Shell Pleading note summary – For external use. *Note: This is a translation of the Dutch version which is leading.*

What is this appeal about?

The appeal is about whether Shell has a legal obligation to reduce the worldwide aggregate carbon emissions it reports across Scopes 1, 2 and 3 by net 45% by 2030, compared to 2019 levels (the "Reduction Obligation"). This includes reducing emissions from Shell's operations (Scope 1), plus the energy we buy to run these operations (Scope 2), and from the fuels and other energy products, such as electricity, that we sell to customers (Scope 3). For Scopes 2 and 3, the court imposed a 'significant best efforts' obligation. The court ruled that the May 2021 decision was immediately enforceable against Shell and would not be suspended pending an appeal. The court order gives Shell until the end of 2030 to achieve the emissions reduction obligation and grants Shell broad discretion to determine how this reduction should be achieved. A verdict is expected in the second half of 2024.

Why is Shell appealing?

Here are five reasons why Shell is appealing:

1. W**e do not believe the court ruling is the right solution for the energy transition – it is ineffective and counterproductive.** An order from a Dutch court against an individual company to reduce its emissions, without addressing demand for these same products, will not bring down global emissions and will not help the climate. For example, if Shell stopped selling kerosene for aviation or petrol for cars, people would not fly or drive less, customers would simply turn to other suppliers. It could even lead to an increase in global emissions if other suppliers who take Shell's place in meeting continued demand for oil and gas have higher emissions intensities than Shell. Without changing demand and the way in which customers use energy, this could effectively mean handing over retail and commercial customers to competitors. It could also prevent companies like Shell from playing a meaningful role in the energy transition because the reduction order discourages investment and innovation in low-carbon products and solutions. This will not help to reduce global emissions.
2. **Climate policy is a task for governments, not courts.** The events of the last three years have made it clear that access to secure and affordable energy is far from a foregone conclusion. The energy transition is a balancing act where countries manage trade-offs in different ways and at different paces. Only governments and legislators have the democratic and constitutional legitimacy to make such decisions based on the needs of citizens and policy priorities, and in the face of evolving technology and a dynamic geopolitical landscape. The court is not able to make these trade-offs for the Netherlands or for the world. Milieudefensie's approach undermines the democratic decision-making of governments that is needed to ensure a responsible energy transition that ensures energy security and affordability while reducing emissions.
3. **Shell does not control the emissions of its customers.** It is not clear how Shell can be ordered to reduce the emissions it does not control from customers who are not under a similar legal obligation to reduce their emissions. We cannot control the choices our customers make, nor can we control when policies will be in place or when technologies will be ready. While Shell can offer lower carbon alternatives such as electric vehicle charging and encourage their uptake, it is governments and legislators that create policies and legislation to incentivise or disincentivise consumer choices for energy.
4. **This court order would be disastrous for The Netherlands** . In January 2024, Milieudefensie announced that it plans to take similar legal action against ING, while continuing to threaten lawsuits against 28 other large Netherlands-based companies. It is clear that the relevance and impact of this case goes beyond Shell and the impact, if the District Court's reduction order were to be upheld, would be felt across the entire Dutch economy. It would apply to all large companies operating in the Netherlands, harming the Dutch investment climate, jobs and the economy. While Shell has a higher 2030 target for reducing scope 1 and 2 emissions than is required by the court, this may not be the case or even be possible for the other Dutch companies.
5. **What Milieudefensie wants – to impose absolute emissions reduction targets on Shell and other companies – has no basis in the law.** States have agreed emissions reduction pathways through nationally determined contributions (NDCs) to help achieve the goals of the Paris agreement. The Paris agreement does not impose a reduction obligation on companies. This is also not supported by sources of Dutch law, international law and soft law (e.g. recommendations and guidelines). The Dutch Government, Dutch Second Chamber (House of Representatives) and the Dutch Council of State (Raad van State) have all expressly rejected political motions to impose absolute reduction targets on individual companies on three occasions since the District Court's judgment.

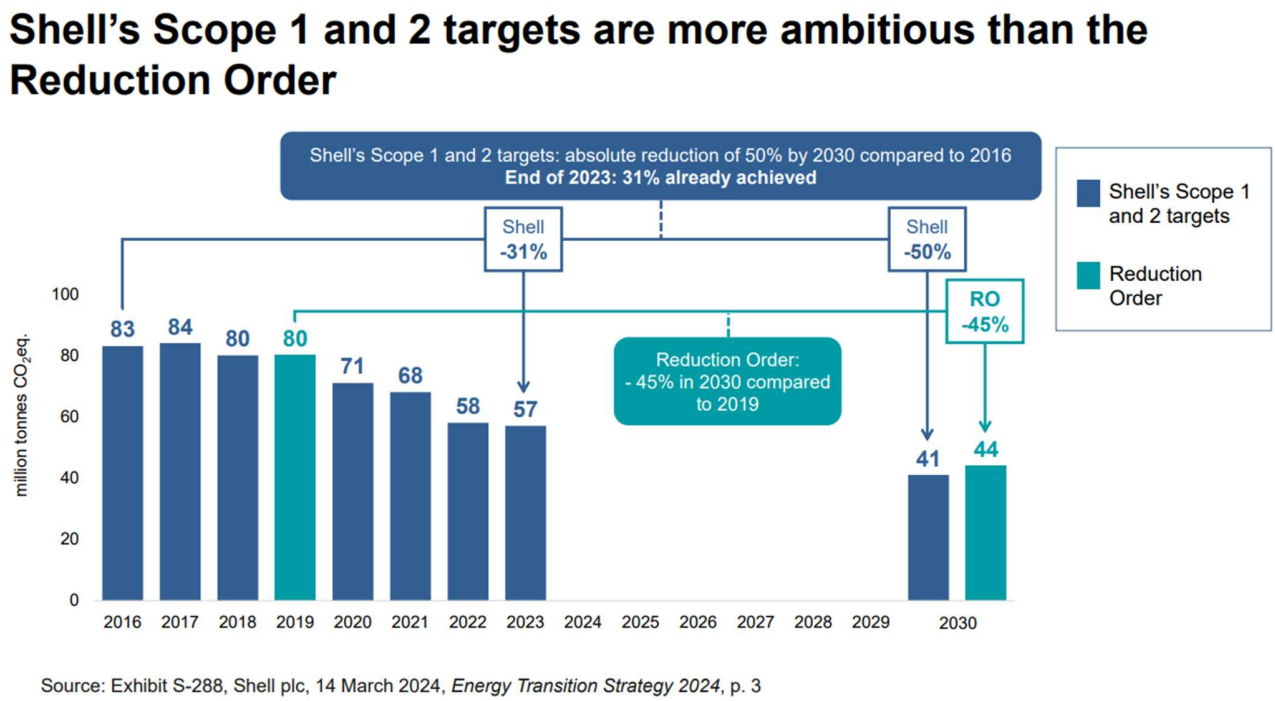
What are the legal arguments that Shell will present during the hearing?

Shell's legal counsel will present their pleading notes on 2 and 3 April. Below is a brief summary of each pleading chapter:

Day 1 (chapters 1-4)

Chapter 1 – Introduction – an overview of Shell's case.

1. Shell agrees with Milieudefensie that the world needs urgent climate action. Shell supports the more ambitious goal of the Paris Agreement to limit global warming to 1.5 C above pre-industrial levels. This court case is not about that. Where Shell and Milieudefensie have a different view is in how that goal should be achieved. This case is about whether a national court should decide how to achieve this goal. In particular, whether there is any factual or legal basis for a national court to impose on one individual company an "unwritten law" requiring a specific percentage reduction by a particular date. Shell argues that the answer to these questions is clearly "no".
2. Shell believes that Milieudefensie has no interest in this reduction order against Shell. Shell has a target to halve the emissions from its operations (Scope 1), plus the energy we buy to run them (Scope 2), by 2030 compared with 2016 levels on a net basis. Therefore, Shell's own target to reduce its Scope 1 and 2 emissions is higher than what is sought by Milieudefensie (see image 1). This case is therefore essentially about customer (Scope 3) emissions, the global emissions of end-users of Shell's energy products. Those emissions are beyond Shell's control; customers make their own decisions about what energy sources they use.
3. The world cannot dismantle the existing energy system faster than it can build a new energy system. On the one hand, the world needs to rapidly reduce emissions. On the other hand, and at the same time, it is necessary to ensure secure access to affordable energy. Courts are not equipped to decide the wide-ranging and ongoing political, economic and social choices and trade-offs that are required for the energy transition (see image 2).
4. There is no legal basis for a duty under Dutch law requiring individual companies to reduce Scope 1, 2 or 3 emissions by 45% by end of 2030. While States have that duty with respect to emissions reductions, sources of Dutch law, EU law, international law, human rights or *soft law* (e.g. recommendations and guidelines) do not support such a legal duty for companies.
5. This case is different from the Dutch Supreme Court case of *Urgenda*. *Urgenda* was about the treaty obligations of the Dutch State whereas this case alleges an unwritten tort law against a company. The *Urgenda* court verdict recognised that it is for the State, not the courts, to decide *how* to implement the energy transition. Upholding the Reduction Obligation against Shell would be contrary to the *Urgenda case*.
6. The Reduction Order is ineffective because other suppliers will take Shell's place. Considering that Milieudefensie's' interest cannot outweigh the extreme, adverse impacts of the Reduction Order on Shell and others.
7. Shell is a significant investor in the global energy transition. Shell supports the Paris agreement and the outcome of COP28. Our target to become a net-zero emissions energy company by 2050 remains unchanged. Globally, we are investing $10-15 billion over 2023 to end 2025 on low-carbon energy solutions. Shell invested USD $4.3 billion of capex in low-carbon energy solutions in 2022. That was 17.2% of total capex spending at the time. Last year, in 2023, Shell invested USD $5.6 billion, which represented 23% – almost a quarter of all capex spending (see image 3). In the Netherlands, we are the largest private investor in the Dutch energy transition, having made EUR 6.5 billion in transition related investment decisions from 2020 to 2022 alone.



Source: Exhibit S-288, Shell plc, 14 March 2024, *Energy Transition Strategy 2024*, p. 3

Image 1: Shell's own 2030 emissions reduction targets for scope 1 and 2 are higher than what Milieudefensie is seeking through the court.

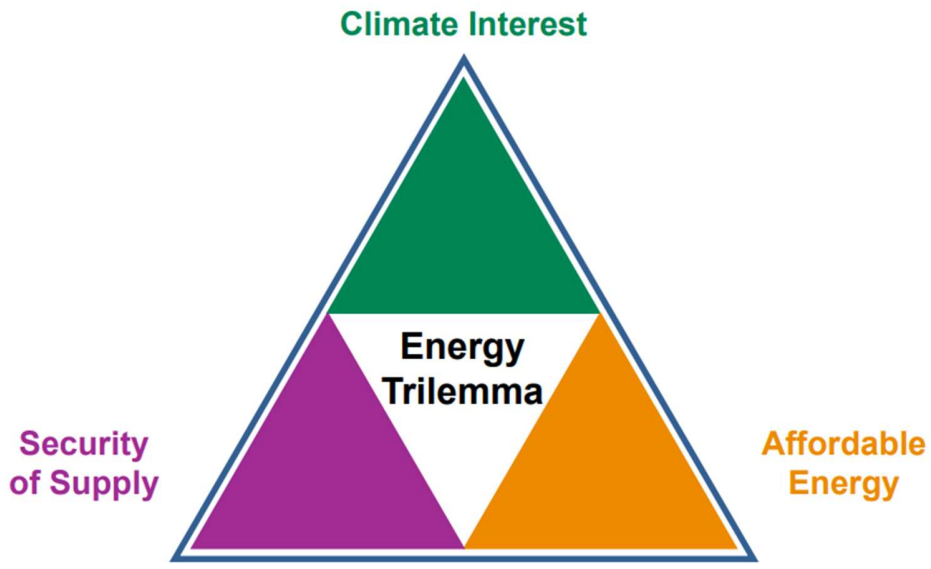
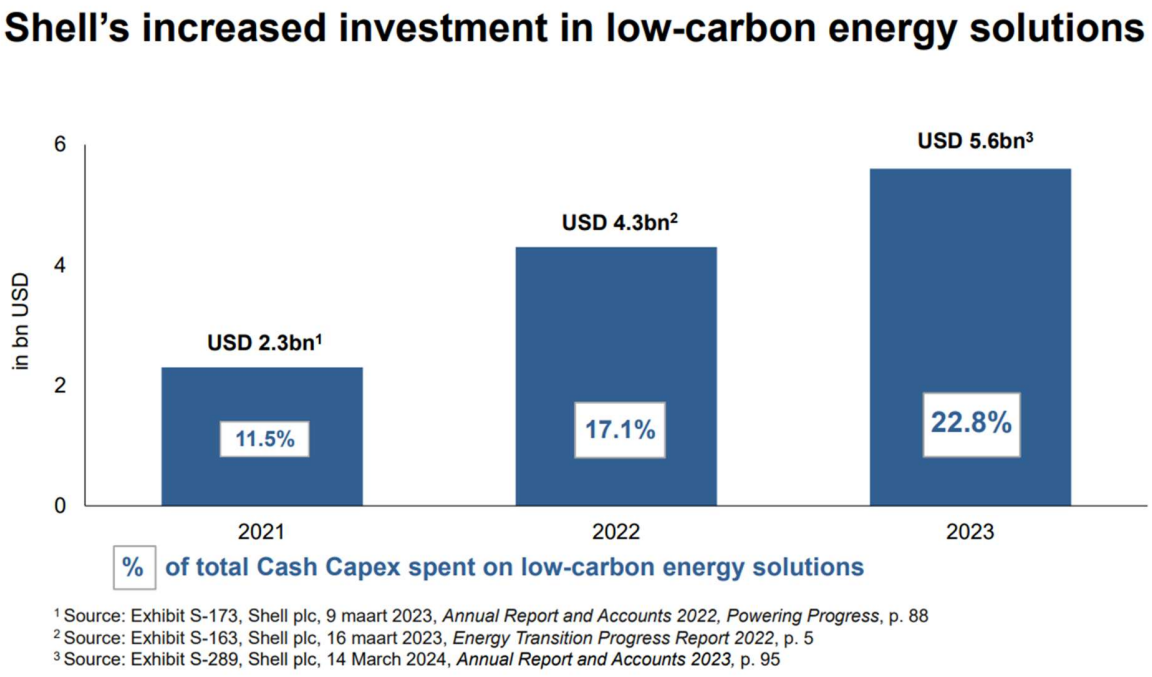


Image 2: The energy trilemma: climate interest, security of supply and affordable energy.



[1] Source: Exhibit S-173, Shell plc, 9 maart 2023, *Annual Report and Accounts 2022, Powering Progress*, p. 88
[2] Source: Exhibit S-163, Shell plc, 16 maart 2023, *Energy Transition Progress Report 2022*, p. 5
[3] Source: Exhibit S-289, Shell plc, 14 March 2024, *Annual Report and Accounts 2023*, p. 95

Image 3: Shell's investments in low carbon solutions have increased.

Chapter 2 – The case is fundamentally different from *Urgenda*

1. Milieudefensie's claim, which is brought against an individual company and not a State, is not supported by – and is fact undermined by – the Supreme Court's judgment in *Urgenda*.
2. There are four main reasons why this case is different from *Urgenda*.
    - First, the Dutch State is a party to the European Convention on Human Rights (ECHR) and the UNFCCC Climate treaty whereas Shell, as a company, is not.
    - Second, Articles 2 and 8 ECHR were applied directly to the Dutch State whereas the case brought by Milieudefensie against Shell is based on an unwritten tort law, a completely different legal basis.
    - Third, *Urgenda* was directed against the Dutch State, concerning emissions originating from the Dutch territory. Shell is a company operating within the territory of 70 different countries across the globe, each of which have the mandate and power to devise and implement their own nationally determined contributions (NDCs) to reduce emissions in line with the Paris agreement.
    - Fourth, Shell does not have the same powers and duties as a State. For example, the Dutch State has the power to regulate emissions across all of its territory and enforce compliance with those regulations. Shell has no such legislative powers; we cannot and do not control third party (Scope 3) emissions and cannot, therefore, be liable for them. Unlike a State, Shell is not equipped to take the political decisions necessary for a just and orderly energy transition. The *Urgenda* court verdict recognised that it is for the State, not the courts, to decide how to implement the energy transition.
3. An emissions target cannot be applied to Shell, as it can to a State, because there is no international consensus that a company must reduce the global emissions it reports by 45% or any other percentage. Applying a 45% global average emissions reductions percentage derived from IPCC scenarios to an individual company does not make sense. The emissions that Shell reports are not a representative cross-section of the emissions from society. For example, Shell does not supply coal. There are no plausible 1.5°C scenarios that in which emissions from each of coal, oil and gas reduce at the same rate (see image 2). Coal is much more carbon-intensive than oil and gas. In addition, coal causes the largest share of emissions from energy. By contrast, natural gas (including LNG) is an important substitute for coal when generating power and as a partner for renewables to ensure the stability of electric grids. Therefore, it is seen as a "transition fuel" as the global economy moves away from coal.

Chapter 3 – Adopting a Reduction Obligation exceeds the Court's law-finding role

1. The energy transition – and how to reduce emissions – are tasks for governments and legislators, not courts. They require international co-operation and multi-faceted policy judgements, choices, and trade-offs to be made - all in light of fast-moving technology, science and geopolitics. This has been recognised by courts around the world.

2. International and national legislative frameworks are effective at reducing emissions and continue to evolve. Take for example the European Emissions Trading Scheme (EU ETS), Europe's Fit for 55 climate legislation or the Dutch Climate accord. A reduction obligation by the court would undermine the democratic mandate of governments and cut across the legislative framework that is already in place and continues to develop (see image 4)
3. Multi-factorial policy decisions cannot be made by courts through civil litigation. This court order is static and cannot be adapted to reflect the dynamic nature of the energy transition and climate legislation. Also, a civil suit is for an ad hoc dispute between limited parties and does not enable the wide-ranging interests of the energy transition to be fully or properly represented and addressed.
4. Milieudefensie is effectively asking the Dutch court to create climate policy and to shape corporate policy. It wants to apply this verdict to every other major corporation in the Netherlands which would have disastrous consequences for Dutch companies, jobs and the investment climate.

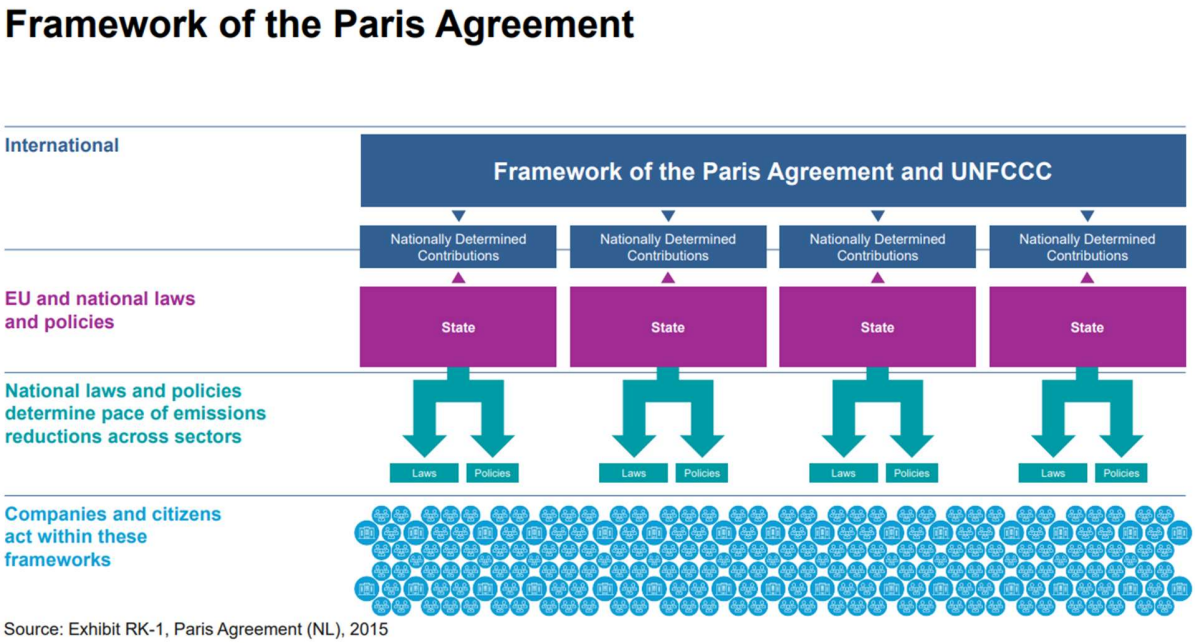


Image 4: Companies operate within the framework of legislation of states to contribute to the goals of the Paris agreement.

Chapter 4 – Milieudefensie is inadmissible

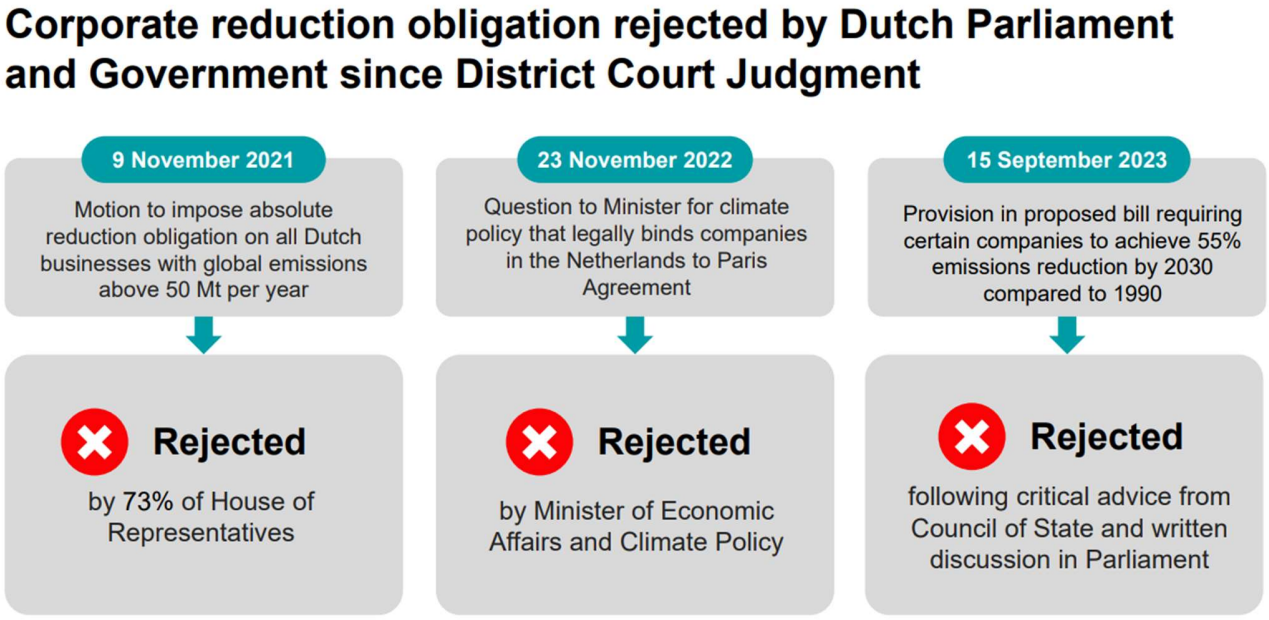
1. The public interest in relation to climate change is much broader and more varied than the interests Milieudefensie claim to represent, they ignore all of the other interests at stake. This is evidenced by the fact that two other interest groups, Milieu and Mens and Clintel, have sought to join these proceedings. They disagree so much with the way Milieudefensie frames the public interest that they are taking legal action to have the claim dismissed.
2. There are wide-ranging views on how to address climate change. The Dutch social and political debate on climate change and the energy transition show that society's views on the measures that should be taken to address these challenges differ. These legal proceedings do not offer an opportunity to reconcile these different interests and are not a good substitute for the democratically legitimised legislative process established in the Dutch constitution.

Day 2 (chapters 5-12)

Chapter 5 – There is no legal basis for the Reduction Order

1. There is no legal basis for imposing a specific percentage reduction on a specific company by a specific date. None of the "objective points of reference" relied on by Milieudefensie support the existence of the Reduction Obligation.
2. The 'unwritten social norm' on which the Dutch court based its ruling does not exist. There is no clearer illustration of this than the fact that Dutch legislators expressly rejected political motions three times already to impose absolute reduction targets on individual companies (see image 5).
3. For there to be a rule of unwritten law under Article 6:162(2) of the Dutch Civil Code, the rule must be compatible with the existing legal system, and it must be knowable. Neither requirement is satisfied in this case.

4. The Dutch *Kelderluik* case and the Dutch endangerment cases involve bilateral relationships and a direct link between the person creating the risk and the third party who may be harmed if the risk materialises. They do not apply in this case.



Source: Exhibit S-185, Motions by Members Van der Lee and Thijssen and by Members Teunissen and Van Raan of 4 November 2021 and the voting results of 9 November 2021; Exhibit S-186, Minister of Economic Affairs and Climate, Minister of Climate and Energy Policy, State Secretary of Economic Affairs and Climate, 23 November 2022, *Answers to Parliamentary Questions in Response to Economic Affairs and Climate budget debate*; Written pleading note Shell plc, 19 March 2024, para. 3.3.

Image 5: Reduction obligations for companies have been repeatedly rejected by Dutch Parliament and Government.

Supporting quote: In 2021 the Dutch Parliament rejected a political motion to "hold" Dutch companies to the Paris Agreement. Why? According to the Minister for Economic Affairs and Climate: *"The Paris agreement says nothing about the obligations of individual countries, let alone individual companies." And besides: "[a]s the EU, we have taken on an ambitious task with the Green Deal, which we are jointly translating with all EU countries into binding best-efforts obligations per member state."*

Chapter 6 – The Reduction Obligation is not compatible with the system of the law

1. The world has changed since 2019 when this case began. There are now detailed international, EU and Dutch laws and policies reflecting the need to reduce emissions in a responsible manner. The implementation of these laws and policies is leading to significant progress in reducing emissions, including in the Netherlands.
2. The Reduction Obligation cuts across and is incompatible with existing international, EU and Dutch laws and policies. None of these measures impose a reduction obligation on individual companies. Furthermore, the Reduction Obligation undermines tailor-made Maatwerk agreements between the Dutch Government and large companies and it is inconsistent with Dutch Government timeframes, for example to retain the use of oil until 2030. The Reduction Obligation is also contrary to the sectoral approach (which is taken, for example, in the EU's Fit for 55 package).
3. The Reduction Obligation treats Shell as liable for customer (Scope 3) emissions and is therefore contrary to Dutch law which requires liability for third party actions to be imposed by legislation, not by unwritten law.
4. EU law – and therefore the EU's Fit for 55 package - is presumed to provide equivalent protection to the European Convention on Human Rights (ECHR). This is a well-established legal presumption. The Netherlands is implementing EU law and therefore fulfils its obligations under the ECHR. Therefore, there is no scope for the argument that Articles 2 and 8 can be used to support the finding of the Reduction Obligation.
5. Courts should defer to the government and law-makers on the issue of what specific environmental measures are needed to reduce emissions. Courts cannot and should not engage in the geo-political and socio-economic judgement calls needed to advance the energy transition.
6. The United Nations Guiding Principles and other soft law instruments do not support the existence of the Reduction Obligation. The Reduction Obligation would also restrict the free movement of goods in violation of EU law.

Chapter 7 – No Legal Duty

1. There is no unwritten legal obligation for companies such as Shell to reduce their own emissions, or those of their customers. Let alone with a specific percentage, before a certain date: there is overwhelming consensus that States, energy sources, sectors and actors will reduce emissions at different paces in different places.
2. For example, it is widely acknowledged that coal must reduce more quickly than oil and gas. On the other hand, natural gas – including LNG - is an important transitional fuel and will still be needed for (a) energy security (as the global economy moves away from coal) and (b) energy stability (alongside electricity grids and renewable power). Some sectors – for example aviation and shipping - are challenging to reduce because there are no alternatives to oil at scale at all.
3. It is for the government and law-makers in each State to decide *how* to reduce emissions.
4. There is no legal duty on Shell to reduce emissions by 45%, as alleged by MD. There is no legal or factual basis for imposing a specific percentage reduction on Shell. None of the materials MD relies on (e.g. the Production Gap Report or voluntary initiatives like the UN Race to Zero) shows that this percentage can or should be applied to Shell.
5. The 45% comes from the IPCC. It is a global reduction average which is based on all anthropogenic emissions on earth. It cannot be applied to Shell because:
    - Shell's global product portfolio is different from the global energy mix that the 45% is based on, for example Shell doesn't sell coal;
    - Shell sells more energy to some sectors than others and decarbonisation will not be uniform across all sectors; and
    - there are significant differences between the pace of emissions reductions between different countries/regions.

Chapter 8 – No Legal Duty for Scope 3

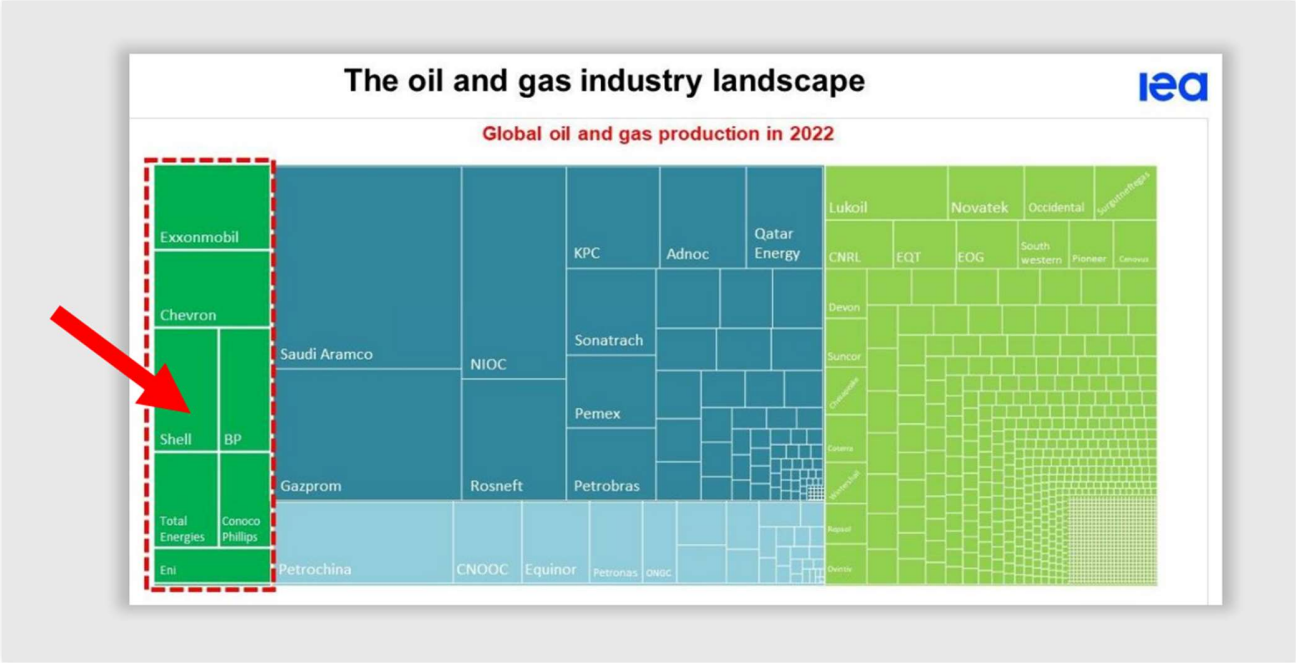
1. There is no objective basis for an unwritten rule requiring Shell to reduce the emissions it reports by a net 45%, or by any other fixed percentage. Let alone to do so with respect to its customers' emissions, which it reports as Scope 3.
2. There is no legal duty on Shell to reduce third party emissions (Scope 3). These include the Scope 1 emissions of Shell's customers, i.e. from their use of energy products purchased from Shell.
3. Shell does not control third party emissions. Shell supplies lawful, essential goods in a lawful way and is not liable for the use of those goods by others. Therefore, it cannot be liable for customer (Scope 3) emissions.
4. More than 90% of the emissions which Shell reports are emissions by customers from the use of the energy products sold by Shell. Voluntary emissions reporting does not mean that they are "attributable" to Shell or that Shell is liable for those emissions.
5. The Scope 3 emissions reported by Shell are unsuitable as a measure of the reduction of actual emissions into the atmosphere.
6. Shell's reported third party (Scope 3) emissions would reduce if it sold less energy but that doesn't necessarily mean less global emissions. If Shell stopped selling kerosene for airplanes or petrol for cars, people would not fly or drive less, customers would simply turn to other suppliers. It could even lead to an increase in global emissions if other suppliers who take Shell's place in meeting continued demand for oil and gas have higher emissions intensities than Shell. It could also prevent Shell from contributing to the innovation and investment needed to help deliver the energy transition. Global emissions will only reduce if there are changes in demand and that requires State-led laws and policies.
7. Under Dutch law, liability for the actions of others can only be imposed by legislation, not by unwritten law. It is therefore contrary to Dutch law for the Reduction Obligation to make Shell liable for third party (Scope 3) emissions by way of an unwritten law.
8. There is no consensus that companies should be liable for third party (Scope 3) emissions. None of the material relied on by MD, e.g., the "Oxford Report" (in fact no more than a limited survey), shows any such consensus.

Chapter 9 – No legal duty: The Reduction Obligation violates EU law

1. The Reduction Order imposed by the District Court violates EU law in three ways:
    - First, it hinders the free movement of goods within the EU. For example, Shell's Pernis refinery refines crude oil purchased from companies in other EU member states. It sells the refined oil to companies in other EU member states. If Shell has to reduce the Scope 3 emissions it reports by 45% then it will have to reduce its imports and exports across EU borders.
    - Second, it undermines the EU legal and policy framework concerned with climate change (e.g. Fit for 55).
    - Third, by restricting Shell only, the Reduction Order distorts Shell's ability to compete with its rivals in the EU who are unconstrained; it thus undermines the *level playing field* created by the EU's internal market, which is not allowed.
2. There is no justification for the Reduction Order on environmental protection grounds because it is not proportionate. It is also not an effective mechanism for reducing global emissions and may be counterproductive. Furthermore, the Reduction Order is inappropriate because it is not a consistent and systematic measure: it only targets Shell, and not others in a similar situation. The Reduction Order therefore fails the Article 34 test. Finally, there is no further recourse to the European Convention on Human Rights (ECHR) because there is a presumption that EU law provides equivalent human rights protection to the ECHR and MD has not rebutted that presumption.

Chapter 10 – No legal duty: The Reduction Order is not effective in reducing global emissions

1. The alleged rule of unwritten law cannot exist if it does not contribute to combating climate change or can even be counterproductive: there cannot be unwritten law that has no practical effect.
2. The Reduction Order is not effective because if Shell sells less oil and gas that would not reduce the supply of oil and gas globally. To put Shell's role in the global energy system into perspective: As Shell's expert report explains, in 2022 Shell produced about 1.5% of the oil and 2% of the gas sold worldwide. State-owned oil companies are responsible for more than half of global oil and gas production and own 60% of the reserves (see image 6).
3. Even if the reduction order would reduce the global supply of oil and gas: that would not automatically reduce consumption or lead to lower emissions. In fact, it could be counterproductive for the energy transition because a consumer could switch from using oil/gas to coal.
4. The Reduction Order is not an efficient way to reduce emissions and has unintended consequences: it inhibits investment in low-carbon energy such as wind and solar power (which require large scale construction projects and, therefore, fossil fuels).
5. The lack of effectiveness of the Reduction Order illustrates that Shell does not have control and influence over customer (Scope 3) emissions and cannot be liable for them. It also shows that it cannot be imposed because there is insufficient interest in the claim (Article 3:296 and Article 3:303 Dutch Civil Code (DCC)).
6. Finally, even if the Reduction Order was capable of some limited effect: it is not proportionate. This is relevant to the legal analysis (a) in relation to balancing of interests under Article 6:162 DCC; (b) in relation to Article 3:296 and Article 6:2(2) DCC and (c) in relation to EU law.



Source: Exhibit S-135, Alessandro Blasi (Special Advisor to the IEA Executive Director), November 2023, 'The oil and gas industry landscape', *LinkedIn*

Image 6: The so called '7 Majors' like Shell, Exxon and BP together account for 13% of the global oil and gas production and reserves.

Chapter 11 - Remedy: The requirements of Article 3:296 and Article 3:303 Dutch Civil Code are not satisfied

1. There is no basis for the Reduction Order (under Article 3:296 DCC) because there is no threat of an imminent breach of a legal obligation. This is because Shell is already on track to reduce its own (Scope 1 and 2) by more than sought by MD.
2. There is no basis for the Reduction Order (under Article 3:303 DCC) because MD lacks sufficient legal interest in the claim since the Reduction Order is ineffective in meeting the alleged interests of the inhabitants of the Netherlands and the Wadden.
3. The Reduction Order should be rejected because there is a compelling public interest under Article 6:168(1) DCC in refusing to impose a partial ban on the supply of oil and gas by one supplier.
4. The Reduction Order should be rejected because the Reduction Order is not reasonable and fair (as required by Article 6:6(2) DCC and Article 3:12 DCC). It would have significant impacts on Shell but would be ineffective in reducing global emissions.

Chapter 12- Day 2 Conclusion

1. The need to reduce emissions to combat climate change is not in dispute. Nor is it disputed that this must be done urgently.
2. There is no single overarching solution by which that can be achieved: it will differ between countries, sectors and energy sources. A static reduction order is not a solution: it doesn't do anything to reduce emissions and may even be counterproductive.
3. What does work is the climate legislation and policies that States, including the EU and the Netherlands, have established pursuant to the framework of the Paris Agreement. This legislation will be periodically reviewed and adjusted as necessary. It brings about emission reductions across all sectors of the economy. This seeks to ensure a just, orderly, and equitable transition.
4. Reducing emissions, and the other two policy imperatives – affordability and security of supply of energy – need to be ensured as well.
5. Individual reduction obligations for individual companies simply do not fit into this. The Dutch legislator has deliberately rejected such obligations. Imposing an individual reduction obligation would exceed the court's law-finding role and undermine collective efforts to reduce emissions.
6. Shell is fully committed to playing its role within the applicable legislative and policy frameworks (i) by reducing its own emissions beyond what claimants seek in these proceedings; (ii) by working with its customers to help to reduce their emissions; and (iii) by investing substantive amounts in tomorrow's energy system in areas where it can make a difference.
7. And at the same time, Shell ensures secure access to affordable energy that the world needs today.

Day 4

The following are the legal arguments that Shell presented during the final day hearing on 12 April 2024.

Chapter 1 – The Reduction Obligation does not fit into the legal system

- There is an extensive package of climate measures at the Dutch, European and international level. Milieudefensie seems to be ignoring this. For example, at the European level there is Fit for 55 and at the national level there is the Climate Law, which was established on the basis of the Climate Agreement.
- The ruling of the Supreme Court in New Zealand in the Fonterra case is cited by Milieudefensie to find support for the unwritten legal obligation it has stated for Shell. This ruling does not support that. It is a statement on a 'preliminary question' as to whether such an issue lends itself to a lawsuit. The substantive treatment, for example on the role of climate legislation, will be discussed when the main case is pending.

Chapter 2 – Shell plays its role in the energy transition

- Shell lobbies for, not against, the energy transition. In its pleadings, Milieudefensie has paid a great deal of attention to the so-called *'inhibiting influence'* of oil and gas companies. In it, she lumps Shell together with other oil and gas companies, and implicitly also with coal companies. Milieudefensie does not specify what Shell's alleged actions would be concerned, does not address evidence provided by Shell to the contrary and refers to alleged events from 1928 and later in the 20th century, which is also irrelevant to the claim because this case looks forward from now to 2030, not backwards.
- Shell has provided extensive evidence that the policies that Shell is advocating are aimed at accelerating climate action and the energy transition. Shell reports transparently on its lobbying activities in its *Climate and Energy Transition Lobbying Report*. It states, among other things, that Shell lobbied for a ban on cars with an internal combustion engine, pricing of CO2, EU Fit for 55, 2050 net-zero targets for governments, an accelerated roll-out of green hydrogen, the roll-out of CCS at scale, support for Sustainable Aviation Fuel, green electricity and electrification and so on. Milieudefensie does not dispute this.
- Milieudefensie also argues that the trade associations of which Shell is a member would have a negative influence on the energy transition and that this would therefore indirectly also apply to Shell. However, Shell reports annually on the evaluation of its memberships to advocacy groups to assess whether they are in line with its views on climate action. These evaluations have led to constructive discussions and positive results. In the U.S., for example, some advocacy groups have changed their stance to support carbon pricing and the direct regulation of methane emissions. If the differences are irreconcilable, Shell will leave interest groups, as she has done in the past. In addition, Milieudefensie fails to mention that Shell is also a member of a multitude of interest groups in the wind, solar and hydrogen sectors.
- Reducing coal emissions is the most important short-term solution in the period up until 2030 to help meet the goals of the Paris Agreement. Replacing coal with gas is therefore essential for the energy transition. However, where everyone turns right, Milieudefensie turns left. Milieudefensie presents a worldview where coal use declines much slower until 2030. This view has no support whatsoever in climate science.

- Milieudefensie states that coal consumption takes place in low-income countries and gas consumption in developed economies. In reality, China, India, the US and the EU together account for 80% of global coal demand. For China and India combined, this is 62% (See Figure 1). India and China's policies focus on replacing coal with gas and renewable energy. In India, for example, the government wants to more than double the share of natural gas in the energy transition by 2030; from 6.2% to 15% by 2030. Shell can supply the gas so that customers can move away from coal and reduce their emissions.
- Until 2030, there will not be enough renewable energy sources to meet the entire energy demand. It seems that Milieudefensie is advocating a scenario in which, in addition to *renewables,* coal instead of gas plays an important role in meeting energy demand.

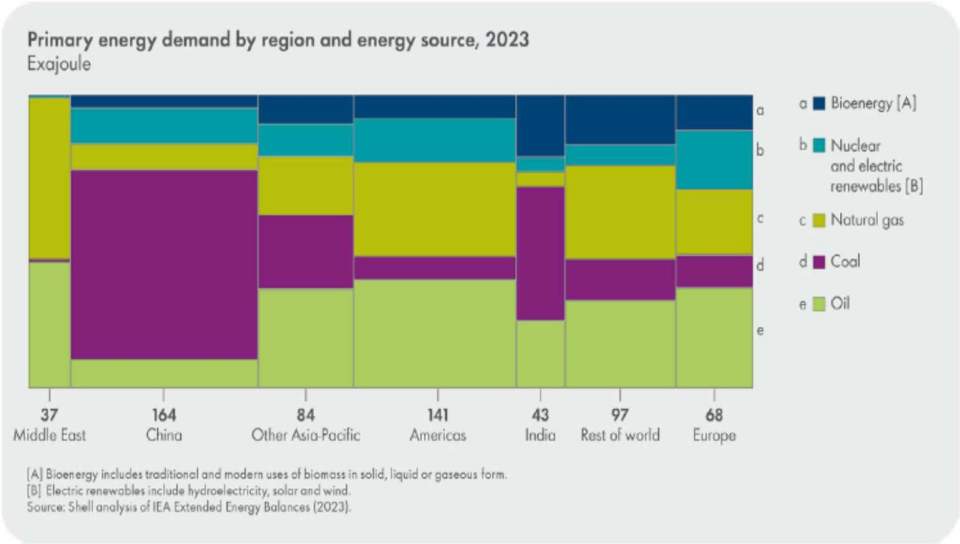


Figure 1: The global energy mix.

Chapter 3 – The Reduction Order is ineffective and is very onerous for Shell

- It seems that Milieudefensie is striving for Shell to become a smaller company. However, as has already been discussed at length, this does not help the climate. Other companies will simply grow larger while the end users continue to use the products.
- Milieudefensie argues that there could be an 'indirect effect' of the ruling. Shell refutes this, citing its expert reports, among other things.

Chapter 4 - There is no relevant percentage supporting the Reduction Order

- Milieudefensie has not provided a single authoritative source that supports the application of a 45% reduction, a global average reduction percentage, for oil and gas. Let alone the application of such a percentage to one individual company such as Shell.
- Milieudefensie cannot maintain that Shell has a recognizable legal obligation to reduce emissions at a rate that deviates completely from the IPCC's oil and gas reduction figures. That's not a scientific approach. The European Climate Law also assumes the IPCC (including these scenarios) as the primary source for climate science. And all those sources end up with different (lower) percentages for oil and gas use in 2030 than 45%.

Chapter 5 – Can the World Handle the Reduction Order?

- Milieudefensie is constantly in two minds: one moment it says that the reduction order only applies to Shell. The next moment it believes that it applies to all other oil and gas companies and perhaps even to all large companies. That's quite a difference. In the first case, the order would not be effective because it would make no difference to global emissions. In the second case, this would lead to a huge shortage of energy, raw materials and products, resulting in huge price increases. There is no longer any question of a *just, orderly and equitable* transition. Neither in the Netherlands nor abroad. It cannot be seen that this is in the general interest of the inhabitants of the Netherlands and the Wadden Sea region. The world can't handle that at all.
- That's why all credible scenarios assume lower reduction paths for oil and gas. Because in 2030, the world will still need products that cannot be made with renewable energy.
- In these proceedings, Milieudefensie did not actually substantively address the characteristics of the energy transition, the climate and energy legislation that has already been enacted, and did not substantiate with concrete facts why the imposition of a reduction order is or still is appropriate in addition to and on top of that legislation.