



Learning from the CDM as we look towards Article 6

David Hone
Chief Climate Change Adviser
Shell International Ltd.

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Warning: Uncertainties ahead

The New Lens Scenarios are part of an ongoing process used in Shell for 40 years to challenge executives' perspectives on the future business environment. We base them on plausible assumptions and quantification, and they are designed to stretch management to consider even events that may be only remotely possible. Scenarios, therefore, are not intended to be predictions of likely future events or outcomes and investors should not rely on them when making an investment decision with regard to Royal Dutch Shell plc securities.

Reserves: Our use of the term "reserves" in this presentation means SEC proved oil and gas reserves.

Resources: Our use of the term "resources" in this presentation includes quantities of oil and gas not yet classified as SEC proved oil and gas reserves. Resources are consistent with the Society of Petroleum Engineers 2P and 2C definitions.

Organic: Our use of the term Organic includes SEC proved oil and gas reserves excluding changes resulting from acquisitions, divestments and year-average pricing impact.

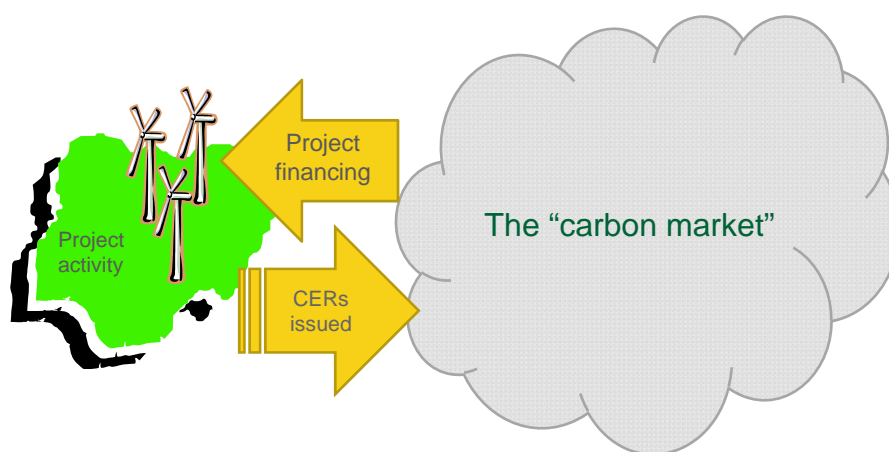
Resources plays: Our use of the term "resources plays" refers to tight, shale and coal bed methane oil and gas acreage.

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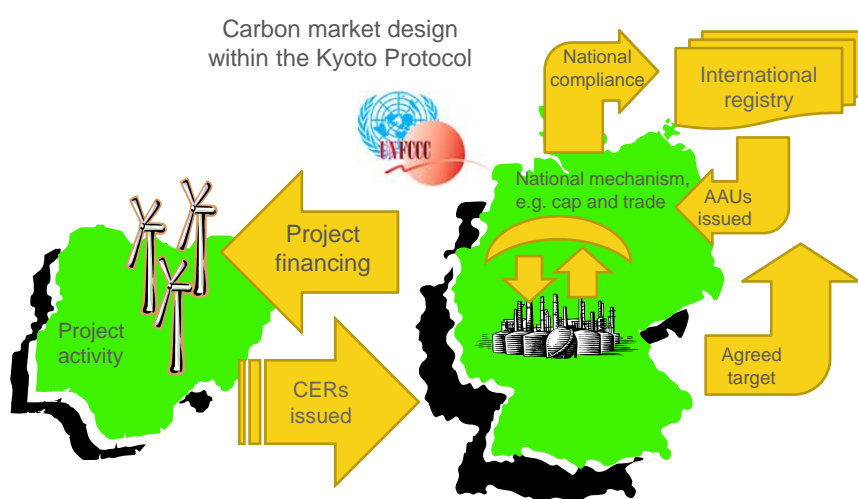
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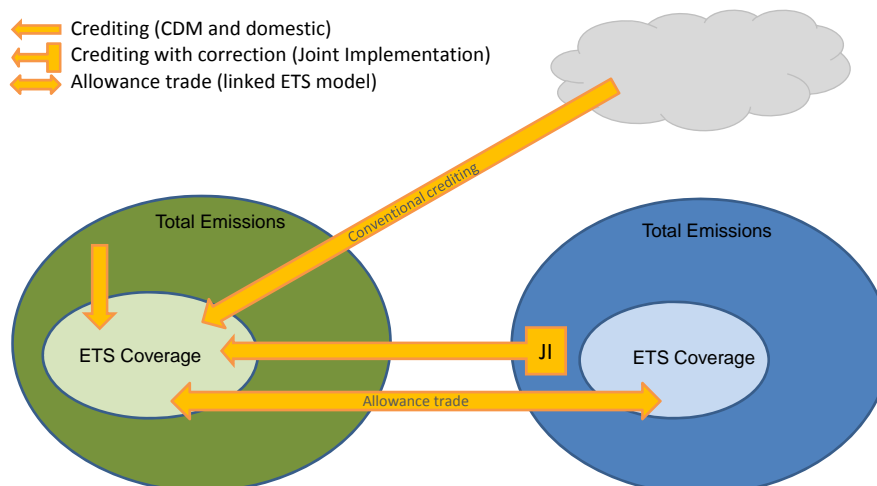
An existing “market mechanism”
The conventional view of the CDM



The full market mechanism in operation as
part of a broader carbon market architecture

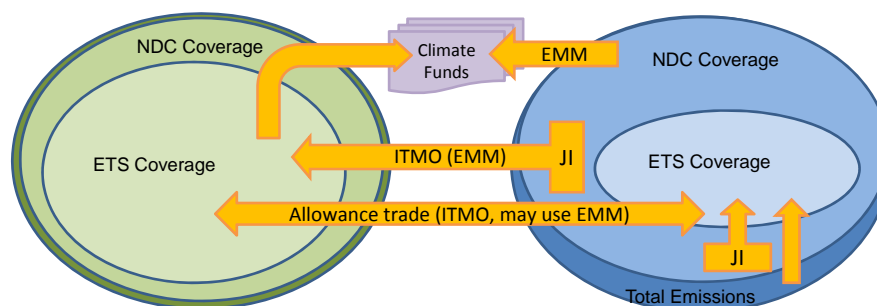


IETA Vision for Article 6

Pre-2020 Current Carbon Market Architecture
Has limited scale relative to global emissions

Post 2020 Article 6 Evolution Needs to scale to match the energy system

- ← Crediting (offset model)
- ← Crediting with correction (Joint Implementation model)
- ↔ Allowance trade (linked ETS model)



NDCs evolve quickly to cover most, if not all, of the GHG emissions from a national economy.

