



IBC Working Committee

«Law, banking and finance»

Royal Dutch Shell views and experience with ESG corporate financing.

Evgenia Strelbitskaya VP Finance Shell Russia

Sam Critchlow VP Corporate Finance Royal Dutch Shell

CAUTIONARY NOTE

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate legal entities. In this presentation “Shell”, “Shell Group” and “Group” are sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, the words “we”, “us” and “our” are also used to refer to Royal Dutch Shell plc and its subsidiaries in general or to those who work for them. These terms are also used where no useful purpose is served by identifying the particular entity or entities. “Subsidiaries”, “Shell subsidiaries” and “Shell companies” as used in this presentation refer to entities over which Royal Dutch Shell plc either directly or indirectly has control. Entities and unincorporated arrangements over which Shell has joint control are generally referred to as “joint ventures” and “joint operations”, respectively. Entities over which Shell has significant influence but neither control nor joint control are referred to as “associates”. The term “Shell interest” is used for convenience to indicate the direct and/or indirect ownership interest held by Shell in an entity or unincorporated joint arrangement, after exclusion of all third-party interest.

This presentation contains forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995) concerning the financial condition, results of operations and businesses of Royal Dutch Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Royal Dutch Shell to market risks and statements expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as “aim”, “ambition”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “goals”, “intend”, “may”, “objectives”, “outlook”, “plan”, “probably”, “project”, “risks”, “schedule”, “seek”, “should”, “target”, “will” and similar terms and phrases. There are a number of factors that could affect the future operations of Royal Dutch Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this presentation, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell’s products; (c) currency fluctuations; (d) drilling and production results; (e) reserves estimates; (f) loss of market share and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; (m) risks associated with the impact of pandemics, such as the COVID-19 (coronavirus) outbreak; and (n) changes in trading conditions. No assurance is provided that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this presentation are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Additional risk factors that may affect future results are contained in Royal Dutch Shell’s Form 20-F for the year ended December 31, 2020 (available at www.shell.com/investors and www.sec.gov). These risk factors also expressly qualify all forward-looking statements contained in this presentation and should be considered by the reader.

Each forward-looking statement speaks only as of the date of this presentation, September 14-16. Neither Royal Dutch Shell plc nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this presentation.

We may have used certain terms, such as resources, in this presentation that the United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. Investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575, available on the SEC website www.sec.gov.



OUR **PURPOSE**

To power progress together by providing more and cleaner energy solutions

RESPECTING **NATURE**

Protecting the environment, reducing waste and making a positive contribution to biodiversity

UNDERPINNED BY
OUR **CORE VALUES**
AND OUR FOCUS
ON **SAFETY**



DELIVERING THE STRATEGY

OUR VISION FOR THE FUTURE OF ENERGY

#POWERINGPROGRESS

GROWTH PILLAR:
THE FUTURE OF ENERGY
MARKETS

TRANSITION PILLAR:
ENABLING OUR STRATEGY
ASSETS

UPSTREAM PILLAR:
FUNDING OUR STRATEGY
RESOURCES



Enhanced value delivery through trading and optimisation



ESG Corporate Financing

Sam Critchlow

VP Corporate Finance, Royal Dutch Shell



Sam Critchlow – VP Corporate Finance, Royal Dutch Shell

- Sam joined Shell as VP – Corporate Finance in October 2019 and is based in London.
- Sam worked previously at Rothschild & Co, where he was a managing director in corporate finance. He began his investment banking career at JPMorgan. His corporate finance experience covers M&A, equity and debt.



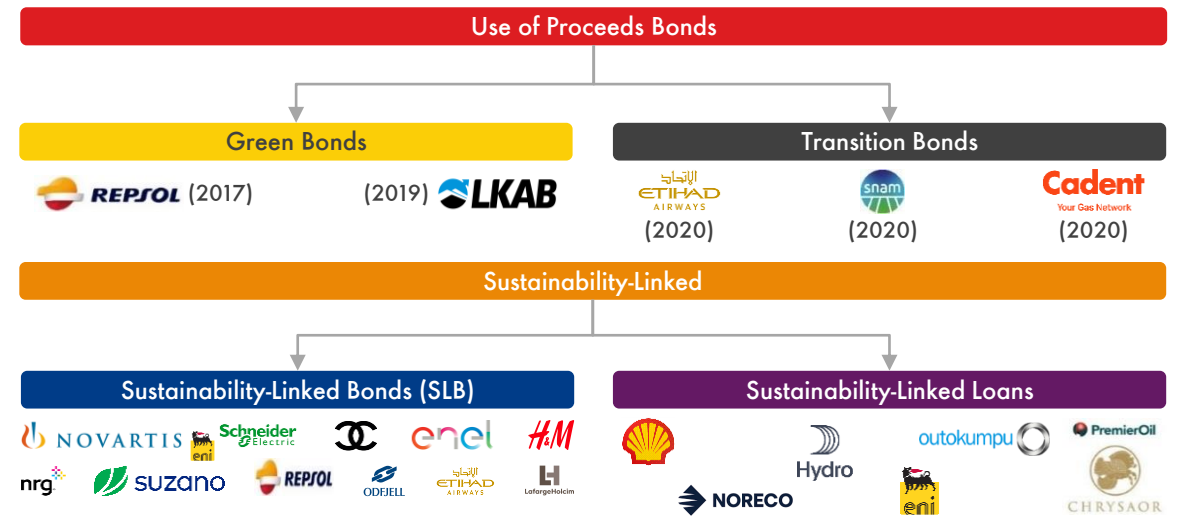
Royal Dutch Shell's ESG-Linked Revolving Credit Facility

- On 12 December 2019, Royal Dutch Shell signed a \$10 billion ESG-linked corporate revolving credit facility
- The facility was the world's largest ESG-linked loan and represents the first syndicated loan linked to SOFR
- **ESG Margin Ratchet:** The facility's pricing is partially dependent on Shell's progress towards reaching its short-term Net Carbon Footprint target, underlining the firm's commitment to reducing the environmental impact of the energy products sold
- **LIBOR transition to SOFR:** The facility provided for the option to replace the LIBOR interest rate with SOFR on first anniversary of the signing date
- Shell has set an ambition to reach net-zero emissions by 2050 and reduce its carbon intensity by 20% by 2030, 45% by 2035, and by 100% by 2050

Signing Date	December 2019	
Borrowers	Royal Dutch Shell PLC and Shell International Finance BV	
Guarantor	Royal Dutch Shell PLC	
Facility	Senior unsecured \$10 billion revolving credit facilities	
Purpose	General Corporate Purposes	
Tranches	\$8 billion RCF and Swingline	\$2 billion RCF
Tenor	5+1+1 years	1+1+1 years <i>plus</i> 1-year Term-Out
ESG Target	Net Carbon Footprint Score at least 1.5% lower than Initial NCF Score	

ESG Corporate Financing Options

- ESG issues continue to increase in prominence for investors
 - Investors assess both group-level ESG commitments as well as the use of proceeds from ESG-specific issuance
 - Investors continue to seek enhanced company ESG disclosures
- Focus on ESG issues and ESG finance remains greater in Europe than the US, but the US appears to be catching up
- Negative screening by investors remains the most prevalent issue
- Impact of ESG on availability and cost of term loans and bond market finance for some issuers appears to be increasing
 - However, there continues to be good access to debt capital markets for the oil and gas industry and competitive pricing available



Basrah Gas Company IFC Loan

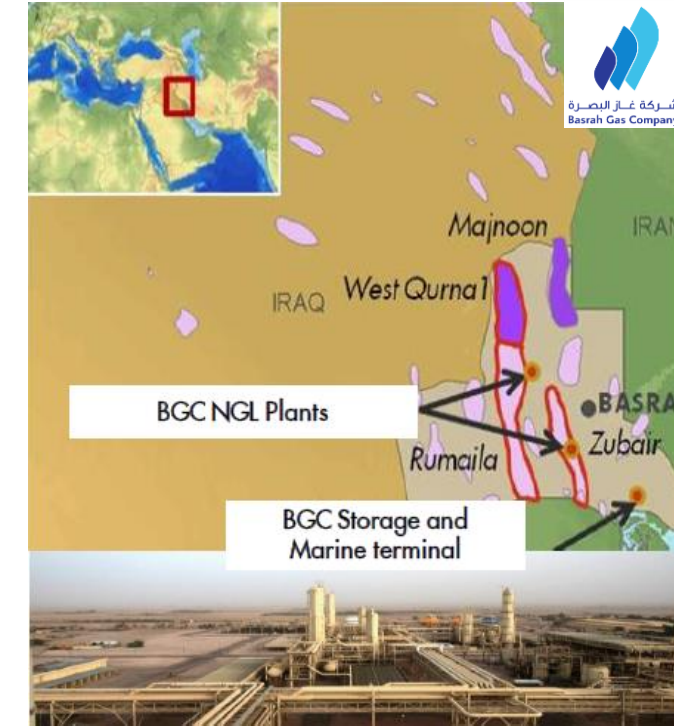
- BGC is a 25-year incorporated Joint Venture between Iraq's South Gas Company holding 51%, Shell 44% and Mitsubishi Corporation 5%
- BGC is delivering one of the largest gas flaring reduction projects in the world
- IFC and international banks providing 5 year, \$360mln loan

Reducing gas flaring

- Prevented over 107 million tons of CO₂e emissions since 2013
- Loan funds will contribute to increasing BGC's capacity to process natural gas from local producers, helping the country meet its growing energy needs and powering an additional one million Iraqi homes
- BGC's ability to reduce greenhouse gas emissions will be increased by around 10 million tons per annum

BGC loan details

- IFC, a member of the World Bank Group, acting as lead arranger
- Investment comprises \$180mln of loans from IFC (including IFC's Managed Co-Lending Portfolio Programme) and \$180mln from eight international banks



Questions and Answers

Q&A

