. As in Sky, this scenario is normative, meaning we assumed that society achieves the 1.5 degrees Celsius stretch goal of the Paris Agreement, and we worked back in designing how this could occur. Of course, there are many possible paths that society could take to achieve this goal. However, we believe there is still a technically possible path while maintaining a growing global economy. However, we believe the window for success is quickly closing.

These scenarios are a part of an ongoing process used in Shell to challenge executives’ perspectives on the future business environment. They are not intended to be predictions of likely future events or outcomes. Scenarios, therefore, are not intended to be projections or forecasts. These scenarios also are not developing Shell’s strategy, nor do they reflect our customers’ or society’s goals. Only governments can create the framework for success.

Shell’s “Net Carbon Footprint” referred to in this Report 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 term “Net Carbon Footprint” is for convenience only and not intended to suggest these emissions are those of Shell or its subsidiaries.
Except where indicated, the figures shown in the tables in this Report are in respect of subsidiaries only, without deduction of any non-controlling interest. However, the term "Shell share" is used for convenience to refer to the volume of hydrocarbons that are produced, processed or sold through subsidiaries, joint ventures and associates. All of a subsidiary’s production, processing or sales volumes (including the share of joint operations) are included in the Shell share, even if Shell owns less than 100% of the subsidiary. In the case of joint ventures and associates, however, Shell-share figures are limited only to Shell’s entitlement. In all cases, royalty payments in kind are deducted from the Shell share.

Except where indicated, the figures shown in this Report are stated in US dollars. As used herein all references to “dollars” or “$” are to the US currency.

This Report contains forward-looking statements 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 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 expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements sometimes use words such as “aim”, “ambition”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “goals”, “intend”, “may”, “objective”, “outlook”, “plan”, “probably”, “project”, “risk”, “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 Report, 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, 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) impact of pandemics, such as the COVID-19 (coronavirus) outbreak; and (n) changes in trading conditions. Also see “Risk factors” on pages 28-37 for additional risks and further discussion.

No assurance is provided that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this Report 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 or forward-looking statements contained or referred to in this Report. Neither the Company nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statements contained or referred to in this Report, or other information. In light of these risks, results could differ materially from those expressed or inferred from the forward-looking statements contained in this Report.

This Report contains references to Shell’s website, the Shell Sustainability Report, Tax Contribution Report, Industry Associations Climate Review and our report on Payments to Governments. These references are for the readers’ convenience only.
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