



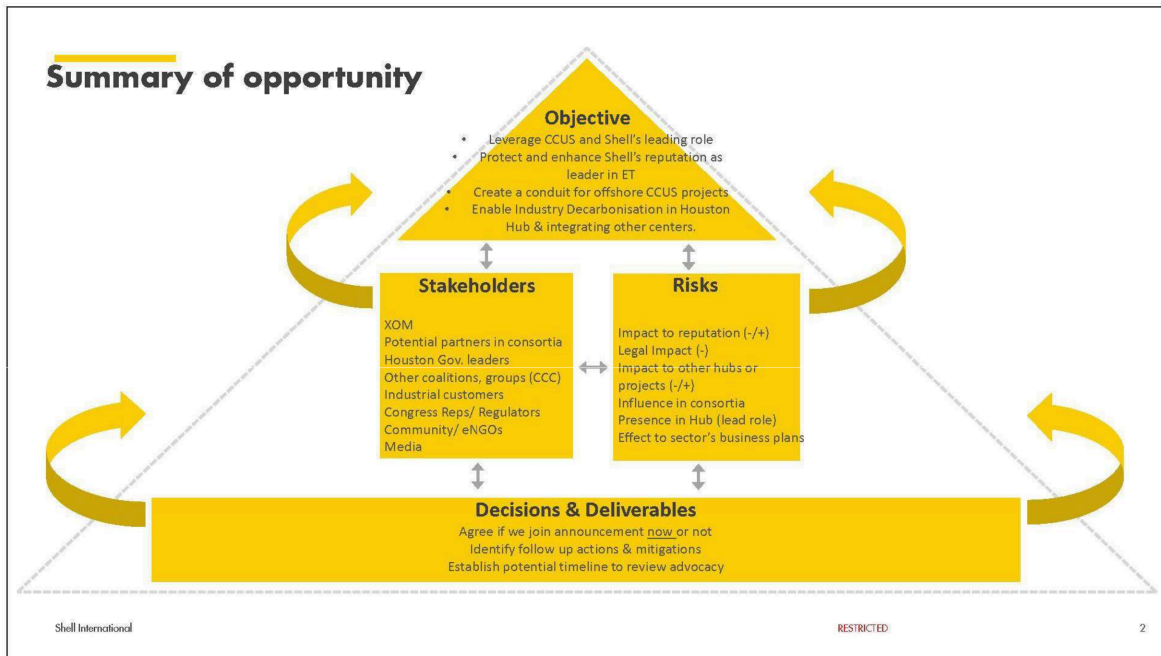
CCUS Houston Hub

Announcement – Risk Assessment

Maria Natalia Bucci
Marnie Funk
Natasha Qamar
Christos Angelides
Matt Bradshaw (on behalf of Lee Stockwell)
Jesse Saldivar

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Understand the link between our objectives, stakeholders & risks
 Get multi-disciplinary team on the same page for alignment
 Enable effective communication with decision makers (better buy-in)
 Focus the team around tangible and credible plans

Risk Assessment – CR, ETP & SD Industry

August 13th

- **Media:** Competitive intelligence report from Polecat analysing media and sentiment around XOM and CCS showed negative mentions leading over positive reference impacts, with neutral tone mostly from Tier 1 media sources. Negative leads also linked to NGOs and overall XOM opposition, but not covered in this report. Shell has stronger reputation on general ET & CC, so being linked to XOM could negatively impact.
- **Government & Congress Democratic Reps:** Marnie shared insights on state of affairs in DC: XOM reputation remains at stake after July's audio leaks. Confidential: risk of Congress subpoena to IOCs on CC impact, hearing potentially late September/ early October creates high risks to impact on reputation on anything before that timeline. Further possibility for Shell to be called to testify, also leading to legal risk. Marnie will follow up and set up a call with CCC Director/ Krista J/ Lee/ Aura to discuss directly.
- **Other Coalitions:** Marnie indicated XOM led coalition from the backseat in 2018 (Energy Advance Center) EAC was then challenged over carbon tax demand. Efforts led to bad reputation. BP, Chevron & Conoco left EAC. Also ongoing audit on XOM's unpaid IRS loan. NGOs and media are picking up on 'shadow' players. *Carbon Capture Coalition* said XOM have been making difficult to champion Houston Hub from independent.
- **Houston stakeholders:** Chris Angelides shared conversation with Lara Cottingham, CSO at City of Houston, who off the record indicated they don't see XOM's announcements on CCS with high regards.
- **Business input 1:** Matt indicated not signing now would not prevents us from participating later or being a part of a different coalition (CCC or new) where we have more of an opportunity to shape the messaging. Also checked with some stakeholders (who?) prior to the meeting, not planning on signing on concerns of reputational impact liaised with XOM.
- **Business input 2:** Jesse confirmed this is an area where Shell wants to lead on industry decarbonization. Demand drives, for which we are still in development face, and own need has reduced from DP divestment, so although 2 months before would have preferred joining, now weighing the risks, not necessary to join before October, when we can reassess run, join with less exposure, or drive own/ CCC.
- **Joint consideration on pressing timeline from XOM under current environment:** XOM tries to make external statement on CC actions by leveraging own announcement through other majors' support, and benefit from US Major's Week publicity. Otherwise, wiser to wait.

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Actions & Mitigations

Agreed decision to kindly decline joining at this point (pending Lee's support).

Follow up with Senior Management:

- **Pending** Marnie to organise a call with CCC director, Lee, Aura & Krista J to exchange views, risks, and alternative advocacy pathways to best serve business purpose without reputational impact exposure.
- **Ongoing** Continue monitoring evolution of announcement, XOM reputation and other DC risks, until window opens.
- **Ongoing** Others to continue Shell led engagements as ongoing.
- **Complete** Natalia to share feedback with De La Rey Venter & Syrie, explaining risks.
- **On hold** Natalia to decline with XOM week of August 16 (pending Lee's support).
- **Pending** Assess need for alternative advocacy plan to enable business purposes – Shell /Independent coalition/ other lead?

Latest Update

August 20th

■ Announcement:

- Formally postponed to the week of September 13h, ahead of NYC Climate Week.
- Proposed press release remains unchanged.
- Up to this moment XOM confirmed 3 written confirmations and 6/7 verbal agreements to sign to the announcement. Ongoing conversations with other 5, Shell included. (CCUS GM heard CVX is not willing to join)
- Moving the announcement to October is not an option upfront for XOM. Only to be considered if they did not secure 9/10 signatories by September 3rd.

■ Communication materials:

- XOM continues to work on project branding (*independent name and non-XOM image* yet to be finalized).
- Developing a website & social media posts. Also talking points and draft social media posts
- They would only give access to communication pieces once a company submits written confirmation and logo to signing.
- XOM expects to give signatories 1 or 2 weeks to review communication pieces before go live.

■ Shell is eager to actively participate and continue developing the concept from a business opportunity perspective.

■ Consortia architecture yet to be defined.