

Message

From: Gunnell, Natalie SHLOIL-CRCI/A [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN= [REDACTED]
Sent: 8/18/2021 7:46:42 PM
To: Smith, Curtis A SHLOIL-CRCI [REDACTED]@shell.com]
Subject: RE: On Behalf of Frits - Reputational Update

I feel this in my bones. Especially the everyone below JG1. Looking back she was probably mortified the “intern” was her advisor during CERA week.

The ‘yes mans’ are abundant but mind you not one person outside of myself, Maggie, and Chris Sims has written a response/sentence/strategy/idea. (Not including the lovely Permian business folks who counseled on Permit 32 and the like, they are stars, even if they are super techy.) Everyone has an opinion in but when asked: okay great what then do you advise we say ***crickets***. Which again, fine, but please don’t berate me on a breakdown of process and put a committee at-large together to chime in and point.

GW is the President of Shell, there is just no way she could ever be aware of everything she say. A two-day deadline was gracious but often times we work on 24-hour turnarounds. You have to trust and embolden your team to be able to speak on your behalf – it is literally what I get paid to do. I didn’t announce new targets to the public. And we did push back on the data, that is exactly how we managed this. And furthermore, nothing we said was novel. Winning the public over methane doesn’t exist because the public doesn’t read articles on third-party reports. They scan the headlines, make an assumption and move on. You will not win getting in the weeds and nuances of methane. Further, we are wasting our time screaming into the void of the green zealots. What in the world is pro-methane campaign, my goodness. And if we want to be on the “front foot” we need to be extremely careful of the attention we seek.

This is a failure on how to manage up.

But enough, enough. There is a celebratory bison burger you should be enjoying!!

From: Smith, Curtis A SHLOIL-CRCI [REDACTED]@shell.com>
Sent: Wednesday, August 18, 2021 6:26 PM
To: Gunnell, Natalie SHLOIL-CRCI/A [REDACTED]@shell.com>
Subject: Re: On Behalf of Frits - Reputational Update

Ugh.

GW knee jerked and unaware of how this actually landed and KJ has yet to fess up to being tipped far in advance. This is a failure of leadership and I’ll say that when asked. As it is, i’m getting texts and phone calls from everybody and their fucking uncle wanting to convalesce their hard feelings over the fact that Gretchen is missing the forest for the trees. Only thing that’s frustrating about that is the fact that no one will tell her. I will, even if it’s to my detriment.

Marnie has become a problem too, something I will detail with you when we talk next. Let’s just say instead of stepping up, she’s decided to cry in the back room about not being tapped to be lead on this.

The last thing I’ll say is Gretchen has no idea how many comments we make and will continue to make without her knowing it. It’s not her remit to be in our business all day long. The last time I checked she had a business to run of her own. I’m also starting to have strong feelings about how she deals with females and anyone below a job group one. I know that’s dangerous talk, I’m just telling you this is what it looks like from where I sit. And it’s not a new problem.

Sent from my iPhone

On Aug 18, 2021, at 5:17 PM, Gunnell, Natalie SHLOIL-CRCI/A [REDACTED]@shell.com> wrote:

For your awareness. I strongly disagree with GW's read (and think Step 1 needs to be corrected for the record. Cindy looped Krista in a week before she reached out to the journalist as you know.)

We are amending the Earthworks response now that we have a copy of the report. Will let you know where it lands tomorrow.

From: Hawkins, Maggie L SEPCO-CRA/U [REDACTED]@shell.com>
Sent: Wednesday, August 18, 2021 6:08 PM
To: Sims, Chris C SHLOIL-CRA/UA [REDACTED]@shell.com>; Johnson, Krista SHLOIL-CRA [REDACTED]@shell.com>; Minnitte, Joseph A SHLOIL-CRA/UCS [REDACTED]@shell.com>; Funk, Marnie SHLOIL-CRA/U <[REDACTED]@shell.com>; Gunnell, Natalie SHLOIL-CRCI/A [REDACTED]@shell.com>; Toohey, Cam SHLOIL-CRA/U [REDACTED]@shell.com>; Simpson, Kevin C SEPCO-CRA/U <[REDACTED]@shell.com>; St Amand, Nicole M SEPCO-CRA/UP [REDACTED]@shell.com>; Miles, Kenyatta K SEPCO-CRA/UP [REDACTED]@shell.com>
Subject: Fwd: On Behalf of Frits - Reputational Update

Team, please see Gretchen's response and request below. I suggest we cover these topics in the morning and divide and conquer to gather the data. We do have top line messages prepared for this topic so we are not starting from scratch, however, it is not easy to find a simple example for methane that resonates with the public. I think that will be our biggest challenge.

Thanks,
Maggie

Sent from my iPhone

Begin forwarded message:

From: "Hawkins, Maggie L SEPCO-CRA/U" [REDACTED]@shell.com>
Date: August 18, 2021 at 5:57:48 PM CDT
To: "Watkins, Gretchen H SERC-UP" [REDACTED]@shell.com>
Cc: "Johnson, Krista SHLOIL-CRA" [REDACTED]@shell.com>, "Conrad, Katy E SEPCO-UPU" [REDACTED]@shell.com>, "Klap, Frits MA SEPCO-UPU" <[REDACTED]@shell.com>, "McMahon, Kevin M SEPCO-UPU/M" [REDACTED]@shell.com>, "Craig, Steve SEPCO-UPU/M" <[REDACTED]@shell.com>, "Cuellar, Aura M SHLOIL-UPU" [REDACTED]@shell.com>
Subject: Re: On Behalf of Frits - Reputational Update

Great, thank you.

Sent from my iPhone

On Aug 18, 2021, at 5:42 PM, Watkins, Gretchen H SERC-UP <[REDACTED]@shell.com> wrote:

Maggie, thanks for this, I am aware of all of this and have spent quite some time on it this week – it has already escalated. A few things I have asked for via CR/media (Krista in copy here):

- 1) We need to better understand what is happening in this arena from a media/public perspective, and therefore be more on the front foot. A Shell spokesperson had made a statement that I was unaware of, and then I flick on my laptop to a barrage of questions about this Reuters article. We need to be more organized on our side.
- 2) We need a more coherent and SIMPLE methane story. One that connects with people not in our industry.
- 3) We need to decide if we push back when presented with erroneous data and if we do, how we do it most effectively.

I would like to be able to articulate the above in the next few days if possible, and I believe Krista is coordinating. Thanks for your help and the context below.

Best Regards,

Gretchen

Gretchen H. Watkins
President Shell Oil Company
Executive Vice President Global Shales
Shell Oil Company

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From: Hawkins, Maggie L SEPCO-CRA/U <[REDACTED]@shell.com>
Sent: Wednesday, August 18, 2021 3:21 PM
To: Watkins, Gretchen H SERC-UP <[REDACTED]@shell.com>
Cc: Conrad, Katy E SEPCO-UPU <[REDACTED]@shell.com>; Klap, Frits MA SEPCO-UPU <[REDACTED]@shell.com>; McMahon, Kevin M SEPCO-UPU/M <[REDACTED]@shell.com>; Craig, Steve SEPCO-UPU/M <[REDACTED]@shell.com>
Subject: On Behalf of Frits - Reputational Update

Gretchen,
Frits asked me to send this to you on his behalf. We wanted to make you aware of an uptick in media attention regarding our methane emissions and how a variety of internal stakeholders, led by media and the Corporate Relations team, is working to address these inquiries. We have assembled a team that includes business, CR leads, media, policy, environmental, and legal to work together on the convergence of these activities to help manage our reputation. Of note, the below are not necessarily connected but the media team has received a variety of questions that fall under a wider umbrella of our environmental stewardship.

This note is to ensure you aware as you may wish to escalate.

Inquiry 1:

Reuters published a [sponsored article](#) alleging severe discrepancies between industry disclosures and policies for methane emissions versus a new dataset from a wide range of observed sources using satellite detection. While the raw data, provided by Geofinancial Analytics' MethaneScan to Reuters, was not included in the article (nor was it provided to Shell upon request), Shell, ConocoPhillips, and Chevron were listed as the worst performers among the top 15 majors. Because the satellite is unable to identify exact sources of methane emissions, Geofinancial's dataset does not discern which operators' emissions they are detecting, resulting in grossly incorrect attribution of emissions to Shell, among other operators. We, along with all other majors quoted in the article, all strongly disagreed with the assertions.

Action:

We have developed a response in rebuttal of the article to be used reactively. This has already been deployed and published via CBS News [here](#).

Response: We disagree with the conclusions made by Geofinancial Analytics' MethaneScan® and take issue with the methodology and dataset used to reach those conclusions. To be clear, Shell strongly supports the use of satellite data to detect Shell's methane emissions. We use data collected by GHGSat, a high-resolution satellite which monitors greenhouse gas (GHG) emissions, in addition to other detection technologies. Based on this data, we are taking aggressive actions to effectively identify and reduce our emissions. Shell remains firmly committed to a methane intensity below 0.2% by 2025.

Inquiry 2:

Earthworks, an environmental NGO, conducted an analysis of flare stacks in the Permian Basin over a period of about 3 months (exact timing is not known). They will publish their findings tomorrow, August 19, and have shared an embargoed version with a variety media publication. As a result, we have received questions related to our flares and TRC Rule 32 from Politico and Grist, a non-profit environmental news organization.

Action:

We have developed a response to the report to address media questions. The following was shared with media who have connected with our team for comments:

*We have not seen the report by Earthworks but can confidently say **we are not** venting/flaring without required permits and follow regulatory and environmental requirements set out by the appropriate agencies in our operations. Since 2016, Shell has designed its well pad facility without high pressure flares. In short, facilities are shut in if gas gathering lines are not available at the well pads. And since 2018, we have not routinely flared in the Permian Basin (as defined by the World Bank.)*

With regards to permitted flaring, Shell obtains Permit 32 (SWR 32) exceptions for flaring and/or venting as required by the regulation where applicable. As outlined in the regulation, not all flaring/venting

activities require a Permit 32 exception. To be clear, flyover operations are not able to differentiate between flaring or venting events that do or do not require SWR 32 exceptions.

We remain committed to Shell's global methane intensity target as part of a larger ambition to become a net zero energy business by 2050 or sooner, in step with society. And we have taken prudent actions to effectively reduce our emissions and are committed to a methane intensity below 0.2% by 2025. A target we are already meeting in the Permian basin. We will continue to comply with state and federal laws and participate in the development of technologies that allow us to further reduce our emissions.

Additional Context:

The ongoing U.S. EPA NOV (Notice of Violation) discussions are coming to an end and we anticipate a final outcome of the NOV and penalties next week. It is possible the EPA will issue a public statement based on its findings and penalties assessed, or a third-party organization could mine the EPA website for the data. We know that we are not the only operator to be cited, but we are not yet clear on the timeline of making the data public. Based on the timing of the surveys (Aug 31-September 11, 2020), we anticipate it being made public as early as September. The team will work on a response to any related inquiries.

Please let me know if you have any question or concerns.

Many thanks,
Maggie

Maggie L. Hawkins
External Relations Manager
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Shell Exploration & Production Company
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