



Confidential

Mr. Tim Gray

Via email: tgray@environmentaldefence.ca

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Dear Mr. Gray,

Thank you for your communication and memo dated 14 September 2020 where you outline Environmental Defence Canada's views on Shell's climate-related policy positions and ongoing reviews of industry association memberships. We are pleased to see your acknowledgement of Shell's progressive position on the climate challenge we are all facing, and Shell's ambition to become a net zero emissions energy business by 2050 or sooner.

I am responding to you as Shell Canada's President and Country Chair and Shell's senior representative at Canadian Association of Petroleum Producers (CAPP). Mr. van Beurden is aware I am engaging with you on this, and I invite you to communicate directly with me on this topic going forward.

As you highlighted, Shell has deliberately taken steps to be transparent around activities important to investors, governments and society and that includes our approach to industry association memberships. The process of reviewing these memberships began with our Industry Associations Climate Review in 2019 (2019 Review) and the subsequent update to that in 2020 (2020 Update). The next update to our Industry Associations Climate Review is scheduled for 2021, and Shell Canada's membership in the Canadian Association of Petroleum Producers (CAPP) will continue to be part of the review process. The information you have provided will be considered as part of our examination and analysis of our CAPP membership.

As you noted, in the 2019 Review and 2020 Update, Shell's decision regarding CAPP was to maintain our membership and engage with CAPP to influence its climate-related policies and direction from within. Shell Canada has been active in continuing to promote support for the Paris Agreement and government-led carbon pricing mechanisms with CAPP and its members. We are hopeful to see more tangible results from our advocacy when the outcomes of CAPP's Climate Strategy Priority Steering Group are tabled at its annual strategy session later this year.

In your communication, you urged Shell to respond within 10 business days to the material you provided. I hope you are assured that we have a robust review process that will continue to objectively assess our relationship with CAPP and its alignment with our climate-related policy.

Again, thank you for the information you have provided, which will be used to help inform our next review. I appreciate your interest in this topic and in our company as we all look for solutions to combat climate change.

Sincerely,

A handwritten signature in black ink that reads "Michael Crothers". The signature is written in a cursive, flowing style.

Michael Crothers
President and Country Chair
Shell Canada Limited

Cc: Mr. Ben Van Beurden, CEO Royal Dutch Shell