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Mayor David Screech  
Town of View Royal  
45 View Royal Avenue  
Victoria, BC  
V9B 1A6

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Dear Mayor Screech,

Thank you for your recent letter to the Chief Executive Officer of Royal Dutch Shell. I am responding on behalf of Shell Canada Limited.

Shell has been operating in Canada for over 100 years and employs more than 4,000 people across the country. Our business is providing energy to Canadians and people around the world, and we are one of the few truly integrated oil and gas companies in Canada. We have engaged and will continue to work closely with the Government of Canada to ensure all Canadians realize the benefits of a vital, innovative energy sector.

Let me first say that the Shell Group's position on climate change and the challenge CO<sub>2</sub> poses has been publicly documented for nearly two decades through publications such as our Annual Report and Sustainability Report, which are available on the Investors page of our website at [www.shell.com](http://www.shell.com). We strongly support the agreement in Paris to limit global warming to two degrees Celsius or less, as well as the need for society to transition towards a net-zero emissions world.

Like you, Shell also believes in the need for society as a whole to address the climate challenge. Everyone has a role to play in reducing global emission levels. Any successful transition to a low-carbon world requires the transformation of both the global economy and the energy system that sustains it. Getting there requires constructive engagement by all segments of civil society to find solutions-based approaches that meet the energy needs of an ever-growing population while at the same time reducing greenhouse gas emissions. This is a profound and complex transformation that will unfold at different paces in different places.

Shell has been and continues to be a willing and able player in the energy transition, with an aspiration to reduce our own carbon intensity while providing more and cleaner energy solutions to our customers. One of the greatest contributions Shell can make is to continue to grow the role of natural gas – which emits around half the CO<sub>2</sub> and less than one-tenth of the air pollutants (including nitrogen oxide and sulphur oxide) than coal in electricity production – to fuel transport, heat and light homes, and power industries.

Although Shell is still primarily an oil and gas company, we have invested billions of dollars in a range of low-carbon technologies in Canada and around the world, including Carbon Capture and Storage (CCS), biofuels, hydrogen, solar, and wind power, that will all be necessary to help enable the transition. In 2016, we established a New Energies business, to better focus these efforts and explore new commercial opportunities, and we recently announced we will step up our New Energies

investment to \$1-2 billion per year. Our New Energies business focuses on two main areas: first, new fuels for transport. The importance of moving the world's growing number of people and goods must be balanced with efforts to reduce carbon dioxide (CO<sub>2</sub>) and local emissions. Our activities range from developing and marketing advanced biofuels to looking at opportunities where we're opening hydrogen stations, in places such as Germany and the USA. Our second focus area is power. Our approach focuses on meeting commercial, industrial and residential customer needs, bolstered by our activities in power generation from gas, wind and solar, as well as our ability to optimise supply and demand.

In the USA, Shell has two hydrogen filling stations in Los Angeles, and is currently working in partnership with Toyota, with the support of the State of California, to further develop its hydrogen refuelling network.

As part of our commitment to develop CCS, our Quest project, launched in 2015 in Canada, reduces CO<sub>2</sub> emissions from oil sands operations by more than 1 million tonnes a year – equivalent to taking 250,000 cars off the road. Our engineering plans for Quest are freely available to help other companies develop similar CCS projects at less cost.

Shell continues to call for effective government-led carbon pricing mechanisms, which would incentivise all sectors of industry and consumers to improve energy efficiency and reduce carbon emissions. We are also a member of the Carbon Pricing Leadership Coalition whose long-term objective is a government-led carbon price throughout the global economy.

These are just some examples of the actions we are taking whilst recognising that the global energy transition will span decades and require unprecedented collaboration between policy-makers, leaders from business and non-governmental organisations, and consumers. If you'd like to learn more about the Shell Group of companies and the active role those companies are playing in a number of places throughout the world, we encourage you to visit our website: [www.shell.com](http://www.shell.com), in particular the Energy and innovation and Sustainability pages.

Yours sincerely,



Michael Crothers  
President and Country Chair

Cc: Honourable George Heyman, Minister of Environment & Climate Change Strategy,  
Province of British Columbia  
  
Honourable Catherine McKenna, Minister of Environment & Climate Change,  
Government of Canada