

FINAL ENERGY FLOWS

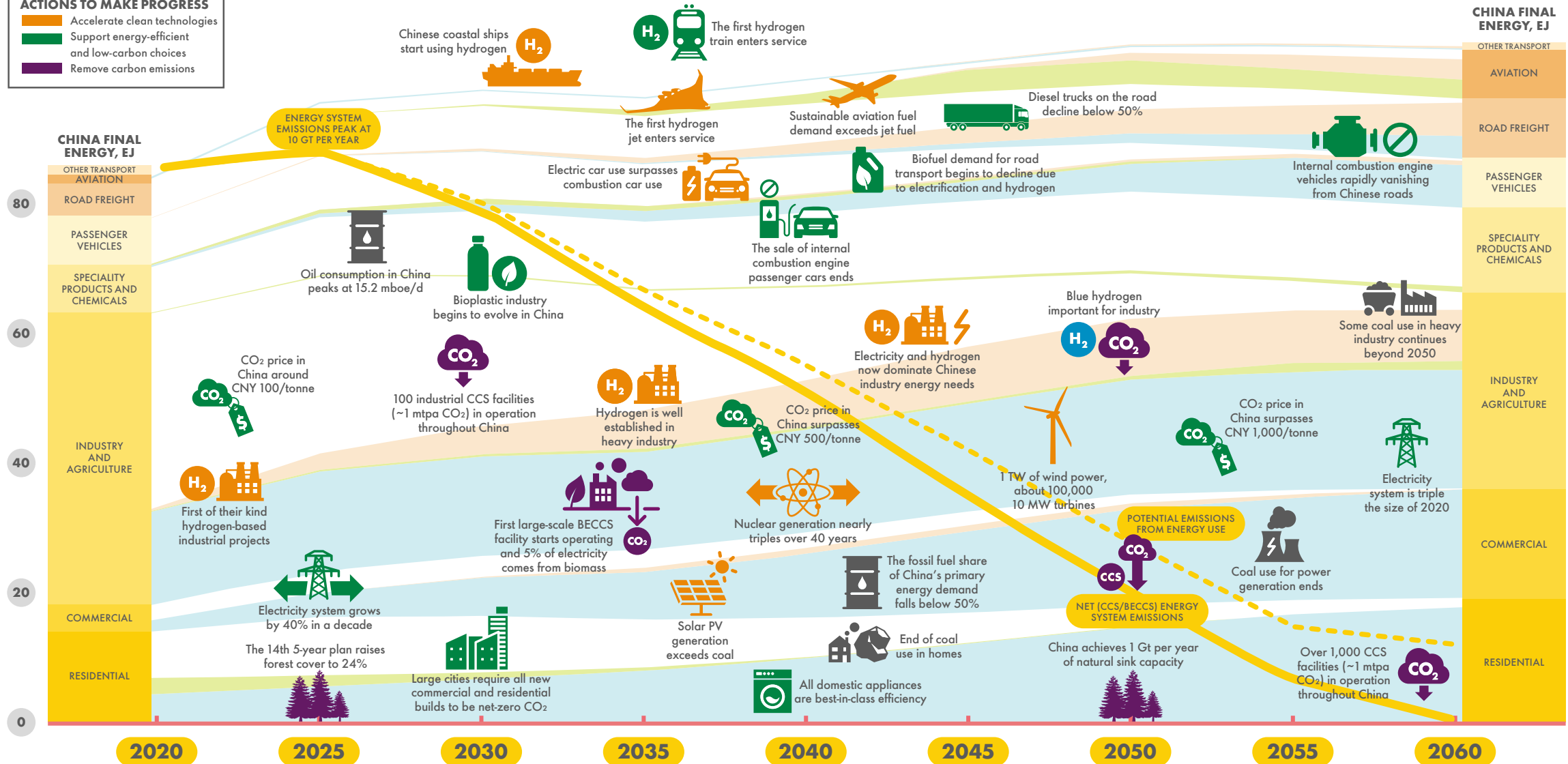
- Biofuels
- Hydrogen
- Electricity

ACTIONS TO MAKE PROGRESS

- Accelerate clean technologies
- Support energy-efficient and low-carbon choices
- Remove carbon emissions

Developing a net-zero emissions economy in China

Shell Scenarios *Sketch*: Achieving a carbon-neutral energy system in China by 2060



In developing this scenario sketch, Shell has assumed that the energy system in China is carbon neutral by 2060 – consistent with President Xi Jinping’s statement to the United Nations General Assembly in September 2020. The scenario starts with data from Shell’s Sky scenario. It is rooted in stretching but realistic development dynamics today, but explores a goal-oriented way to achieve that ambition. We worked backwards in designing how this could occur, considering the realities of the situation today and taking into account realistic timescales for change. Although highly challenging in its goal and assumptions, we believe today it is still a technically and economically possible path that supports China’s developing economy in a sustainable way. However, we believe the window for success is quickly closing and without significant action it may take longer for China to achieve a net-zero energy system. Of course, there are other possible paths for China to take towards a carbon-neutral energy system – these depend on the technologies and policies the country prioritises. For China, this scenario sketch is more ambitious in its goal and assumptions than Shell’s Sky scenario. Shell believes different places and sectors will move towards net-zero emissions at different paces, and all should move as fast as possible for society to achieve the goal of the Paris Agreement. This scenario sketch is not intended to be projections or forecasts of the future. Shell scenarios, including this scenario, are not Shell’s strategy or business plan. When developing Shell’s strategy, our scenarios are one of many variables that we consider. Ultimately, whether society meets its goals to decarbonise, is not within Shell’s control. While we intend to travel this journey in step with society, only governments can create the framework for success. The companies in which Royal Dutch Shell plc directly and indirectly owns are separate legal entities. In this report “Shell”, “Shell Group” and “Royal Dutch Shell” 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.