

Shell

Detailed assessment of Shell’s corporate climate policy engagement review




This document outlines a detailed breakdown of InfluenceMap's assessment of the company's disclosure on climate policy engagement. Further detail on the assessment methodology is available in the Appendix, and on InfluenceMap’s CA100+ Investor Hub [here](#).

A summary of Shell’s disclosures on climate policy engagement is shown below. Shell has undertaken five reviews of its climate policy engagement to date. The Review Score represents InfluenceMap’s overall assessment of the quality of the company’s review process, where 100 would indicate that a company has met investor expectations for all criteria related to the review process.

Date of Review	Review Score
April 2019	57 / 100
April 2020 (Update)	64 / 100
March 2021	64 / 100
April 2022 (Update)	64 / 100
April 2023	57 / 100 ¹

This assessment focuses solely on Shell’s disclosure on climate policy engagement, which can be found [here](#). This assessment does not include an analysis of the company's actual climate policy engagement, which can be found on InfluenceMap's online profile of Shell [here](#).

The table below provides a breakdown of Shell’s performance against each of the seven assessment criteria, using the traffic-light assessment framework summarized below.

Key	Explanation
	Has broadly met investor expectations in this area.
	Has made some progress on investor expectations in this area, but with significant deficiencies.
	Has fallen short of investor expectations in this area.

¹ Shell’s 2023 score is lower due to the company not having disclosed a complete and accurate account of its own climate policy advocacy in the UK (see ‘Corporate climate policy positions and influencing activities’ for further detail).

Disclosure & Transparency	Policy Alignment Process
Corporate climate positions	Identify & Assess
Industry group climate positions	Monitor & Review
Alignment assessment method	Act
Framework for misalignment	

Shell’s Company Scorecard

The tables below highlight, for each indicator, the criteria for companies to meet investor expectations, Shell’s assessment, and examples of better practice by companies to date. While InfluenceMap did not find an example of best practice across the entire industry association review process, some companies have demonstrated better practice under specific metrics under the 'Disclosure & Transparency' and 'Policy Alignment Process' assessments.

Disclosure & Transparency

Corporate climate policy positions and influencing activities

To meet investor expectations under this indicator: The company has to disclose a detailed and clearly referenced breakdown of its own climate policy positions and influencing activities beyond ‘top-line’ climate statements. This includes descriptions of the company’s positions and policy engagement activities on specific items of regulation and legislation which are material to the company’s operations, business sector, and/or the region(s) in which it operates.

Shell

In Shell's 2023 review, the company has disclosed a detailed breakdown of its own climate policy positions and influencing activities in the EU, US, Canada, Australia, UK, South Africa, and Brazil. These include Shell's positions on, and engagement with, specific items of regulation and legislation in the EU (Fit for 55, EU Emissions Trading System, Renewable Energy Directive, ReFuelEU,) US (Inflation Reduction Act, Infrastructure Investment and Jobs Act, California Advanced Clean Cars II), Canada (Canadian cap on oil and gas sector emissions), Australia (Safeguard Mechanism Reforms, National Electric Vehicle Strategy), and the UK (Climate Compatibility Checkpoint, national hydrogen policy 2022).

The review also includes case studies of Shell’s wider advocacy on EU energy security, oil and gas, and methane emissions, as well as clear references to additional resources on Shell's corporate website including live advocacy updates and climate and energy transition policy positions.

Despite this, Shell does not appear to have disclosed a complete and accurate account of its climate policy advocacy in the UK. In its 2023 review, Shell states that it *supported* the UK’s Climate Compatibility Checkpoint, which aims to ensure the compatibility of new oil and gas licensing with the UK's climate objectives. However, InfluenceMap analysis indicates that in a February 2022 letter to Kwasi Kwarteng, the company supported the principle of a compatibility checkpoint, but *did not support* the inclusion of Scope 3 emissions and global fossil fuel production in the checkpoint assessment. These measures were subsequently removed from the checkpoint, weakening the original climate ambition of the policy.

<p>Best Practice</p>	<p>In its lobbying review, <i>BP</i> provides a link to a dedicated webpage titled 'Advocacy activities' which includes clear and detailed advocacy updates on specific government policy consultations in Europe, Australia and the US. These include specific consultations with climate-related policies under 6 topics, and a link to <i>another webpage</i> which discloses further details on the company's advocacy activities in the US. BP also includes links to public submissions via the EU Transparency Register, the Scottish Lobbying Register, and the US Lobbying Disclosure Act.</p>
-----------------------------	---

Industry association climate policy positions and influencing activities

To meet investor expectations under this indicator: The company has to disclose a detailed and accurate account of the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, including descriptions of positions and policy engagement activities on specific items of regulation and legislation beyond 'top-line' statements.

<p>Shell</p>	<p>Shell has disclosed the climate policy positions of all 39 industry associations included in its 2023 review. This included disclosure on positions and engagement activities with specific climate-related regulations under 15 key policy areas, and included positions on policies such as the Australian Safeguard Mechanism Reforms, Australian Climate Change Bill, EU ETS, EU Carbon Border Adjustment Mechanism, the US Inflation Reduction Act, and the Canadian 2030 Emissions Reduction Plan.</p> <p>Shell has however omitted key instances of negative engagement with climate-related regulations by its industry associations, including by Consumer Energy Alliance, Bundesverband der Deutschen Industrie (BDI), and Australian Institute of Petroleum (AIP) (see Identify & Assess for further details).</p>
<p>Best Practice</p>	<p>No companies have met investor expectations in this area, although <i>BASF</i> and <i>Shell</i> exhibit current leading practice. Both companies have disclosed a detailed account of all key industry associations' climate policy positions, and a summary of their influencing activities. However, they appear to overlook detailed negative lobbying by a number of industry associations identified by InfluenceMap's database.</p>

Alignment assessment method

To meet investor expectations under this indicator: The company has to: (1) disclose a clear and detailed framework for assessing alignment with its industry associations across all relevant areas of policy engagement; (2) consistently apply this framework across *all* industry associations; and (3) provide a clear and detailed explanation behind each evaluation.

<p>Shell</p>	<p>Shell clearly discloses its alignment assessment method in its 2023 review. It includes assessing associations against 15 criteria based on Shell's global climate and energy transition policy positions. These broadly include top-line climate policy positions including positions on the energy transition and energy types, and the electrification of light- and heavy-duty transport, aviation, heavy industry, and shipping. The review also provided criteria which were used to categorise the degree of alignment of Shell's policy positions on climate change with the positions of its associations, and gave detailed explanations on how each evaluation was conducted.</p>
---------------------	---

Best Practice	<i>Shell</i> has disclosed a clear explanation of its alignment assessment method along with a clear and detailed explanation of how it has been applied to each industry association. The company also provided clear criteria which were used to categorize the degree of alignment of Shell’s climate policy positions with the positions of its industry associations.
----------------------	--

Framework for addressing misalignment

To meet investor expectations under this indicator: The company must disclose a clear and detailed framework for addressing misalignments with its industry associations including escalation steps and clear deadlines for industry associations which do not amend misaligned practices.

Shell	Shell has disclosed a clear and detailed framework for addressing misalignments, including escalation strategies. This includes remaining in the association and increasing Shell’s engagement in areas where misalignment has been identified; pursuing advocacy independently or through other associations; reassessing membership including ending activities such as board and committee participation; or ending overall membership. However, the company has not included clear deadlines for industry associations which do not amend misaligned practices.
Best Practice	<i>Rio Tinto</i> has disclosed clear and detailed steps for addressing potential misalignment, including an escalation strategy and clear timelines attached. The company states that it will clarify its own positions with misaligned industry associations, seek common ground, seek leadership positions to influence associations, and consider suspending membership if differences are not resolved after 12 months.

Policy Alignment Process

Identify & Assess

To meet investor expectations under this indicator: The company has to identify all cases of misalignment with its industry associations and the Paris Agreement in line with InfluenceMap’s *database* on corporate lobbying.

Shell	<p>Shell assessed 39 associations in its review. The company identified alignment with 29 associations, and some misalignment with 10 associations (American Petroleum Association , Australian Petroleum Production & Exploration Association (APPEA), Canadian Association of Petroleum Producers, Chamber of Minerals and Energy of Western Australia, International Gas Union, National Association of Manufacturers (NAM), Queensland Resources Council, Texas Oil & Gas Association (TXOGA), U.S. Chamber of Commerce, Western States Petroleum Association (WSPA)).</p> <p>InfluenceMap analysis indicates that Shell has at least 22 memberships to industry associations misaligned with the Paris Agreement (<i>Federation of German Industries (BDI), Natural Gas Supply Association (NGSA), FuelsEurope, US Chamber of Commerce, American Petroleum Institute (API), National Association of Manufacturers (NAM), International Association of Oil and Gas Producers (IOGP), Asociación Mexicana de Empresas de Hidrocarburos (AMEXHI), Australian Petroleum Production & Exploration Association (APPEA), Canadian Association of Petroleum Producers (CAPP), BusinessEurope, Western States Petroleum Association (WSPA), Energy Users Association of Australia, Australian Institute of Petroleum, International Air Transport Association (IATA), Consumer Energy Alliance, German Association of the Automotive Industry (VDA), German Chemical Industry Association (VCI), American Gas Association, Queensland Resources Council (QRC), Chamber of Minerals and Energy of Western Australia (CME), Texas Oil & Gas Association (TXOGA)</i>).</p>
--------------	---

	<p>InfluenceMap analysis also indicates that Shell has at least 25 memberships to industry associations potentially misaligned with the Paris Agreement (<i>South African Petroleum Industry Association (SAPIA), Federation of Indian Petroleum Industry (FIPI), European Chemical Industry Council (Cefic), Eurogas, PlasticsEurope, American Chemistry Council (ACC), Japan Association of Corporate Executives (Keizai Doyukai), China Petroleum and Chemical Industry Federation (中国石油和化学工业联合会), Dutch Employers' Federation (VNO-NCW), Hydrogen Council, Canadian Fuels Association, Instituto Brasileiro de Petróleo e Gás (IBP), Offshore Energies UK (OEUK) (Formerly OGUK), Confederation of British Industry (CBI), International Gas Union, European Round Table for Industry (ERT), Business Unity South Africa (BUSA), Australian Industry Greenhouse Network, Business Leadership South Africa, Australian Energy Council, Australian Industry Group (Ai Group), Business Council of Australia, Hydrogen Europe, Australian Pipelines and Gas Association, European Business Aviation Association</i>).</p> <p>Shell did not include BDI, AMEXHI, Energy Users Association of Australia, Australian Institute of Petroleum, Consumer Energy Alliance, VDA, VCI, American Gas Association, SAPIA, FIPI, PlasticsEurope, Keizai Doyukai, China Petroleum and Chemical Industry Federation, IBP, BUSA, Business Leadership South Africa, Australian Pipelines and Gas Association, and European Business Aviation Association in its 2023 review.</p> <p>InfluenceMap analysis finds that these industry associations have engaged negatively on climate-related policies. For example:</p> <ul style="list-style-type: none"> ■ Consumer Energy Alliance: In July 2022 comments on the New York State Climate Action Council Draft Scoping Plan, the association <i>opposed</i> proposed building electrification policies, emphasizing cost and reliability concerns and appearing to oppose investment in electric vehicle infrastructure. In a June 2022 Joint Trades Letter to President Biden, Consumer Energy Alliance <i>directly advocated</i> to finalize the next Five Year Program on offshore leasing for oil and gas production. The association advocated for the updated Program to include new offshore leases and supported the expansion of domestic fossil fuel production in response to the crisis in Ukraine. ■ Bundesverband der Deutschen Industrie (BDI): BDI was <i>unsupportive</i> of the EU Carbon Border Adjustment mechanism in a May 2022 public hearing by the EU Committee for Climate Protection and Energy. The association questioned the feasibility of the CBAM and World Trade Organization compatibility, and was not supportive of a phase-out of free emissions allowances before 2030. ■ Australian Institute of Petroleum (AIP): In September 2022 comments on the Australian Safeguard Mechanism Reforms, AIP appeared <i>unsupportive</i> of declining baselines and appeared to support tailored treatment of emissions-intensive, trade-exposed (EITE) industries. Advocacy for these provisions under the Safeguard Mechanism undermines the original climate ambition of the policy.
<p>Best Practice</p>	<p><i>Enel</i> is the only company to meet investor expectations in this area, identifying all cases of misalignment with its industry associations and the Paris Agreement in line with InfluenceMap's database, although the company does not disclose additional details of why they are not fully aligned. InfluenceMap analysis indicates that most companies have missed key cases of misalignment with industry associations lobbying counter to the goals of the Paris Agreement.</p>

Monitor & Review

To meet investor expectations under this indicator: The company has to publish a review of industry associations on an annual basis, commit to do so at least once a year, or commit to disclose regular updates on its review and alignment process. Updates should accurately report on relevant material and on-going lobbying activities of potentially misaligned industry associations, as well as the company’s alignment and engagement with the industry association concerning these activities.

Shell	Shell publishes full assessments of its industry association memberships at two-year intervals, with detailed updates on misaligned industry associations in the interim year. Shell has published three full reviews of its industry associations (2019, 2021, 2023) and two review updates (2020, 2022). The review updates include actions taken within each industry association, key changes to the associations’ climate positions, and detailed next steps. Shell has committed to providing another update on associations with which it found misalignments in 2024.
Best Practice	<i>Rio Tinto</i> has published detailed assessments of its industry association memberships every year, with detailed updates on misaligned industry associations each year. Rio Tinto has published six full reviews of its industry associations, annually from 2018 to 2023. The company has committed to continue reviewing its memberships on an annual basis.

Act




To meet investor expectations under this indicator: The company has to show evidence of action to address all cases of misalignment with its industry associations and the Paris Agreement, in line with InfluenceMap’s *database* on corporate lobbying. The investor expectations outlined by *PRI*, *IIGCC* and *Ceres* include several steps companies can take to address misalignment. Steps should include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.

Shell	<p>Shell has shown some evidence of action to address misalignments. In its 2023 review, Shell describes actions it plans to take with the 10 associations it found some misalignments with, and stated that Shell’s CEO will write to all associations and set out expectations and next steps for misaligned associations. Some examples of actions Shell states it will take include: urging API to support ending routine gas flaring by 2030; urging APPEA to support regulations for reducing methane emissions; encouraging CME to support putting a direct price on carbon emissions as part of a broader policy framework to achieve net-zero emissions; urging NAM to state support for net-zero emissions by 2050, support carbon pricing, and support methane standards.</p> <p>However, the company does not appear to have addressed key cases of material and potential misalignment with the Paris Agreement identified by InfluenceMap’s database (see Identify & Assess).</p>
Best Practice	No companies have met investor expectations in this area by showing evidence of action to address all cases of misalignment identified by InfluenceMap’s database, although some companies have made more progress. <i>Rio Tinto</i> terminated its membership to Queensland Resources Council in 2022 following findings of misalignment in past reviews, and also outlined detailed actions to be taken at two "partially aligned" industry associations. <i>Total</i> announced in January 2021 that it had decided not to renew its membership to the American Petroleum Institute due to divergences on climate positions. <i>Fortum</i> has not left any industry associations but has disclosed its engagement on specific climate change policy issues with four industry associations, including details of the results of this engagement in 2022. Similarly, <i>General Motors</i> has disclosed that it has not financially contributed to advocacy campaigns against the Build Back Better Act by the Business Roundtable and US Chamber, and has publicly advocated a supportive position to ensure its stance is differentiated from them.

Appendix: InfluenceMap’s Methodology for Assessing Corporate Climate Policy Engagement Disclosures

Scoring Disclosures and Policy Alignment Process



InfluenceMap assesses corporate performance against seven assessment criteria, using the traffic-light framework summarized below. A ‘Green’ scores 2 points, a ‘Yellow’ scores 1 point, and a ‘Red’ scores 0 points. This total is converted into a percentage from 0 to 100, calculated using the total number of points available (14). As such, only certain scores within the 0 to 100 range are possible under this methodology.

Key	Score Explanation
	Has broadly met investor expectations in this area.
	Has made some progress on investor expectations in this area, but with significant deficiencies.
	Has fallen short of investor expectations in this area.

Assessing Disclosures

Since BHP’s 2017 industry association review, around 60 major global corporates have delivered similar, specific disclosures on their industry association links in response to investor pressure. This positive momentum is undermined, however, if the resulting disclosures are of poor quality.

In its *‘Investor Expectations on Corporate Climate Lobbying’* report, the PRI highlights the need for disclosure on the company’s positions and activities on climate change policy engagement, as well as the positions and activities of the industry groups it supports. The PRI further requests information on the governance processes and actions taken to ensure alignment between these activities and the company’s stated climate goals. *IIGCC* and *Ceres* articulate similar expectations, also requiring companies to disclose a material impact assessment of lobbying by an organization that opposes their public position. InfluenceMap uses the following assessment criteria to test the clarity, accuracy and scope of information provided by companies against four key issues.

Disclosure Item	Score	InfluenceMap’s Assessment Criteria
Corporate climate policy positions and influencing activities		The company has disclosed a detailed and clearly referenced breakdown of its own climate policy positions and influencing activities beyond ‘top-line’ climate statements. This includes descriptions of the company’s positions and policy engagement activities on specific items of regulation and legislation which are material to the company’s operations, business sector, and/or the region(s) in which it operates.
		The company has disclosed a breakdown of its own climate policy positions and influencing activities. However, the company’s description of its positions and policy engagement activities on specific items of regulation and legislation lacks detail, and/or the company has not disclosed its position and engagement activities on key items of

		regulation and legislation which are material to its operations, business sector, and/or the region(s) in which it operates.
		The company has made no attempt to disclose its climate policy positions and influencing activities, or the company's disclosure is limited to a brief overview of its 'top-line' climate statements and operational commitments without reference to specific items of regulation and legislation.
Industry association climate policy positions and influencing activities		The company has disclosed a detailed and accurate account of the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, including descriptions of positions and policy engagement activities on specific items of regulation and legislation beyond 'top-line' statements.
		The company has disclosed an account of the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, beyond 'top-line' statements. However, the disclosure lacks detail on positions and policy engagement activities on specific items of regulation and legislation, and/or does not disclose evidence of negative climate lobbying by one or more of its industry associations.
		The company has not disclosed the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, and/or the company's disclosure is limited to a brief overview of 'top-line' climate statements without reference to specific items of regulation and legislation.
Alignment assessment method		The company has: (1) disclosed a clear and detailed framework for assessing alignment with its industry associations across all relevant areas of policy engagement; (2) consistently applied this framework across <i>all</i> industry associations; and (3) provided a clear and detailed explanation behind each evaluation.
		The company has disclosed a framework for assessing alignment with its industry associations but the disclosure lacks detail regarding <i>one</i> of the above steps (1-3).
		The company has not disclosed a framework for assessing alignment with industry associations, or it has disclosed a framework but the disclosure lacks detail regarding <i>more than one</i> of the above steps (1-3).
Framework for addressing misalignment		The company has disclosed a clear and detailed framework for addressing misalignments with its industry associations including escalation steps and clear deadlines for industry associations which do not amend misaligned practices.
		The company has disclosed a clear and detailed framework for addressing misalignments with its industry associations including escalation steps, but there is no clear deadlines for industry associations which do not amend misaligned practices
		The company has not disclosed a framework for addressing misalignments with its industry associations, or the company has disclosed a framework but the steps are ambiguous and lack sufficient detail.

Assessing Policy Alignment Process

As well as transparent disclosures on industry group links and lobbying activities, the investor expectations communicated by IIGCC, CERES and the UN PRI also set out the need for robust processes to ensure alignment between the company's stated policy positions and the positions and lobbying activities of their industry groups. These processes consist of the following three elements:

Alignment Process	Score	InfluenceMap's Assessment Criteria
Identify & Assess	Green	The company has identified all cases of misalignment with its industry associations and the Paris Agreement in line with InfluenceMap's <i>database</i> on corporate lobbying.
	Yellow	The company has not identified key cases of misalignment with the Paris Agreement in line with InfluenceMap's <i>database</i> on corporate lobbying. Companies are scored in this category if they miss up to three cases of "potential" misalignment (industry associations with Organization Scores 51-75 in InfluenceMap's database).
	Red	The company has not identified key cases of misalignment with the Paris Agreement in line with InfluenceMap's <i>database</i> on corporate lobbying. Companies are scored in this category if they miss one case of misalignment (industry associations with Organization Scores 0-50) or more than three cases of "potential" misalignment (industry associations with Organization Scores 51-75 in InfluenceMap's database).
Monitor & Review	Green	The company has published a review of industry associations on an annual basis, has committed to do so at least once a year, or is/has committed to disclose regular updates on its review and alignment process. Updates should accurately report on relevant material and on-going lobbying activities of potentially misaligned industry associations, as well as the company's alignment and engagement with the industry association concerning these activities.
	Yellow	The company has committed to publish an update to its review of industry associations but not an annual basis or not specified a timeframe.
	Red	The company has not committed to any follow-up processes as part of its review of industry associations.
Act	Green	The company has shown evidence of action to address all cases of misalignment with its industry associations and the Paris Agreement, in line with InfluenceMap's <i>database</i> on corporate lobbying. The investor expectations outlined by <i>PRI</i> , <i>IIGCC</i> and <i>Ceres</i> include several steps companies can take to address misalignment. Steps should include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.
	Yellow	The company has shown some evidence of action to address cases of misalignment with its industry associations and the Paris Agreement, but has not addressed key cases of misalignment or "potential" misalignment identified by InfluenceMap's <i>database</i> on corporate lobbying, i.e. industry associations with Organization Scores 0-75 in InfluenceMap's database. The investor expectations outlined by <i>PRI</i> , <i>IIGCC</i> and <i>Ceres</i> include several steps companies can take to address misalignment. Steps should include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.
	Red	The company has shown no or limited evidence of action to address cases of misalignment with its industry associations and the Paris Agreement, missing key cases of misalignment or potential misalignment identified in InfluenceMap's <i>database</i> on corporate lobbying, i.e. industry associations with Organization Scores 0-75. The investor expectations outlined by <i>PRI</i> , <i>IIGCC</i> and <i>Ceres</i> include several steps companies can take to address misalignment. Action will be scored under this category if it does not include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.

To assist this assessment, InfluenceMap will be applying its database on corporate and industry group climate change lobbying. This tracks in real-time the detailed climate policy lobbying of around 450 companies and 250 industry associations globally, allowing like-for-like comparisons of organizations' positions on climate policy that are compared to a benchmark of Paris-aligned climate policy. This system can track the evolution of corporate and industry group climate lobbying positions over time.