ACCR

October 2025

Commitment Issues: Shell's LNG lobbying risks undermining its Paris pledge

accr.org.au

ACCR

Commitment Issues: Shell's LNG lobbying risks undermining its Paris pledge

October 2025

Disclaimer

This document has been prepared by the Australasian Centre for Corporate Responsibility Inc. ("ACCR").

No distribution where licence would be required

This document is for distribution only as may be permitted by law. It is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject ACCR to any registration or licensing requirement within such jurisdiction.

Nature of information

ACCR is not providing financial product advice. The purpose of this communication is not to provide financial product advice. Readers should consider obtaining independent advice before making any financial decisions. None of ACCR, its officers, agents, representatives or and employees holds an Australian Financial Services Licence (AFSL), and none of them purports to give advice or operate in any way in contravention of the relevant financial services laws. ACCR, its officers, agents, representatives and employees exclude liability whatsoever in negligence or otherwise, for any loss or damage relating to this document or its publications to the full extent permitted by law. This document has been prepared as information or education only without consideration of any user's specific investment objectives, personal financial situation or needs. It is not professional advice or recommendations (including financial, legal or other professional advice); it is not an advertisement nor is it a solicitation or an offer to buy or sell any financial instruments or to participate in any particular trading strategy. Because of this, no reader should make any financial decisions without having obtained independent advice.

By receiving this document, the recipient acknowledges and agrees with the intended purpose described above and further disclaims any expectation or belief that the information constitutes investment advice to the recipient or otherwise purports to meet the investment objectives of the recipient.

Information not complete or accurate

The information contained in this report has been prepared based on material gathered through a detailed industry analysis and other sources and although the findings in this report are based on a qualitative study no warranty is made as to completeness, accuracy or reliability of fact in relation to the statements and representations made by or the information and documentation provided by parties consulted as part of the process. The sources of the information provided are indicated in the report and ACCR has not sought to independently verify these sources unless it has stated that it has done so. ACCR is not under any obligation in any circumstance to update this report in either oral or written form for events occurring after the report has been issued. The report is intended to provide an overview of the current state of the relevant industry or practice. This report focuses on climate related matters and does not purport to consider other or all relevant environmental, social and governance issues. Any prices stated in this document are for information purposes only and do not represent valuations for individual securities or other financial instruments. ACCR does not represent that any transaction can or could have been affected at those prices, and any prices do not necessarily reflect ACCR's internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by ACCR or any other source may yield substantially different results.

Links to Other Websites

This document may contain links to other websites not owned or controlled by the ACCR and ACCR assumes no responsibility for the content or general practices of any of these third party sites and/or services whose terms and conditions and privacy policy should be read should you access a site as a result of following a link cited in this report.

ACCR

Contents

1. Executive Summary

This report provides a range of examples of Shell's lobbying in key emerging markets for higher, long-term gas and liquefied natural gas (LNG) use. This lobbying seeks to support Shell's strategy to grow LNG in these markets, but these activities do not appear aligned with Paris pathways and are inconsistent with the company's commitment to lobby in support of the Paris goals.

The Global Standard for Responsible Climate Lobbying encourages companies to review and disclose direct and indirect climate change lobbying positions and activities, and also to assess how aligned these positions are with the goals of the Paris Agreement.[1] While extensive investor engagement has driven Shell to incrementally improve its lobbying transparency in recent years,[2] it is evident that investors still do not have adequate insight into the extent, impact or Paris alignment of the company's lobbying.

Investor focus on Shell's lobbying in emerging markets is due, in part, to the company's ambitious LNG growth strategy targeted at these markets. This strategy is underpinned by bullish demand forecasts that predict LNG demand through to 2040 to be 21% higher than the International Energy Agency's (IEA) Stated Policies Scenario (STEPS), a scenario which implies 2.4°C of warming and is therefore not Paris-aligned.[3]

Shell is exposed to major financial risk if demand falls short of its expectations. The company has an unprecedented long position on LNG compared to peers and expects to hold around 1.4 billion tonnes of uncontracted LNG through to 2050.[4] As such, Shell may have a strategic incentive to lobby for increased gas and LNG use at the expense of its commitment to lobby in line with the Paris Agreement's goals.

It may be the case that companies will not materially change their Paris-misaligned lobbying while their corporate strategy remains Paris-misaligned. Investors may gain little from requests for more lobbying disclosure in this context. However, tackling the source of the inconsistency via ongoing scrutiny of Shell's LNG growth strategy remains an important pathway for investors. Investors engaging on this can harness the momentum from the greater-than-20% vote at the 2025 AGM for a shareholder proposal asking for more disclosure around how LNG growth targets are consistent with Shell's climate commitments. A supplementary approach for investors who view climate change as a systemic portfolio risk could include moving towards systems stewardship, with a focus on direct policy engagement.

[1] Responsible Climate Lobbying: The Global Standard, Global Standard on Responsible Climate Lobbying, July 2025, pp. 7 & 9.
[2] ACCR, Investor Bulletin: Shell expands lobbying disclosures, but picture still not clear, July 2025.
[3] ACCR, Investor Briefing: Shell's gamble on gas, April 2025, p. 15.
[4] ACCR, Shell's LNG strategy: Overcooked?, November 2024.

Key Points

- Despite recent improvement in disclosures following investor engagement and escalation, investors still do not have adequate insight into the impact or Paris alignment of Shell's lobbying, or the extent to which lobbying is used to support and shape strategy.
- We examined Shell's long-standing lobbying in four markets which are material for Shell's gas and LNG business, and where Shell has recently added climate-related lobbying disclosures. We found that while Shell's disclosures acknowledge its lobbying engagements at a high level, they do not provide investors with sufficient detail to assess the impact of its lobbying and do not show whether this advocacy is aligned with the Paris goals:
    - **China:** Shell used its scenario modelling to engage with and influence Chinese energy policymakers for decades. For example, in 2015, its scenario modelling likely influenced China to pursue a more expansionary gas policy during its 13th Five Year Plan (2016-2020). Shell's most recent scenario study, in 2024, promotes the idea that China can meet its Paris commitments with gas consumption higher than the IEA's STEPS, at a level similar to Shell's pre-Paris projections for Chinese gas use in the medium-term. However, given policy and technology headwinds, it is unlikely this will influence policymakers to the same degree as previous scenario studies.
    - **India:** Shell is bullish on India driving medium-to-long-term growth in gas and LNG demand, projecting consumption levels significantly above the IEA's STEPS. It is engaged in long-term and extensive lobbying to boost gas and LNG use in India. The company used scenario modelling to increase its access to policymakers and funded a study which appears to have influenced policy for developing an LNG trucking market – despite LNG trucking having no clear greenhouse gas emissions benefits in India.
    - **Malaysia:** Shell advocated for long-term gas use in Malaysia's energy transition in direct engagements with the government and through the influential Malaysian Gas Association (MGA). MGA helped shape Malaysia's National Energy Transition Roadmap and endorses its plan to significantly increase gas use while targeting net zero by 2050. This appears misaligned with modelling of Malaysia's decarbonisation that Shell created with a government climate agency.
    - **Nigeria:** Shell is the largest international oil and gas company in Nigeria. It is involved in shaping the country's *Decade of Gas* policy initiative, which aims to make Nigeria "*gas-powered*" by 2030, targeting large increases in gas production and consumption. There is a risk this pushes Nigeria's rapidly growing economy onto a heavy-emitting development pathway.
- Shell's LNG growth strategy, which does not appear to be Paris-aligned, conflicts with its commitment to lobby in line with the Paris Agreement. To date, improvements to Shell's disclosure regime do not adequately address this contradiction. It raises the question of

whether investor engagement aimed at tackling Paris-misaligned lobbying via company-level disclosures is sufficient, if corporate strategy remains Paris-misaligned.

- Investors who see climate change as a systemic portfolio risk may consider moving towards systems stewardship, with a focus on direct policy engagement, to constrain Paris-misaligned lobbying.

2. Enhanced disclosures, but the picture is still unclear

Investor engagement has corrected some critical flaws in Shell's lobbying disclosures.

As outlined in previous ACCR research, Shell's earlier reporting on its lobbying focused almost exclusively on activities in a small subset of advanced economies, largely omitting its lobbying in emerging markets.[5] This was despite Shell focusing its ambitions for fossil fuel sales and production on emerging markets.

Investors engaged with the company over an 18-month period – November 2023 to May 2025 – to request a transparent, global account of Shell's material lobbying which was more reflective of its business ambitions. The engagement included a shareholder resolution co-filed by ACCR and institutional investors, which was withdrawn after Shell committed to disclosing information about its climate and energy lobbying in "*5-10 emerging and developing markets that are significant for our strategy, before our 2025 AGM*".[6]

In November 2024, Shell gave an update on its emerging markets lobbying, including previously undisclosed industry associations and new advocacy updates. Subsequent engagements resulted in methodological improvements to Shell's approach and the company providing some more insight into its advocacy in key markets and areas of strategic focus, like India and LNG.[7] In May 2025, Shell published its annual Climate and Energy Transition Lobbying Report, again incrementally increasing the scope of its disclosures to include some emerging markets.[8]

Yet Shell still does not provide a full account of its material lobbying globally. Its disclosures do not enable investors to properly evaluate how its lobbying aligns with its climate commitments or LNG growth strategy.[9]

Shell's methodology for selecting the countries it reports on does not ensure that all material lobbying relevant to its LNG strategy, particularly in demand-side emerging markets, is disclosed. For example, while Shell's 2025 LNG Outlook forecasts most LNG demand growth coming from emerging markets, particularly in Asia,[10] its disclosures do not provide critical information about the extent and impact of its lobbying on gas and LNG in China, India and other emerging markets.

Emerging markets account for the largest proportion of global future emissions. Yet compared with advanced economies, they often have weaker climate policies and regulations, and fewer institutional safeguards around lobbying and policymaking. Data from the World Justice's Rule of

[5] ACCR, In the dark: gaps in Shell's climate lobbying disclosures, March 2024.
[6] ACCR, Investor Bulletin: Shell's lobbying disclosures make incremental improvements, but step-change is needed, January 2025.
[7] Ibid.
[8] Shell, Climate and Energy Transition Lobbying Report 2024.
[9] ACCR, Investor Bulletin: Shell expands lobbying disclosures, but picture still not clear, July 2025.
[10] Shell, LNG Outlook 2025, p. 26.

Law Index[11] and the Global Data Barometer[12] shows that in the emerging markets where Shell discloses some lobbying, there is substantially less transparency and fewer institutional safeguards (Figures 1 & 2). This compounds the oversight challenges for Shell's investors and makes them particularly reliant on Shell to provide transparency about its lobbying in emerging markets.

Figures 1 & 2: Institutional transparency and safeguards around lobbying in markets where Shell discloses some lobbying

	Rule of Law Index		
	Overall Rule of Law	**Open Government**	**Regulatory Enforcement**
Nigeria	40	42	41
China	47	41	50
India	50	59	48
Brazil	50	59	50
Kazakhstan	54	47	53
Malaysia	57	41	56
USA	70	75	72
UK	78	80	78
Australia	80	81	81
Canada	80	80	81
Netherlands	83	81	84
	Global Data Barometer 'Availability' indicators		
	Lobbying	**Political finance**	**Public consultation**
Malaysia	0	0	0
Nigeria	0	0	0
Oman	0	0	0
Qatar	0	0	29
China	0	0	40
India	0	55	19
Kazakhstan	0	0	59
Brazil	0	75	71
Netherlands	18	38	66
Australia	35	60	51
UK	62	83	50
Canada	92	75	82
USA	86	100	94

Source: World Justice Project – Rule of Law Index and Global Data Barometer[13,14]

[11] An assessment of legal and policymaking robustness which Shell has sponsored. See: World Justice Project, Rule of Law Index, 2024.
[12] A leading tracker of the quality and extent of data that governments provide. See: Global Data Barometer, 1st Edition, 2021.
[13] Figure 1: World Justice Project, Rule of Law Index, 2024. This figure presents data for categories most relevant to institutional oversight and safeguards of corporate lobbying, namely overall rule of law, open government and regulatory enforcement. The original scores were on a scale from 0-1. We present them on a scale from 0-100 for consistency between figures 1 and 2.
[14] Figure 2: Global Data Barometer, 1st Edition, 2021. We use the first edition of the GBD because it covers the countries that Shell discloses its lobbying for, whereas the more recent second edition does not. This figure highlights scores within the political integrity module which are most relevant to the availability of information relating to corporate lobbying, namely lobbying, political finance and public consultation. Scores are on a scale from 0-100.

3. Shell's lobbying in China

Shell has used its scenario modelling to engage and influence Chinese energy policymakers for decades. This approach likely enabled Shell to influence Chinese gas policy to be more expansionary in the late 2010s. However, a more recent 2024 scenario, which promoted the view that China can meet its Paris Agreement commitment of net zero by 2060 by using more gas than the IEA's Stated Policies (STEPS) and Announced Pledges (APS) scenarios beyond 2040 and 2050 respectively, is unlikely to have the same impact given China's significant ratcheting up of its climate policy and renewables deployment.

3.1 Shell's LNG ambitions in China

Shell was bullish on Chinese LNG growth in the company's first LNG Outlook, published in 2017, when it highlighted China as a key source of future demand growth.[15] In its last two Outlooks, Shell continues to identify China as a significant driver of global gas and LNG demand growth:

- The LNG Outlook 2024 projects Chinese LNG demand to nearly double, from around 68 mtpa in 2020 to a peak of 138 mtpa in 2035, before falling to 120 mtpa in 2040[16] - projections which significantly exceed the IEA's STEPS.[17]
- The LNG Outlook 2025 indicates that China and India together are expected to account for around 35% of LNG demand growth globally to 2040,[18] though it does not provide a specific figure for China.

3.2 Lobbying disclosures

Shell's first two Climate and Energy Transition Lobbying Reports, for 2022 and 2023, did not disclose any gas or LNG-related lobbying activities in China.[19]

The 2024 lobbying report disclosed that the company has co-authored multiple studies of China's energy system with the Development Research Center (DRC) of China's State Council.[20] Shell says the most recent study shows *"that natural gas will play an important role in China's energy transition and remain part of the energy system in 2060"*. The company's lobbying disclosures do not note the levels of gas or LNG use it advocated for.[21]

Shell's *Climate and energy transition advocacy updates* webpage provides only one entry for its advocacy on gas or LNG in China. This notes that Shell has conducted four studies with "*the*

[15] Shell, LNG Outlook 2017, p. 6.
[16] Plot digitised data from "Global LNG demand" chart in Shell, LNG Outlook 2024, p. 27.
[17] Shell's forecast for Chinese LNG consumption is more than 20% higher than the IEA's STEPS in 2030 and around 10% higher in 2040. The IEA's STEPS scenario does not even see Chinese demand for gas double in this period, let alone LNG. LNG does not increase greatly as a percentage of total Chinese gas over the period in Shell's 2024 LNG Outlook, meaning that Shell is relying on large gas growth, well above STEPS, to drive Chinese demand for LNG. Sources: IEA WEO 2024, Figure 1.19 and China gas data; "China gas supply by source" chart in Shell, LNG Outlook 2024, p. 30.
[18] Shell, LNG Outlook 2025, p. 26.
[19] Shell, Climate and Energy Transition Lobbying Report 2022; Shell, Climate and Energy Transition Lobbying Report 2023.
[20] Shell, Climate and Energy Transition Lobbying Report 2024, p. 29.
[21] Ibid.

Development Research Center (DRC) of China's State Council", with the latest of these finding "*that natural gas will play an important role in China's energy transition and remain part of the energy system in 2060*".[22] Shell's list of industry associations notes its membership of CPCIF and the European Chamber of Commerce in China,[23] but the company's disclosures do not detail its gas-related lobbying.

Shell's does occasionally disclose that it has developed country scenarios, but the company does not describe how it uses scenarios in policy engagements.

Primer: Shell's scenarios as a lobbying tool

Shell's scenarios are a key part of its efforts to materially shape policy outcomes for gas and LNG in emerging markets. Shell describes its scenarios as not predictions or expectations, but "*exploration(s) of how the world could possibly evolve under different sets of assumptions".*[24]

Former Shell executives say that the company's scenarios are designed only to be "*plausible, not probable*",[25] overlaying narratives about sociopolitical, technological and economic change on sets of numerical modelling.

- A former Shell executive has said that its scenarios are "*much more conducive to forcing people to think about the future".*[26]
- While Shell initially used scenarios as a tool to enhance internal planning and decision-making, as early as 1967 it identified them as tools with which to "*cultivate good relations with governments".*[27] A former senior Shell staff member, who co-developed the company's system of scenario planning, described scenarios as "*aim[ing] at perceptions inside the heads of decision makers".*[28]
- Two former senior Shell employees have noted: "*Agreement appears to have been unanimous that scenarios are valuable in external engagement. Shell has used global scenarios to add color to corporate speeches, to open doors to privileged conversations with resource holders and governments, and to build a network of NGO contacts".*[29]

3.3 Shell's influence in China

Shell has used its scenario modelling to engage with and influence Chinese energy policymakers since at least 2001, when Chinese government officials invited Shell to facilitate scenarios for the

[22] Shell, Climate and energy transition advocacy updates, as of October 2025.
[23] The list also includes the Consortium of Automotive Industry and Technology, which appears to be a Chinese industry collaboration for R&D rather than advocacy. Shell, Our work with industry associations, as of October 2025.
[24] Shell, What are Shell Scenarios?, as of October 2025.
[25]Angela Wilkinson and Roland Kupers, *The Essence of Scenarios: Learning from the Shell Experience*. Amsterdam University Press, 2014.
[26] André Bénard, *World Oil and Cold Reality*. Harvard Business Review, November 1980.
[27] Anderson takes this quote from the following archival materials which we do not have access to: *"The Evolution and Role of Group Planning in Appraising the Business Environment", 1983, Oil folder 43; "Who Needs a Planner? Planning in Shell", 1984, Oil folder 43.* See p. 745 of Jenny Anderson, *Ghost in a Shell: The Scenario Tool and the World Making of Royal Dutch Shell*. Business History Review 94 (Winter 2020): 729–751, doi.org/10.1017/S0007680520000483
[28] Pierre Wack, *Scenarios: Shooting the Rapids*. Harvard Business Review, November 1985.
[29] Angela Wilkinson and Roland Kupers, *Living in the Futures*. Harvard Business Review, May 2015.

future of China.[30] Between 2011 and 2024, the company conducted multiple scenario studies with the DRC, a Chinese government research institution which directly advises the country's leading policymakers.[31] The studies were an effective tool for influencing policymakers to boost China's gas consumption in the late 2010s, but seem unlikely to be as influential now given that the policy and technology environment has changed.

Shell's scenarios influenced Chinese gas policy to be more expansionary in the late 2010s

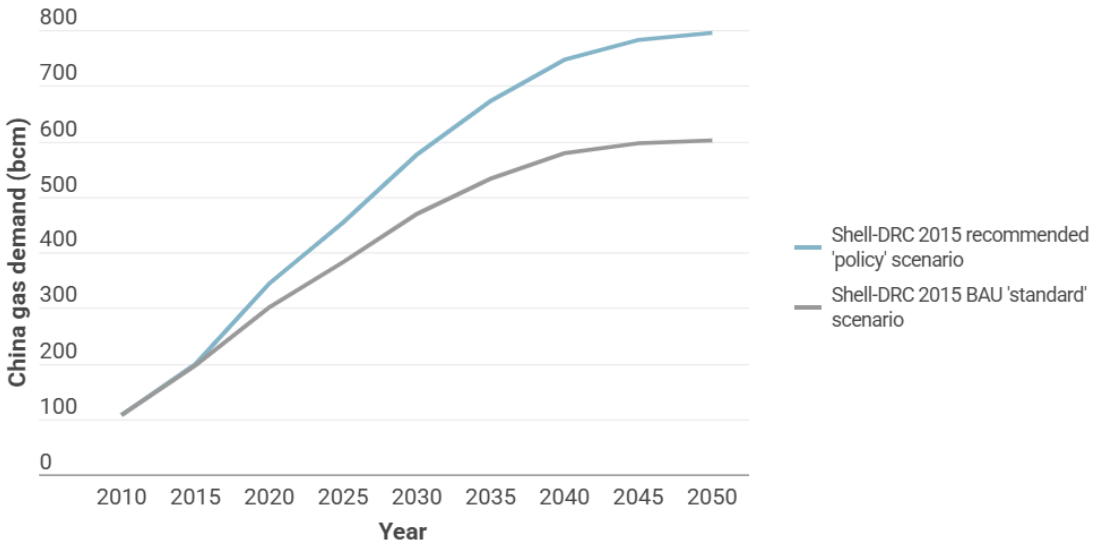
The first of Shell's studies with the DRC examined the country's entire energy system and identified the need for a dedicated study on gas development.[32] Shell then worked with the DRC to publish *China's Gas Development Strategies* in late 2015, ahead of China's 13th Five Year Plan (2016-2020). Shell describes the report as "*a key input*" into the Plan,[33] and in its 2017 LNG Outlook, Shell noted that China's 13th Five Year Plan was targeting significant increases in gas consumption.[34]

While Shell has not disclosed what role its lobbying played in shaping Chinese policymakers' gas targets, this study was clearly targeting policy change. It states that "*if natural gas is to become a principal energy source, the crux of the matter is the strategy and policy choices that China makes*".[35] The report recommended *"supply-side measures to accelerate dom gas production and demand measures to promote gas usage in China"*.[36] Shell says these recommendations aimed to "*increase the share of gas in the energy mix to 10% in 2020 and 15% in 2030, up from 5.8% in 2014*".[37]

The 2015 study said that Chinese gas consumption would reach around 6.0% of primary energy in that year, falling short of the 12th Five Year Plan's (2011-2015) goal of 7.5%.[38] The study also projected that gas consumption would fall short of the aspiration for gas to reach 10% of primary energy use by 2020, as stated in China's Energy Development Strategy Action Plan for 2014-2020,[39] and only reach 8% by that time.[40] Figure 3 compares the higher gas demand pathway recommended by the study with a business-as-usual scenario.

[30] Angela Wilkinson and Roland Kupers. *The Essence of Scenarios: Learning from the Shell Experience*. Amsterdam University Press, 2014, p. 66.
[31] Development Research Center of the State Council (DRC), About Us - Center Functions. These studies are: *Study on China's Medium- and Long-Term Energy Development Strategy*, 2013; *China's Gas Development Strategies*, 2015; *China's Energy Revolution in the Context of the Global Energy Transition*, 2019; and *Embracing the future, powering growth: an energy system renewed for China*, 2024. While Shell states its most recent study was completed in 2023 (Shell, Climate and Energy Transition Lobbying Report 2024, p. 29), the study was first published and released in Chinese in 2024.
[32] Shell and DRC, *China's Gas Development Strategies*. Advances in Oil and Gas Exploration & Production, 2017 (English translation), p. v.
[33] Shell, Scenarios where you live, as of October 2025.
[34] Shell, LNG Outlook 2017, p. 6.
[35] Shell and DRC, *China's Gas Development Strategies*. Advances in Oil and Gas Exploration & Production, 2017 (English translation), p. 12.
[36] Ibid. pp. xviii and 147-151.
[37] Shell, Scenarios where you live, as of October 2025.
[38] Shell and DRC, *China's Gas Development Strategies*. Advances in Oil and Gas Exploration & Production, 2017 (English translation), p. 124.
[39] State Council of China, Notice of the General Office of the State Council on Issuing the Energy Development Strategic Action Plan (2014-2020), June 2014.
[40] Shell and DRC, *China's Gas Development Strategies*. Advances in Oil and Gas Exploration & Production, 2017 (English translation), pp. 124-125.

Figure 3: Shell's study with key Chinese agency recommended using policy to drive gas demand above business-as-usual (BAU)



Source: ACCR analysis of data in the Shell-DRC study "China's Gas Development Strategies"[41]

China adopted a target of growing gas to 8.3-10% of its energy mix by the end of its 13th Five Year Plan in 2020,[42] aiming for the top end of the target band.[43] China's gas consumption fell short of the 10% target, reaching only 8.4% at the end of the period.[44] However, China still consumed more gas than the Shell-DRC 2015 study said that it would have under the business-as-usual scenario.[45]

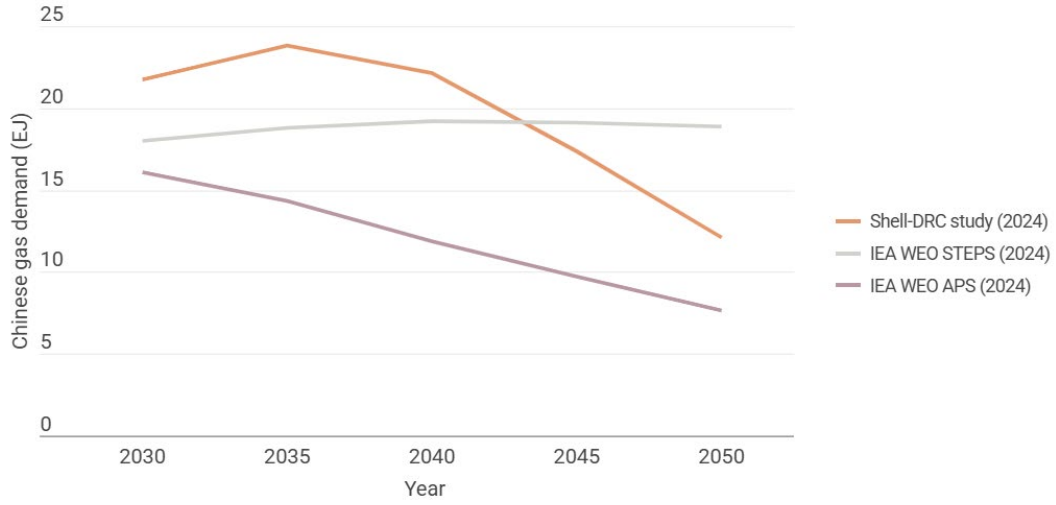
3.4 Shell is still lobbying for gas use at pre-Paris levels, but its influence has likely waned

Shell's most recent study with the DRC was published in 2024 and promotes a bullish view on gas and other fossil fuel use. The study models China achieving its pledge to reach net zero by 2060.[46]

However, our analysis shows that the study projects China to use more gas than the IEA's STEPS and APS beyond 2040 and 2050 respectively, despite neither being Paris-aligned scenarios (Figure 4). The study's coal demand projection also exceeds the APS.

[41] Ibid., pp. 125, 127.
[42] National Development and Reform Commissions, Natural Gas Development Plan of the 13th Five-Year Plan, p. 11.
[43] Shell and DRC, *China's Energy Revolution in the Context of the Global Energy Transition*. Advances in Oil and Gas Exploration & Production, 2020 (English version), p. vi.
[44] National Energy Administration of China, 14th Five-Year Plan for Modern Energy System, January 2022, p. 5.
[45] Chinese gas demand was 328 bcm in 2020 (National Energy Administration of China, China Natural Gas Development Report, 2021, p. 5). The study predicted BAU demand would be 300.5 bcm in 2020 and that policy change could increase this to 344.7 bcm. This was under the assumption that China's total energy demand in 2020 would be approximately 5 billion tce. (Shell and DRC, *China's Gas Development Strategies*. Advances in Oil and Gas Exploration & Production, 2017 (English translation), pp. vii, 124, 125 and 127). Actual demand was close to this at 4.98 billion tce (National Energy Administration of China, 14th Five-Year Plan for Modern Energy System, January 2022, p. 5).
[46] Shell and DRC, *Embracing the future, powering growth: an energy system renewed for China*. Advances in Oil and Gas Exploration & Production, 2025 (English version), pp. ix-x and 1.

Figure 4: Shell-DRC's 2024 scenario for China reaching net zero by 2060 sees gas demand higher than the IEA's STEPS beyond 2040 and APS beyond 2050, despite both being Paris-misaligned scenarios



Source: ACCR analysis of Shell-DRC and IEA data[47]

It is unlikely the influence of this study on Chinese gas policy will match that of Shell's 2015 study with the DRC. Prospects for Chinese gas demand are now much less positive. Economic growth has slowed, renewable energy and batteries are far cheaper, and there are a range of policy headwinds:

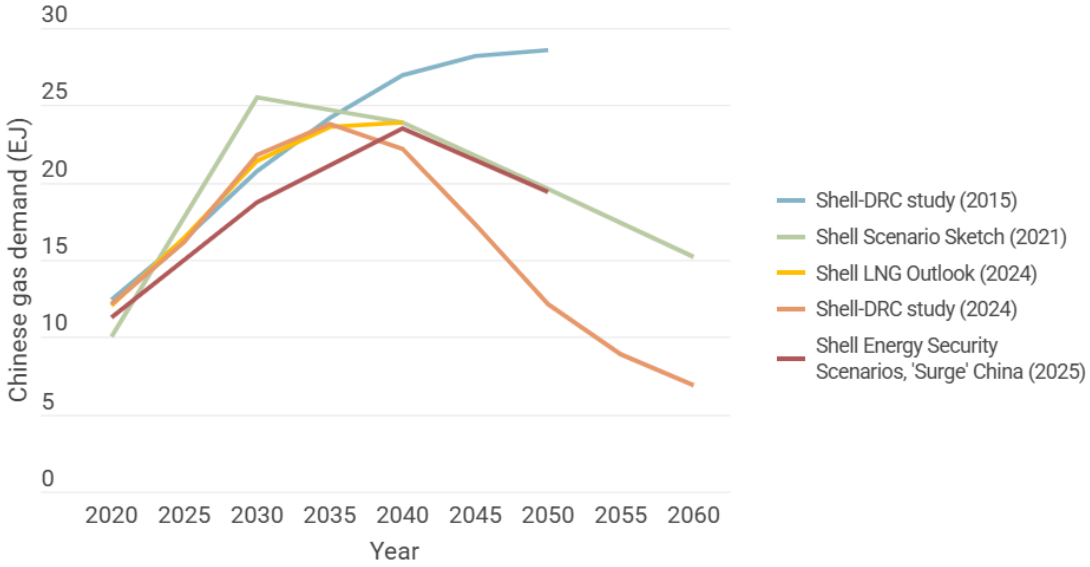
- BloombergNEF analysis has noted Chinese "*gas demand growth is on a downward trajectory due to the lack of economic competitiveness and a strong government push*".[48]
- S&P Global Ratings said that it *"believes gas volume growth in [China] will moderate over the coming five to six years as the government slowly deprioritizes its use in policies"*.[49]
- In 2020, China committed to peaking emissions by 2030 and reaching net zero by 2060. The country has indicated its targets will soon expand beyond CO_2 to include all greenhouse gases (GHGs) and will shift from intensity to absolute targets once emissions peak.[50] Its latest NDC target aims to reduce GHG emissions by up to 10% from peak levels by 2035.[51]
- China's 14th Five Year Plan (2021-2025) abandoned a growth target for gas consumption, instead targeting secure gas supply and emphasising an increase in domestic production.[52]

[47] Chart created by comparing IEA WEO 2024 data with plot digitised data from Shell and DRC, *Embracing the future, powering growth: an energy system renewed for China*. Advances in Oil and Gas Exploration & Production, 2025 (English version), p. 3, Figure 1. We used BP's conversion factors to translate into EJ units, except for when converting from tce, where we use the IEA's conversion factor since BP does not provide one.
[48] The Straits Times, China's LNG boom threatened by growing menu of alternative fuels, June 2024.
[49] S&P Global, China Natural Gas: Slip In Policy Pecking Order Will Hit Growth, September 2024.
[50] Bloomberg, Xi Commits China to Tougher Climate Targets as US Retreats, April 2025; Dialogue Earth, Will China's new climate action plan match its great potential?, September 2024.
[51] Xinhua, Xi Jinping's speech at the UN Climate Change Summit (full text), September 2025.
[52] National Energy Administration of China, 14th Five-Year Plan for Modern Energy System, January 2022, p. 7.

- China removed gas from its green finance taxonomy in 2022[53] and updated its Gas Utilisation Policy in mid-2024 to restrict costly, inefficient gas use in rural heating, baseload generation and industrial projects.[54]

Shell has not substantially adjusted its view on China's medium-term gas demand in its LNG Outlooks or global and China-focused scenarios. For instance, the company's 2024 LNG Outlook and 2024 scenario study with the DRC suggest Chinese gas demand in 2035 will be roughly similar to its pre-Paris view in 2015 – when its scenario study with the DRC made no attempt to reach net zero. In Shell's more recent views, Chinese gas consumption only ratchets down substantially after 2035 (Figure 5).

Figure 5: Shell's view on Chinese gas demand to 2035 hasn't changed substantially in a decade

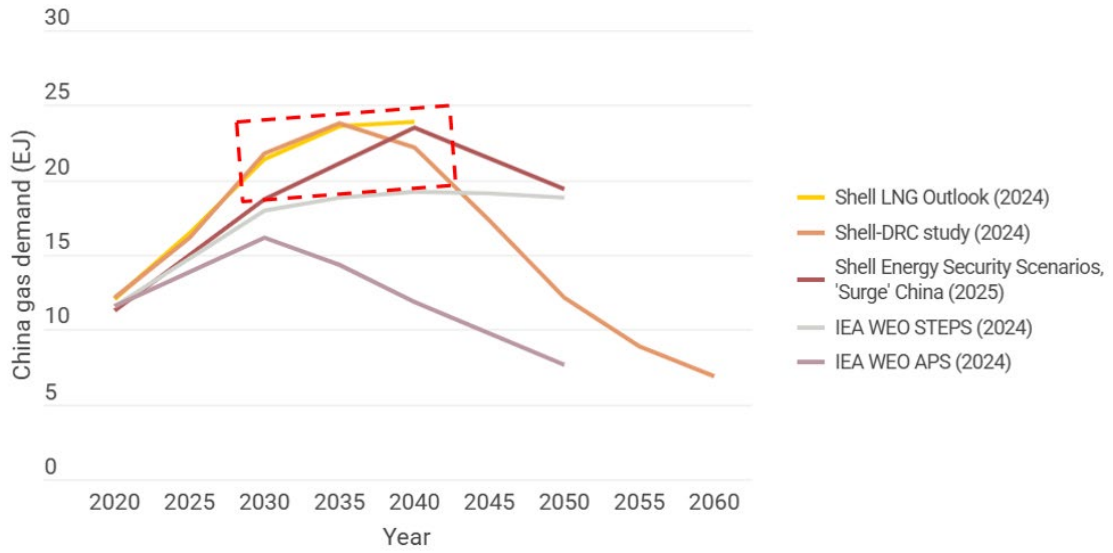


Source: ACCR analysis of data from Shell's LNG Outlook 2024 and multiple scenario studies[55]

Shell appears to be promoting the view that China will lock-in higher demand for gas in the medium-term than current Chinese policy intends (STEPS), decarbonising later and eventually more rapidly than current Chinese policy ambition (APS) (Figure 6).

[53] Carbon Brief, The Carbon Brief Profile: China, November 2023.
[54] Institute for Governance & Sustainable Development, China Issues Measures to Regulate the Utilization of Domestically Produced and Imported Natural Gas, June 2024; Institute for Energy Economics and Financial Analysis, Global LNG Outlook 2024-2028, p. 34.
[55] Shell and DRC, *China's Gas Development Strategies*. Advances in Oil and Gas Exploration & Production, 2017 (English translation), p. 127; Plot digitised data from Shell, Achieving a carbon-neutral energy system in China by 2060, 2021, p. 28, Figure 8; Plot digitised data from "China gas demand by sector" chart in Shell, LNG Outlook 2024, p. 30; Plot digitised data from Shell and DRC, *Embracing the future, powering growth: an energy system renewed for China*. Advances in Oil and Gas Exploration & Production, 2025 (English version), p. 3, Figure 1; Plot digitised data from "Regional natural gas demand in Surge" chart in Shell, 2025 Energy Security Scenarios, p. 26, combined with population assumptions data from underlying data for the 2025 Energy Security Scenarios. We used BP's conversion factors to translate into EJ units, except for when converting from tce, where we use the IEA's conversion factor since BP does not provide one.

Figure 6: Shell sees China locking-in high gas demand in the medium-term, out of step with policy settings



Source: ACCR analysis of data from Shell's LNG Outlook 2024, two Shell scenario studies and IEA WEO data[56]

By promoting a longer entrenchment of fossil fuels, Shell's view bets more heavily on successful and rapid carbon removals later. Compared to China's policy plans as reflected in the IEA's STEPS and APS policy scenarios, it contains an increased risk of emissions lock-in.

[56] Plot digitised data from "China gas demand by sector" chart in Shell, LNG Outlook 2024, p. 30; Plot digitised data from Shell and DRC, *Embracing the future, powering growth: an energy system renewed for China*. Advances in Oil and Gas Exploration & Production, 2025 (English version), p. 3, Figure 1; Plot digitised data from "Regional natural gas demand in Surge" chart in Shell, 2025 Energy Security Scenarios, p. 26 combined with population assumptions data from underlying data for the 2025 Energy Security Scenarios; and IEA WEO 2024 data. We used BP's conversion factors to translate into EJ units, except for when converting from tce, where we use the IEA's conversion factor since BP does not provide one.

4. Shell's lobbying in India

Our research found Shell is engaged in long-term and extensive lobbying to boost gas and LNG use in India, including by using scenario modelling in engagements with policymakers. The company is bullish on India driving growth in gas and LNG demand over the medium-to-long-term, projecting consumption levels significantly above the IEA's Stated Policies Scenario (STEPS). However, Shell provides very limited insight into how it engages policymakers in India.

4.1 Shell's LNG ambitions in India

Shell sees India, alongside China, as a key driver of future gas and LNG demand growth, forecasting the two regions to account for 35% of LNG demand growth to 2040.[57] In 2022, Shell was "*projecting India to be one of the fastest growing markets for LNG in the world*".[58] A Shell India executive said at the time that India was one of the few markets in the world which could "*replicate the kind of size and scale that China has achieved*" in LNG trucking.[59]

Shell's 2024 and 2025 LNG Outlooks project major growth in India:

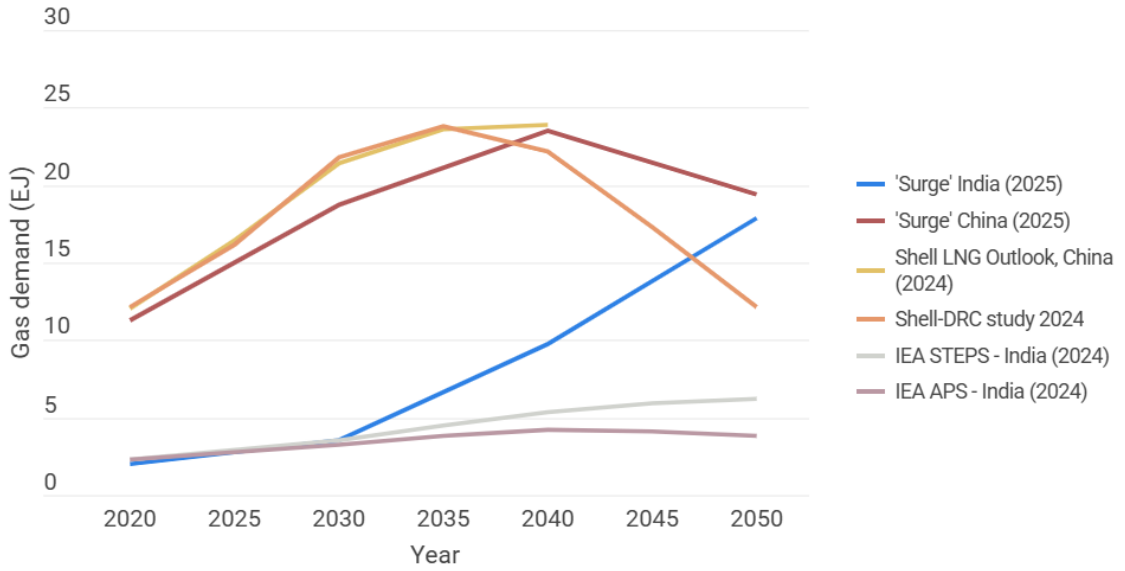
- In its presentation of the 2024 Outlook, Shell said it saw India as "*one of the three engines of growth of the [LNG] industry*" due to increasing demand from power and buildings.[60]
- Shell's 2025 Outlook says India will "*drive greater gas use*" through expansion of its gas grid, LNG-fuelled heavy-duty trucking, and regasification infrastructure.[61]

Shell's LNG Outlooks do not provide detailed projections for Indian gas or LNG growth. However, Shell's *Surge* scenario, a Paris-misaligned scenario from its 2025 Energy Security Scenarios study,[62] shows Indian gas demand growing dramatically to 2050 (Figure 7), with much higher gas consumption than the IEA's STEPS.

While *Surge* is a scenario, not a forecast, it is plausible that Shell's medium-term forecasts for Indian gas and LNG growth are also bullish given its Chinese gas consumption in *Surge* out to 2040 is similar to its forecast in the 2024 LNG Outlook.[63]

[57] Shell, LNG Outlook 2025, p. 26, "Global LNG demand" chart.
[58] Business Standard, Shell to set up LNG stations, bullish on gas market in India, April 2022.
[59] Ibid.
[60] S&P Global, Shell plc LSE:SHEL Special Call – Transcript, 14 February 2024.
[61] Shell, LNG Outlook 2025, pp. 3 and 21.
[62] It reaches 2°C temperature increase by 2100 with significant overshoot: Shell, 2025 Energy Security Scenarios, p. 49.
[63] Shell does not provide sufficient data to estimate gas demand for China and India under its other 2025 Energy Security Scenarios, *Horizon* and *Archipelagos*.

Figure 7: Shell's "Surge" scenario sees Indian gas demand growing well above IEA policy scenarios. It is plausible that Shell's view on Indian gas demand is also bullish given that "Surge" China is similar to Shell's other projections for China.



Source: ACCR analysis of data in Shell's LNG Outlook 2024; two scenario studies; and IEA WEO 2024[64]

4.2 Lobbying disclosures

Despite Shell's focus on India as a key growth market, the company does not provide substantial disclosure about its lobbying on gas or LNG in the country, and Shell's methodology for selecting countries to include in lobbying disclosures does not capture India. This means that India is omitted from Shell's Advocacy Updates webpage and its online list of industry associations.[65, 66]

Shell's first two lobbying reports, for 2022 and 2023, did not mention any activities in India relating to gas or LNG.[67] In response to investor engagement about the omission of this highly material market,[68] Shell's latest 2024 lobbying report provides some limited disclosures about its advocacy in India on gas and LNG. Shell disclosed that it:[69]

- collaborated with think tank The Energy and Resources Institute (TERI) on a scenario report that found increasing gas demand across all sectors – especially power – through to 2030.
- advocated for LNG trucking:

[64] Plot digitised data from "China gas demand by sector" chart in Shell, LNG Outlook 2024, p. 30; Plot digitised data from 2024 Figure 1, p. 3, Embracing the Future, Powering Growth: An Energy System Renewed for China; Plot digitised data from "Regional natural gas demand in Surge" chart on p. 26 2025 Energy Security Scenarios, together with population assumptions data from the underlying data pack; and IEA WEO 2024 data. We used BP's conversion factors to translate into EJ units, except for when converting from tce, where we use the IEA's conversion factor since BP does not provide one.
[65] Shell, Climate and energy transition advocacy updates, as of October 2025.
[66] Shell, Our work with industry associations, as of October 2025.
[67] Shell, Climate and Energy Transition Lobbying Report 2023 and Shell Climate and Energy Transition Lobbying Report 2022
[68] ACCR, Investor Bulletin: Shell expands lobbying disclosures, but picture still not clear, July 2025.
[69] Shell, Climate and Energy Transition Lobbying Report 2024, pp. 24, 29 and 30.

  - by funding a report for the Indian government on how to use policy to establish an LNG trucking market
  - through its membership of the Federation of Indian Petroleum Industry.
- supported the Indian government's "*vision to grow the share of natural gas in the energy mix from around 7% in 2023 to 15% by 2030*".[70]

The 2024 report did not show whether this advocacy aligned with the Paris goals and did not provide investors with sufficient detail to assess this themselves.

4.3 Shell's influence in India

Shell has lobbied to grow Indian gas consumption for well over a decade. In 2012, the company hired an economist to "*lead an engagement for Shell on a deep dive into Indian energy*". Because Shell was "*unlikely to be invited to be a formal adviser to the Indian government*", it developed scenarios alongside influential think tanks TERI and the Council of Energy, Environment and Water.[71]

The scenario studies that Shell worked on with TERI include:

India: Transforming to a net-zero emissions energy system (2021)

- This report focuses on a scenario for India to transition to net zero by 2050. It sees Indian industrial gas demand quadrupling between 2020-2040, with "*around 100 million tonnes of emissions a year*" from gas in the power sector alone in 2050.[72]
- The study was launched at an event where the keynote guest was the CEO of the National Institute for Transforming India (NITI Aayog) – the government's top policy think tank and former planning commission.[73]

India: Transforming to a net-zero emissions energy system: A Call to Action to 2030 (2023)

- This is an update to the 2021 study and focuses on India's 2030 targets for its net zero 2070 goal. It was launched by high-ranking Indian officials from the Ministry of External Affairs.[74]
- The study models gas use in power generation to increase between 60-200% by 2030 and relies on carbon removal technology to develop thereafter.[75]

Shell's disclosures do not indicate how it might have sought to influence Indian policy with these scenarios, but TERI's involvement is notable given its potential influence on Indian government policy through its work with NITI Aayog:

[70] Shell, Climate and Energy Transition Lobbying Report 2024, p. 29.
[71] Suman Bery speaking in the video: Asian Development Bank Institute (ADBI), Meeting India's Aspirations: Energy Scenarios until Mid-Century, YouTube, 3m50s-5m00s.
[72] Shell and The Energy and Resources Institute (TERI), India: Transforming to a net-zero emissions energy system, pp. 32 and 34. A few months after the release of this study, India announced it would target net zero by 2070. The link to this study on Shell's website now redirects to the 2023 updated study (see footnotes 74-75) which responds to this target.
[73] TERI, Virtual Launch - India: Transforming to a net-zero emissions energy system, March 2021.
[74] TERI, Launch of Shell - TERI Report: 'India transforming to a net-zero emissions energy system: A Call to Action to 2030', August 2023.
[75] Shell and TERI, India transforming to a net-zero emissions energy system: A call to action to 2030, pp. 22-23, 32-33.

- TERI provided NITI Aayog with energy system modelling to inform policy making during India's 12th Five Year Plan (2013 to 2017).[76]
- NITI Aayog's *India Energy Security Scenarios* (2015)[77] lists TERI as a *"knowledge partner"*.
- The two organisations still partner on modelling, policy papers and data management.[78]

In general, Shell has advocated for India to significantly increase gas and LNG use. This is evident from its lobbying to support India's goal of increasing gas to a 15% share of the primary energy mix by 2030. Both Shell, in its direct advocacy,[79] and the Federation of Indian Petroleum Industry (FIPI), of which Shell is a key member,[80] have advocated for tax breaks to incentivise gas consumption and the development of a market for LNG-fuelled trucking.

Shell's influence on Indian LNG trucking policy

Shell has sought to develop an LNG trucking market in India since at least 2018[81] and continues to highlight this interest in its engagements with Indian business leaders and policymakers.[82] The company's 2025 LNG Outlook also describes LNG trucking in India as a future demand driver for gas.[83] FIPI has also advocated for *"market creation for LNG as a long-distance transportation fuel for Medium & Heavy Commercial Vehicles segment in India"*.[84]

In 2024, Shell funded a report recommending policies for developing LNG trucking in India.[85] The report was produced for a collaborative initiative on decarbonisation between NITI Aayog and the Embassy of the Netherlands in India.[86] Shell wrote the report's preface with ICF Consulting, the firm commissioned to produce the report.[87] The report proposes *"a roadmap for early adoption of LNG by the transport sector"* and aims to support the goal of a 15% share of natural gas in the primary energy mix by 2030.[88]

In September 2024, India's Ministry of Petroleum and Natural Gas (MoPNG) published a draft *Scheme for promotion of LNG based mobility*. The *Scheme* aims to convert one-third of India's existing and future heavy-duty trucks to LNG over a 5-7 year period, claiming it will *"lay the*

[76] National Institution for Transforming India (NITI Aayog), Knowledge Initiatives – National Conference on Energy: Data Management, Modeling and GIS Mapping, p. 23.
[77] WebArchive of NITI Aayog, India Energy Security Scenarios 2047.
[78] WebArchive of NITI Aayog, Energy Vertical – Partners.
[79] Business Standard, Achieving 15% gas in energy mix to require policy changes: Shell's Tripathy, February 2025.
[80] Examples of the Federation of Indian Petroleum Industry's (FIPI) lobbying: Energy World, Include natural gas under GST to push for gas-based economy: Industry, January 2021; Economic Times, Bring natural gas under GST to realise PM's vision of gas-based economy: Industry, January 2022; FIPI, Recommendations on Policy Issues. Shell has long featured on the governing council and gas/LNG committees: FIPI, Governing council members; FIPI, Committees – Natural Gas/LNG/CNG.
[81] Reuters, Shell looks to meet growth in LNG trucking in Asia, March 2018.
[82] Facebook, Hardeep Singh Puri's post, March 2025.
[83] Shell, LNG Outlook 2025, p. 21.
[84] FIPI, Recommendations on Policy Issues.
[85] Shell, Climate and Energy Transition Lobbying Report 2024, p. 30.
[86] Press Information Bureau of India, NITI Aayog and Embassy of the Netherlands sign Statement of Intent on 'Decarbonization and Energy Transition Agenda', September 2020.
[87] ICF, Shell, NITI Aayog and the Embassy of the Netherlands in India, LNG as a Transportation Fuel in Medium & Heavy Commercial Vehicle Segment, January 2024, pp. 3 and 139.
[88] Ibid. p. 4.

foundation for an enhanced consumption of LNG in the country and thereby buttress the establishment of [a] gas based economy".[89]

The *Scheme* cites the Shell-funded report when claiming that:

- LNG trucks have a lower CO_2-emissions factor than diesel trucks and a similar total cost of ownership[90]
- the adoption of LNG trucks will reduce CO_2 emissions and thereby contribute to India's net zero by 2070 goal.[91]

The table below (Figure 8) shows the similarities between the "key policy asks" in the Shell-funded report and the policies in the *Scheme:*

Figure 8: Recommendations in Shell-funded report for developing an Indian LNG trucking market appear to translate into policy action

Policy area	Shell's report recommendations[92]	Ministry's draft policy actions[93]
State-led demand creation	• State-owned companies should serve as "*demand aggregators" by* purchasing LNG HDVs to generate demand • At present "*the focus should be on demand creation and market seeding*"[94]	• Considering directing state-owned oil and gas marketing companies (OMCs) to incentivise fleet conversion and give preferential contracts to LNG HDVs • Extending mandates that state-owned OMCs set up more LNG stations
Traffic privileges	• Give special privileges for LNG trucks, including toll exemptions	• Considering piloting toll exemptions for LNG HDVs on Delhi-Mumbai expressway
Fiscal incentives for vehicle production	• Include LNG HDVs in production-linked incentives for Original Equipment Manufacturers (OEMs) and revise depreciation schedules.	• Recognises "*there would also be a need to encourage OEMs to produce/manufacture substantial quantum of LNG based HDVs".*[95]

4.4 Paris alignment

Shell's lobbying activities in India do not seem to align with the Paris goals. Its scenarios appear to project much higher gas consumption than STEPS and the company's efforts to promote the creation

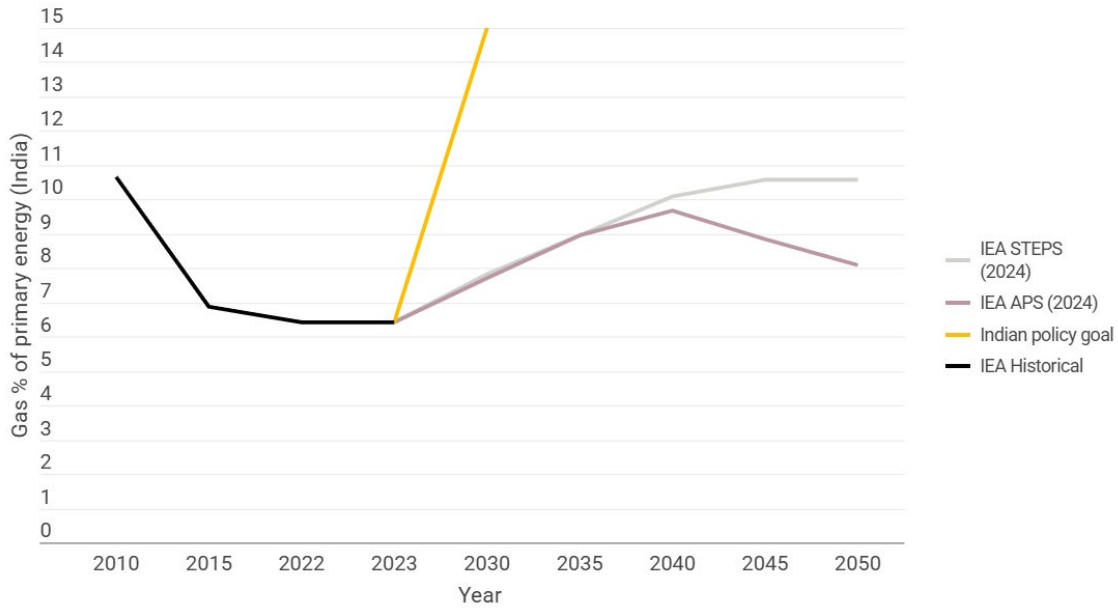
[89] Indian Ministry of Petroleum and Natural Gas (MoPNG), Scheme for promotion of LNG based mobility (draft), September 2024, p. 3.
[90] Ibid., p. 1.
[91] Ibid.
[92] ICF, Shell, NITI Aayog and the Embassy of the Netherlands in India, LNG as a Transportation Fuel in Medium & Heavy Commercial Vehicle Segment, January 2024, pp. 17-19.
[93] Indian MoPNG, Scheme for promotion of LNG based mobility (draft), September 2024.
[94] ICF, Shell, NITI Aayog, Embassy of the Netherlands in India, LNG as a Transportation Fuel in Medium & Heavy Commercial Vehicle Segment, January 2024, p. 20.
[95] Indian MoPNG, Scheme for promotion of LNG based mobility (draft), September 2024, p. 2.

of an LNG trucking market bring no obvious climate benefit, while posing a significant emissions lock-in risk.

Shell's support of India's goal of growing gas to 15% of the primary energy mix by 2030 is also unlikely to be Paris-aligned. This goal would require India to increase gas demand extremely quickly in the near-term to levels far higher than the IEA's STEPS. STEPS is not Paris-aligned and does not project Indian gas demand to reach 15% of the primary energy mix by 2050, let alone by 2030 (Figure 9).

Climate Action Tracker has shown that India's plans for gas growth are not aligned with a 1.5°C decarbonisation pathway and expose the country to an increased risk of *"carbon lock-in, stranded assets, and energy insecurity"*.[96]

Figure 9: Shell supports India's Paris-misaligned goal for gas growth to 2030



Source: ACCR analysis of IEA WEO 2024 data[97]

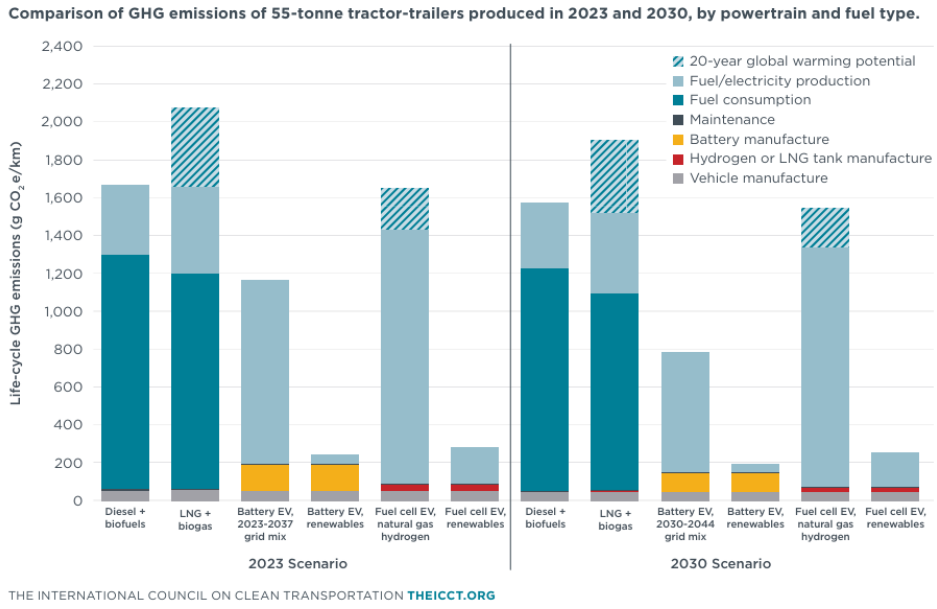
The Shell-funded *LNG Trucking* report claims that LNG trucks, on average, have lower lifecycle emissions than diesel trucks.[98] However, this is based on a review of studies of European trucking emissions. Further, the report acknowledges that LNG trucks *"might not allow for significant savings on greenhouse gases [GHG]"* in Indian conditions[99] but still recommends adopting them at scale.

A study released by the International Council of Clean Transportation (ICCT) a few months after Shell's report shows that LNG trucks in India do not have a better GHG footprint than diesel trucks

[96] Climate Action Tracker, Natural Gas in India: A pathway towards reducing India's dependency on gas, May 2022.
[97] In Figure 9 we provide gas as percentage of the energy mix without biomass and waste using IEA data. This is because the Indian government excludes 'non-commercial sources including biomass' from its calculations (NITI Aayog, India Climate & Energy Dashboard, as of October 2025). The IEA followed this methodology in IEA, India Gas Market Report: Outlook to 2030, February 2025, pp. 10-11. IEA data produces similar but slightly lower percentages of gas in the primary energy mix to NITI Aayog data. We have used the IEA data because it provides future projections and for consistency across this report.
[98] ICF, Shell, NITI Aayog and the Embassy of the Netherlands in India, LNG as a Transportation Fuel in Medium & Heavy Commercial Vehicle Segment, January 2024, pp. 11 and 14.
[99] Ibid., p. 79.

(Figure 10).[100] Even the European ICCT study reviewed in the Shell-funded report warns that *"LNG trucks should not be considered a suitable measure for climate protection in road freight transport"* and that they risk *"lock-in into a cost-inefficient technology pathway"*.[101]

Figure 10: Shell advocated for LNG trucks despite a high risk they are not better for the climate than diesel



Source: ICCT[102]

[100] International Council on Clean Transportation (ICCT), A comparison of the life-cycle greenhouse gas emissions from combustion and electric heavy-duty vehicles in India, May 2024, p. i, Figure ES1.
[101] ICCT, Decarbonization of on-road freight transport and the role of LNG from a German perspective, 12 May 2020, p. 9.
[102] ICCT, A comparison of the life-cycle greenhouse gas emissions from combustion and electric heavy-duty vehicles in India, May 2024, p. i.

5. Shell's lobbying in Malaysia

Shell is a leading producer and seller of gas in Malaysia. It is a key member of the Malaysian Gas Association, which likely influenced Malaysia's National Energy Transition Roadmap to include significant growth in gas use as part of the country's decarbonisation plans to 2050.

However, Shell's lobbying disclosures for Malaysia do not indicate whether its advocacy has played a part in increasing planned gas demand or if this demand would be Paris-aligned.

5.1 Shell's LNG and gas ambitions in Malaysia

Shell is seeking to continue major gas production in Malaysia and has signalled it expects domestic demand for gas – and in the medium-term, LNG – to grow.

Shell expects Malaysia to be a top 10 country for cash flow over the next decade.[103] In 2023, Shell said that it planned to keep its "*very, very strong*" position in Malaysia[104] and was considering a range of offshore exploration targets.[105] By mid-2024, oil and gas industry media confirmed that Shell was "*embarking on [a] Malaysian drilling spree*".[106]

Malaysia generally does not feature in Shell's LNG demand forecasts because the country has historically been a net exporter of LNG. However, Shell's 2025 LNG Outlook states that while it expects Malaysia to remain a major LNG exporter until at least 2035, it will reduce its export volumes in part because of "*growing demand*".[107] The Malaysian government has said it expects to become a net LNG importer "*in the next 10 to 20 years*".[108]

As the largest player in Malaysia's retail fuel market and a major gas supplier to industry,[109] Shell has a strong interest in more domestic gas consumption.

5.2 Lobbying disclosures

Shell only discloses limited information about its lobbying in Malaysia.

On its *Climate and energy transition advocacy updates* webpage, Shell states that it advocates directly and through the Malaysian Gas Association for "*the role of gas in the energy transition and in securing stable energy supplies, in line with Malaysia's target to achieve net-zero emissions by 2050",* as well as to reduce methane emissions and end routine flaring. It also mentions that Shell participated in government-run workshops for Malaysia's National Gas Roadmap.[110]

Shell's first two lobbying reports, for 2022 and 2023, did not mention Malaysia. Its 2024 lobbying report mentions its attendance at industry conferences; its work with the state-owned oil and gas

[103] Shell, Climate and energy transition advocacy updates, as of October 2025.
[104] The Edge Malaysia, Shell 'absolutely prepared' to explore deeper Malaysian waters, November 2023.
[105] Upstream Online, Shell eyeing oil and gas exploration fest offshore Malaysia, August 2023.
[106] Upstream Online, Shell embarking on Malaysian drilling spree, April 2024.
[107] Shell, LNG Outlook 2025, p. 23.
[108] New Straits Times, Malaysia faces the risk of becoming LNG net importer, April 2025.
[109] Shell Malaysia, Downstream.
[110] Shell, Climate and energy transition advocacy updates, as of October 2025.

company PETRONAS to reduce methane emissions; and its participation in policy workshops run by the Ministry for Economy for the National Gas Roadmap.[111]

These disclosures do not give substantial insight into the goals or outcomes of Shell's lobbying activities in Malaysia or demonstrate whether its lobbying is Paris-aligned.

5.3 Shell's influence in Malaysia

Shell has advocated for high long-term gas use in Malaysia's energy transition. One way it has sought to do this is by attempting to influence the country's energy transition modelling through direct engagement with government and via the influential Malaysian Gas Association (MGA).

Shell's efforts to directly influence Malaysian energy transition planning are evident in the scenario study[112] it developed with a key climate change agency. From 2019 to 2021, Shell co-created a set of scenarios with the Malaysian Green Technology and Climate Change Corporation (MGTC),[113] which was *"the executing body for climate change and green technology for the Ministry of Environment and Water"*[114] at the time.

The study identified one scenario, *Balanced Pathway with Reforestation,* as "*the most realistic and probable pathway for Malaysia to achieve net-zero emissions (carbon-neutral) by [the] year 2065"*.[115] Shell does not disclose how it sought to use this scenario in its lobbying, or what impact the study might have had on Malaysian government policy.

Shell's influence on policy through the MGA is clearer. The company has an influential role at the MGA:

- Shell holds the second membership number of the MGA after PETRONAS,[116] Malaysia's state-owned oil and gas company and upstream regulator.[117] The companies have long held a close relationship[118] and are important commercial partners in Malaysia.[119]

[111] Shell, Climate and Energy Transition Lobbying Report 2024, pp. 16, 20 and 28.
[112] Shell and Malaysian Green Technology Corporation (MGTC), The Tree, the sky, the sun: a pathway towards Malaysia's carbon-neutral future, July 2021.
[113] Formerly known as Malaysian Green Technology Corporation or GreenTech Malaysia.
[114] MGTC, MGTC's History. The study was launched by the then-Minister for Environment and Water: Shell, The Tree, The Sky, The Sun Launch Event, YouTube, July 2021.
[115] Initially, Shell and MGTC developed four scenarios for reaching net zero by 2054, 2080, 2099 and after 2100, respectively. The 2080 scenario was "chosen by the stakeholders as the most realistic pathway for Malaysia" and then adjusted to include reforestation. Shell and MGTC, The Tree, the sky, the sun: a pathway towards Malaysia's carbon-neutral future, July 2021, pp. 34-37.
[116] Malaysian Gas Association (MGA), Directory.
[117] PETRONAS regulates Malaysia's upstream resources through Malaysia Petroleum Management: PETRONAS, Malaysia Petroleum Management.
[118] PETRONAS awarded its first production sharing agreement (PSC) to Shell after the government gave PETRONAS exclusive rights to Malaysian oil and gas resources in 1974: PETRONAS, PDA 1974 Key Takeaways; PwC Malaysia, Oil and Gas in Malaysia: Exploring growth in a dynamic marketplace, April 2015, p. 4. Up until this point, Shell and Exxon had dominated Malaysian oil & gas production (PwC Malaysia, The Malaysian Oil & Gas Industry: Challenging times, but fundamentals intact, May 2016, p. 3) with Shell having "pioneered" the country's industry (Shell Malaysia, Shell In Malaysia).
[119] Shell's continuing partnership with PETRONAS makes it the second-largest producer of oil and gas in Malaysia, behind PETRONAS: Offshore Technology, Malaysia natural gas production: data and insights, July 2024.

- PETRONAS and Shell have held the roles of president and vice-president at the MGA for at least the last 15 years.[120] Shell is currently a member of the MGA's working committees for Advocacy, and Regulatory and Government Affairs.[121]

The MGA describes itself as Malaysia's "*lead advocate for the natural gas industry*" and states that:

- its purpose is to "*facilitate the growth of Malaysia's natural gas sector by positioning natural gas as a clean and efficient source of energy, to drive demand and increase industry participation*".[122]
- it plays "*an influential role in shaping the national policies in Malaysia*" because it is a "*proactive member of several national committees on natural gas and energy*".[123]

Figure 11 shows the MGA's involvement in three policy committees which are particularly consequential for Malaysia's future levels of gas demand.

Figure 11: Shell has significant access and influence on Malaysian gas policymaking through the MGA

Policy committee	The MGA's involvement	The MGA's position on policy
National Energy Policy for 2022-2040 (released late 2022)	• "*We are proud to be part of the Technical Committee that developed the NEP*".[124]	"*[The]* ***MGA is delighted that the role of natural gas was underlined*** *as a key component in the NEP to continue driving Malaysia's sustainable socio-economic growth*".[125]
National Energy Transition Roadmap (NETR) (released late 2023)	Invitee to the *National Energy Transition Roadmap* national committee. • Engaged at least eight government ministries or agencies on the policy.[126]	"*…[The] NETR* ***underscores the crucial role of natural gas*** *in securing Malaysia's energy future. We are* ***heartened to see… [that] natural gas will contribute…56% of the nation's energy needs by 2050***".[127] The MGA **advocated for the gas industry to be given incentives equal to renewables as a way of supporting the NETR's gas targets**.[128]
National Gas Roadmap (to be released in late 2025)[129]	• The MGA was the first to call for a Natural Gas	Malaysian media reported that the MGA was **expecting the NGR to increase**

[120] MGA, Current Council Members; Malaysian Gas Association, Annual reports 2017-2024; Zahid Osman, LinkedIn profile, as of October 2025 (relevant to 2012-2017); Seng Kee Wong, LinkedIn profile, as of October 2025 (relevant to 2009-2012); MGA, MGA's 24th Annual General Meeting, Impiana Hotel KLCC, 12 May 2010, May 2010; MGA, MGA 25th Annual General Meeting for FY 2010, May 2011.

[121] MGA, Advocacy Working Committee; MGA, Regulatory & Government Affairs Working Committee.

[122] MGA, Introduction.

[123] MGA, 2023 Annual Report, June 2024, pp. 5 and 24.

[124] MGA, Fuelling a Sustainable Future, Natural Gas Remains Significant in National Energy Policy, September 2022.

[125] Ibid.

[126] MGA, 2023 Annual Report, June 2024, p. 24.

[127] Ibid., p. 4.

[128] MGA, Equal Attention Needed for Gas Industry Players in Budget 2025, Urges MGA, October 2024.

[129] Wood Mackenzie, Gas on the move: Malaysia's energy crossroads, September 2025.

	Roadmap and "*has been involved in every stage of developing the NGR*".[130] • The MGA supported the "*drafting of the Forewords for the NGR executive summary document*".[131]	**demand for gas, increase security of supply and thereby help future-proof the gas industry**.[132]

5.4 Paris alignment

Shell's lobbying, both directly and through the MGA, could heighten the risk that Malaysia consumes unnecessarily high levels of gas and eventually LNG. This would likely result in emissions lock-in at levels which are misaligned with the Paris goals.

Malaysia's National Energy Transition Roadmap (NETR) reflects the country's ambitions and charts a pathway for net zero greenhouse gas emissions by 2050.[133] However, the NETR plans for the share of gas in the energy mix to increase from 43% in 2023 to 56% in 2050, while increasing Malaysia's overall energy usage.[134] This contradicts the Shell-MGTC *Balanced Pathway with Reforestation* scenario (Figures 12 & 13). Shell's positions do not appear to be supported by governance mechanisms that ensure consistency across its positions or a credible level of alignment with climate goals.

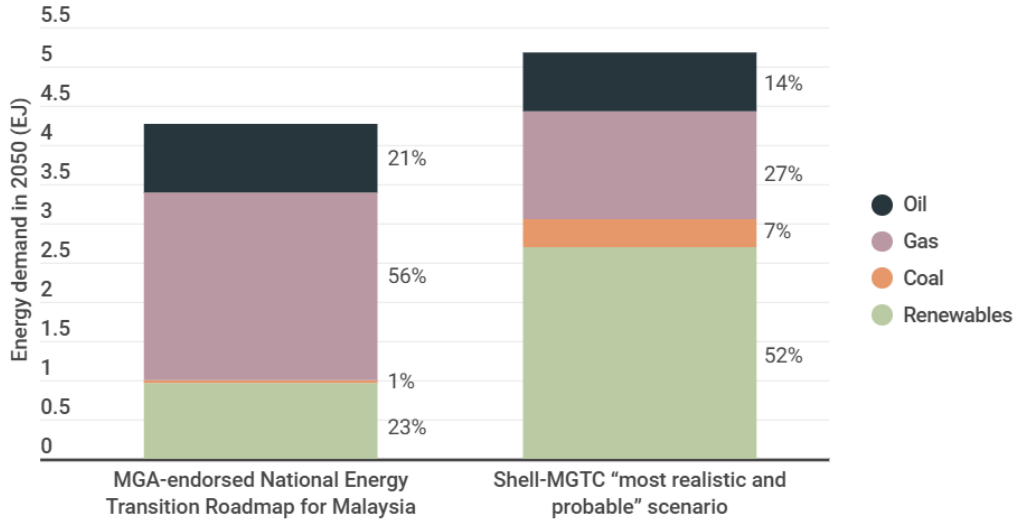
Figure 12: The MGA shaped and endorsed an energy transition plan which contradicts Shell's own scenario and risks a high level of emissions lock-in

Area of concern	Misalignment with Shell-MGTC scenario and climate goals
Increasingly high gas use	• The NETR sees higher amounts of gas in the 2050 energy mix, in absolute and percentage terms, than the Shell-MGTC scenario. This is made even less credible by the NETR having a more ambitious target of net zero by 2050 instead of the Shell-MGTC target year of 2065. • The NETR sees limited growth in Malaysia's energy needs by 2050 despite assuming population and economic growth.[135] The Shell-MGTC scenario assumes there are higher energy needs as population and wealth grows.[136]

[130] MGA, 2020 Annual Report, June 2021, p. 5.
[131] MGA, 2021 Annual Report, June 2022, p. 23.
[132] Bernama, NEP initiatives have high impact on natural gas demand -- MGA, September 2022.
[133] As of September 2025, Malaysia's Nationally Determined Contribution only commits it to reduce carbon intensity 45% by 2030 on 2005 levels. The government has stated its ambition for net zero greenhouse gas emissions by 2050 but will not formalise this until it has completed its Long-Term Low Emissions Development Strategy, which is still under development. See: UNDP Climate Promise, Malaysia; UNFCCC, Statement By Mr. Tuan Ibrahim Tuan Man Honourable Minister Of Environment And Water Malaysia For Cop-26/Cmp-16/Cma-3 Resumed High-Level Segment 9-10 November 2021, November 2021.
[134] Malaysian Ministry of Economy, National Energy Transition Roadmap, August 2023, pp. 23-24.
[135] Ibid. pp. 9 and 24.
[136] Shell and MGTC, The Tree, the sky, the sun: a pathway towards Malaysia's carbon-neutral future, July 2021, pp. 33-34.

	• The Climate Change Performance Index (CCPI) notes that Malaysia needs to phase out oil and gas if it is to have a credible transition plan.[137] Climate Analytics estimated that Malaysia needs to phase out gas *"by around 2035 to 2038"* to align with a 1.5°C pathway.[138]
High carbon removal assumptions	• The NETR assumes that Land Use, Land Use Change and Forestry will stay at 2019 levels[139] while the Shell-MGTC scenario assumes a limited reforestation effect in 2050.[140] Both scenarios are ambitious given that Malaysia's natural carbon sinks continue to shrink.[141] • The NETR (-12 $mtCO_2$ in 2050) has higher CCS assumptions than the Shell-MGTC scenario (-5 $mtCO_2$), though reforestation shortfalls are to be met with CCS in the Shell-MGTC scenario.
Renewables relegated to be a backup for gas (Figure 13)	• The NETR has less renewables in the 2050 energy mix than the Shell-MGTC scenario, with high gas use displacing renewable generation capacity. The NETR makes clear that it sees gas as the primary baseload fuel.[142]

Figure 13: The MGA supports the NETR's plan for renewables to backup gas, contradicting the Shell-MGTC scenario



Source: ACCR analysis of data in Malaysia's National Energy Transition Roadmap and Shell-MGTC scenario study[143]

[137] Climate Change Performance Index, Malaysia.
[138] This now needs to be more aggressive given this analysis was based on the IPCC SR1.5 report, in which the remaining carbon budget was larger than it is now: Climate Analytics, What is Malaysia's pathway to limit global warming to 1.5°C?, September 2021.
[139] Malaysian Ministry of Economy, National Energy Transition Roadmap, August 2023, p. 27.
[140] Small amounts of removals in 2050 and -28 $mtCO_2$ p.a. by 2065 (approximately equivalent to a 5.8% forest cover increase) with CCS filling any reforestation shortfalls. Shell and Malaysian Green Technology Corporation (MGTC), The Tree, the sky, the sun: a pathway towards Malaysia's carbon-neutral future, July 2021, pp. 26 and 34-37.
[141] Global Forest Watch, Malaysia.
[142] Malaysian Ministry of Economy, National Energy Transition Roadmap, August 2023, pp. 24 and 33; Ganesha Pillai in Energy Monitor, Malaysia's National Energy Transition Roadmap is largely business as usual, November 2023; Shell and MGTC, The Tree, the sky, the sun: a pathway towards Malaysia's carbon-neutral future, July 2021, p. 35.
[143] Plot digitised data from Shell and MGTC, The Tree, the sky, the sun: a pathway towards Malaysia's carbon-neutral future, July 2021, pp. 35 and 38; Malaysian Ministry of Economy, National Energy Transition Roadmap, August 2023, pp. 23-24. We used BP's conversion factors to translate into EJ units.

6. Shell's lobbying in Nigeria

Shell counts Nigeria as one of its top 10 countries by gas production and is expanding its offshore exploration and production, as well as its gas marketing and sales, in the country.

Shell's lobbying disclosures acknowledge it is involved in Nigeria's *Decade of Gas* initiative, which has a goal of making Nigeria *"gas-powered"* by 2030. Shell's disclosures do not indicate the extent or goals of its advocacy, what influence Shell has had or the Paris alignment of its advocacy.

Shell has extensive involvement in the *Decade of Gas*, which could pose risk to Nigeria's long-term decarbonisation.

6.1 Shell's LNG and gas ambitions in Nigeria

Nigeria is a highly material market for Shell. The company has *"the largest footprint of all the international oil and gas companies"* in Nigeria[144] and Nigeria is one of Shell's top 10 jurisdictions by expected cash flow over the next decade.[145]

Shell recently sold its onshore exploration and production business[146] and is expanding its Nigerian operations in deepwater, offshore oil and gas, where it sees *"vast untapped potential"*.[147] It is also expanding its gas marketing and sales operations for the domestic Nigerian market, targeting power generation and industrial customers.[148]

6.2 Lobbying disclosures

Shell's disclosures on gas and LNG lobbying in Nigeria are limited and do not provide investors with insight into the specific advocacy positions, outcomes or Paris alignment of its lobbying.

The company's first two lobbying reports – for 2022 and 2023 – do not mention Nigeria.[149] Shell's latest lobbying report does include Nigeria and notes that the company:[150]

- engaged the Nigerian government on its Energy Transition Plan and that it supports the "*the Decade of Gas initiative to promote a gas-powered economy by 2030"*, having provided "*input on many aspects of the initiative, including on LNG"*.
- is a member of the Nigerian Gas Association (NGA). Shell notes that the NGA did not have positions on the Paris Agreement, net zero emissions, carbon pricing or methane emissions regulation, but that the NGA supports government policy in these areas and will publish a climate change policy in 2025.

[144] Shell Nigeria, Who we are.
[145] Shell, Climate and energy transition advocacy updates, as of October 2025.
[146] Shell Petroleum Development Company.
[147] Upstream Online, Shell's $2.4 billion Nigeria asset sales deal secures key green light, December 2024; Shell Nigeria, Shell sees bright future for Nigeria's deep-water with the right conditions, February 2025.
[148] Shell Nigeria, What we do; Pipeline & Gas Journal, Shell Expands Gas Distribution Network in Nigeria, October 2024, Vol. 251, No. 10; Offshore Technology, Shell to build gas facility in Nigeria to supply fertiliser plant, February 2024.
[149] Shell, Climate and Energy Transition Lobbying Report 2023; Shell, Climate and Energy Transition Lobbying Report 2022.
[150] Shell, Climate and Energy Transition Lobbying Report 2024, pp. 16, 28, 38 and 40.

Shell's *Climate and energy transition advocacy updates* webpage states that *"a Shell secondee is currently the Coordinating Director of the Decade of Gas initiative and we have provided input on many aspects of the initiative, including on LNG".*[151]

6.3 Shell's influence in Nigeria

Shell has influenced Nigeria's *Decade of Gas* policy initiative. The *Decade of Gas* aims to transform "*Nigeria into a gas-powered economy by 2030 through series of policy reforms, gas supply projects maturation, gas infrastructure expansion, capacity building and robust investment attraction strategies.*[152]

Shell is involved in the *Decade of Gas* both directly and through the Nigerian Gas Association (NGA):

Shell's involvement in the *Decade of Gas* policy initiative

- The Nigerian Government launched the *Decade of Gas* in early 2021 as an extension of its 2020 Year of Gas policy suite.[153]
- The *Decade of Gas* was "*coordinated from Shell*" from 2021 until March 2023.[154] Shell's influence on the *Decade of Gas* was recognised at a government-organised energy conference in April 2023.[155]
- In July 2023, the *Decade of Gas* was embedded in a regulator. At the request of the "*sponsors group*",[156] a *Decade of Gas* secretariat led by industry was set up in the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA).[157] The Shell secondee who is Coordinating Director of the *Decade of Gas* told Nigerian media that with the secretariat's establishment, "*the NGA under the auspices of the minister is driving the 'Decade of Gas' agenda because this is now going to be owned by the industry".*[158]
- In November and December 2023, the Shell secondee was also part of Nigeria's delegation to COP28 in the UAE. Official COP28 records list him as the director of the *Decade of Gas,* but affiliated with Shell Nigeria, and attending COP28 in a "*paid relationship/contract*" with Nigeria.[159]
- In January 2024, the Shell secondee was also appointed to the governing council of NMDPRA's Midstream and Downstream Gas Infrastructure Fund, [160] which makes equity investments into gas infrastructure to encourage gas consumption, private investment and reduced flaring.[161]

[151] Shell, Climate and energy transition advocacy updates, as of October 2025.
[152] Decade of Gas, Home page.
[153] Nigerian Gas Association (NGA), NGA Industry Multilogues 2: 12th International Conference & Awards, p. 9.
[154] Daily Nigerian, Gas development is priority for Tinubu's administration – Presidency, July 2023.
[155] Nigeria Energy Summit, About NIES; Sustainable Economy, Shell recognized for Outstanding Commitment to Decade of Gas aspiration, April 2023.
[156] Daily Nigerian, Gas development is priority for Tinubu's administration – Presidency, July 2023.
[157] The Business Intelligence Africa, Decade of Gas: Stakeholders move to address challenges limiting domestic utilisation, March 2023.
[158] Ibid.
[159] See row 12611 of the *Parties* worksheet of UNFCCC, List of participants: on-site participation (Excel file), December 2023.
[160] Nigerian Federal Ministry of Information and National Orientation, President Tinubu Appoints Executive Director and Governing Council of Midstream and Downstream Gas Infrastructure Fund, January 2024.
[161] Midstream And Downstream Gas Infrastructure Fund, MDGIF Investment Policy Statement, May 2024, p. 12.

- Shell is a member of the *Decade of Gas* sponsors' group and steering committee, which meets with policymakers and regulators about the *Decade of Gas* on a regular basis.[162] As a sponsor, it co-funds the *Decade of Gas* alongside other industry players and the Nigerian government.[163]
- The NGA is also a member of the coordinating team and sponsors' group. Shell's lobbying report notes that its membership of the NGA has been particularly beneficial due to the Association's *"work on the 'Decade of Gas' initiative"*.[164]
- The NGA has said that it lobbied for the *Year of Gas* to be extended into the *Decade of Gas*[165] and claims its advocacy *"has been instrumental in shaping government policies that have supported the growth of the gas sector"*.[166] The NGA's advocacy aims to increase and lock in gas use: Its vision is to make gas "*the preferred energy source*"[167] and its slogan in 2024 was *"entrenching the gas advantage"*.[168]

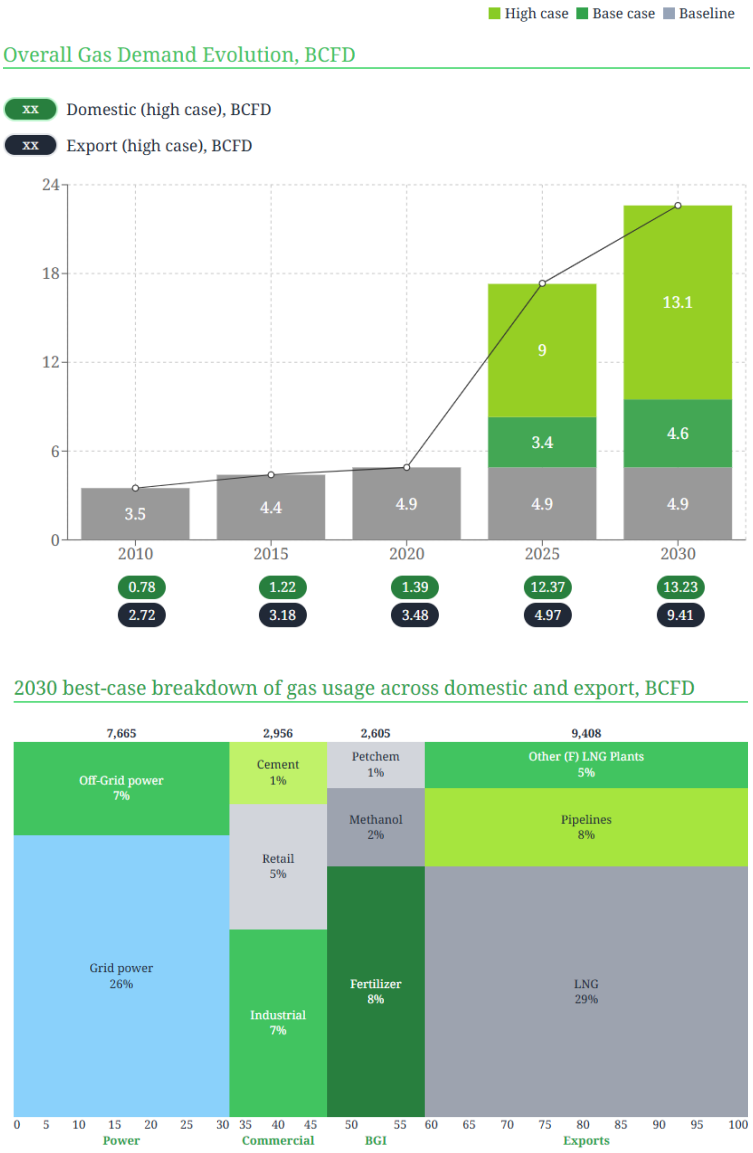
6.4 Paris alignment

Shell's deep involvement in and support for the *Decade of Gas* does not appear to support the Paris goals. The *Decade of Gas* stands to lock in large amounts of gas production and use if its goals are realised. Figures 14 & 15 show that the initiative seeks to:

- dramatically increase the overall volume of gas supplied to domestic markets and exports (up to 360% by 2030, or almost five times the annual growth rate of the previous decade).
- increase domestic gas consumption by up to 9.5 times by 2030 and have it come to outweigh exports, growing from around 30% of gas use in 2020 to around 60% in 2030.[169]

[162] Decade of Gas, Governance Structure.
[163] Moneyline with Nancy TV, Recent Development In Nigeria's Gas Sector | Ed Ubong, YouTube, March 2024, 5m40s.
[164] Shell, Climate and Energy Transition Lobbying Report 2024, p. 54.
[165] NGA, NGA Industry Multilogues 2: 12th International Conference & Awards, p. 9.
[166] NGA, Achievements.
[167] Decade of Gas, Home page.
[168] NGA, News - NGA Newsletter August 2024.
[169] Decade of Gas, Demand.

Figures 14 & 15: The "Decade of Gas" is targeting growth in gas demand



Source: "Decade of Gas" website[170]

The *Decade of Gas* identifies several "*key components*" to achieving this gas growth, including gas infrastructure development; new LNG projects; and the increased use of gas in power generation, industry and cooking. The initiative highlights that policy reform is pivotal to enabling gas growth[171] but provides little detail on the specific policy changes it seeks.[172]

News articles reposted on the *Decade of Gas* website give some indication of the policy changes under the initiative and how they are enabling Shell to grow its Paris-misaligned gas business (Figure 16).[173]

[170] Ibid.
[171] Decade of Gas, About Decade of Gas.
[172] Decade of Gas, What we need to do.
[173] Decade of Gas, News.

Figure 16: The "Decade of Gas" is enabling Shell's Paris-misaligned gas business

Area of benefit	The *Decade of Gas* policy enabling Shell to expand its gas business
Nigerian Government settles large gas debts	• In February 2024, gas producers including Shell "*urged the Federal Government to settle the [US]$1.3 billion debt*" owed to producers of gas used for power. Shell said it was owed a large share of debt and that the debt could be a disincentive to making more investments under the *Decade of Gas*.[174] • In April, the Nigerian President approved the settlement of the debts and the Minister for Gas said that this was a major task for his ministry included in the *Decade of Gas* deliverables.[175]
Fiscal incentives for oil and gas investment enable major Final Investment Decisions (FIDs)	• In February 2024, Nigeria increased fiscal incentives for oil and gas investments.[176] These incentives, whose development was coordinated by a member of the *Decade of Gas*,[177] were designed to improve the internal rate of return (IRR) for projects in the oil and gas industry.[178] • Local media reported that the incentives helped enable Shell's December 2024 FID on the Bonga North offshore oil and gas project[179] and its October 2025 FID on the HI gas project.[180] The *Decade of Gas* called the HI gas project "*one of the 20 priority gas projects under the 'Decade of Gas' initiative*".[181]
Awarded gas distribution licenses	• In January 2025, the NMDPRA issued ten new gas distribution licenses to six companies, including Shell Nigeria Gas.[182] Shell holds one license by itself and another with the state-owned NNPC.[183] • The Minister for Gas said that the licenses were a "*strategic enabler*" for the *Decade of Gas* initiative.[184]

The *Decade of Gas* website claims that the increased production and use of gas can promote "*sustainable development and energy transition objectives*". However, it does not provide evidence for this claim or indicate the emissions implications of its plans.[185] Instead, the *Decade of Gas* emphasises the economic benefits of gas. Shell has also emphasised economic development while not mentioning climate in its public commentary on the *Decade of Gas*.[186]

[174] The Nation, Shell seeks settlement of $1.3b debt to gas producers, February 2024.
[175] The Energy Republic, Power Sector: President Tinubu Approves Debt Settlement for Gas-to-Power Arrears, April 2024.
[176] The Cable, '$10bn investments targeted' — FG launches new fiscal policies for oil, gas sector, April 2024.
[177] Ibid.; Decade of Gas, Our Team.
[178] The Cable, '$10bn investments targeted' — FG launches new fiscal policies for oil, gas sector, April 2024.
[179] Punch NG, Nigeria secures $5.5bn in FIDs, targets more investments in 2025, February 2025.
[180] Vanguard Nigeria, Tinubu secures Shell's $2bn offshore gas project, October 2025.
[181] Decade of Gas, Shell has announced FiD for HI gas project. one of the 20 priority gas projects under the decade of gas initiative, no date.
[182] African Energy Council, NMDPRA Grants 10 Licenses to NNPC Gas, Shell & Others, January 2025.
[183] Business Day, Relief for industries as FG awards gas distribution license to Shell, NIPCo, January 2025.
[184] Ibid.
[185] Decade of Gas, About Decade of Gas; Decade of Gas, FAQs.
[186] WebArchive of Shell, Industrialisation hinges on gas development, investment, September 2022.

The *Decade of Gas* secretariat says it is making a "*concerted effort to shape the mindset and content of the media to attract more investors for the gas sector*". In May 2024, it ran a workshop for "*influential energy journalists*".[187]

Civil society has raised concerns about the climate implications of the *Decade of Gas*. In mid-2024, a coalition of major NGOs wrote an open letter calling for the *Decade of Gas* to disclose detailed policy action plans to demonstrate the initiative's alignment with Nigeria's Nationally Determined Contributions and energy transition plans.[188] We are unaware of any public response from the *Decade of Gas*.

Gas was already 22% of Nigeria's energy mix in 2020.[189] With its ambition to make Nigeria a "*gas-powered*" economy, the *Decade of Gas* runs the risk of locking in unsustainable fossil fuel use, particularly with the continued industrialisation of its economy and a population set to become the third-largest in the world by 2050.[190]

[187] Energy Focus Reports, Bridging the Gap: Decade of Gas Secretariat Trains Media to Drive Gas Sector Growth, May 2024.
[188] Natural Resource Governance Institute, Open Letter Calling for Detailed Action Plans on Nigeria's Decade of Gas Policy, June 2024.
[189] The IEA, Nigeria – Energy Mix.
[190] Carbon Brief, The Carbon Brief Profile: Nigeria, February 2023.