Shareholder Resolution at the 2026 AGM of Shell plc ("the Company")

Strategy disclosure for declining oil and gas demand

Shareholders request that the Company shall publish a report disclosing the Company's strategy to create shareholder value under scenarios of declining demand for oil and gas, including the International Energy Agency (IEA) Stated Policies Scenario (STEPS) and Announced Pledges Scenario (APS).

For each scenario, the report should include at least the following:

- Capital expenditure on greenfield and brownfield for oil, gas, and other energy sources
- Production and sales for oil, gas, and other energy sources
- Free cash flow projections

The report should cover at least the Company's ten-year planning period and may omit commercially sensitive information.

Supporting Statement

Summary

Multiple outlooks project impending decline in oil and gas demand. Shell's strategy assumes rising demand. In the last major demand contraction, the Company cut dividends by 66%. This resolution asks Shell to clarify how it would create shareholder value under credible scenarios of declining oil and gas demand. With this transparency, investors can better judge how Shell's portfolio might perform under all circumstances.

Declining demand

Many trusted analysts increasingly predict that the world will soon enter a structural decline in oil and gas demand.

STEPS and APS constitute credible scenarios, as they correspond to identifiable policies and market developments. STEPS represents the energy sector's current direction of travel, based on the latest market data, technology costs, and in-depth analysis of the prevailing policy settings globally. APS anticipates the implementation of additional policies pledged by governments. These scenarios warrant investor concern, as they reflect ongoing and planned implementation of regulation, political support, and technological uptake, as well as market and economic realities.

Both see an impending peak in demand for oil and gas. In STEPS, oil demand peaks by 2030 and gas by 2035. In APS, both peak before 2030 and fall 17% by 2035 compared to 2023 (99–82 mb/d; 4186–3493 bcm).[1]

The IEA's June 2025 oil forecast predicts reduced demand by the end of the decade; this is noteworthy as it seems to align with the oil demand projections indicated in both STEPS and APS.[2]

[1] IEA, *World Energy Outlook 2024* and *World Energy Outlook 2025,* tables A.9 and A.13
[2] IEA, *Oil 2025*

Regarding gas, the IEA states: "The period of LNG surplus in the STEPS makes it difficult for some exporters to fully recover their long-run marginal cost of supply, creating risks that project sponsors write off the value of the assets."[3]

Other analysts also show outlooks divergent from Shell's. Rystad's analysis shows oil peaking in the early 2030s, with gas plateauing soon after. The US Energy Information Agency (EIA) expects overproduction to push oil prices down to $51 in 2026, well below the $70 Shell expects.[4, 5, 6]

This convergent view on a potential decline by a broad array of market analysts warrants serious concern from investors.

Shell's strategy is based on growth in oil and gas demand

At its Capital Markets Day 2025, Shell projected 1% annual growth in oil and gas production through 2030. The company plans a 4–5% annual growth in integrated gas and marketing cash flow from operations through 2040.[7] Company scenarios assume that oil demand grows 3–5 mb/d into the early 2030s, with gas demand growing to 4,500 bcm by the 2040s.[8]

Shell's reporting shows internal stress-testing and scenario analysis, it mainly adjusts future price estimates, leaving other key factors like demand and market share dynamics unchanged ("ceteris paribus").[9]

Shell does not disclose concern about potential declining demand, stating in their 2024 Annual Report "Changes in global oil and gas demand are [...] not expected to directly impact the ability to sell volumes of oil and gas produced by Shell at market prices."[10]

By ignoring the market share gains needed in a declining, competitive market and relying on single-dimension stress-testing disclosure, Shell leaves investors uncertain about its ability to create shareholder value.

Historical precedent across multiple industries suggests that prolonged demand contraction puts downward pressure on prices. Further, most oil majors plan to raise production, creating oversupply. Revenue could be affected; only the most cost-competitive producers would deliver value to shareholders in a declining market.

Shell does not disclose capital spending, production mix, or dividends if demand falls. Even 1% annual growth would require significant gains in market share relative to competitors. Ongoing shareholder trust depends on answers to these questions.

In 2020, with oil demand down 9% and prices at an average of $42 per barrel, Shell cut its dividend by 66%, the first cut since World War II. Shell has since raised its dividend, but the current $0.358 quarterly payout remains 24% below pre-2020 levels. This was only a brief drop, yet the Company struggled. A sustained decline portends much higher risks for the Company and its shareholders.

[3] IEA, *World Energy Outlook 2025*
[4] Rystad, *Global Energy Scenarios 2025*
[5] EIA, press release, Aug 12, 2025
[6] Shell, Capital Market Day 2025
[7] *ibid*
[8] Shell, Energy Security Outlook 2025
[9] Shell, *Annual Report 2024*
[10] *ibid*

Conclusion

Shell's current fossil fuel growth assumptions visibly diverge from IEA APS and STEPS scenarios and other analyst projections that foresee sustained demand decline.

Failing to plan for these potentialities risks significant shareholder value loss due to impaired assets, lower margins, and reduced dividends. Transparent disclosure of how Shell would adjust capital allocation, energy mix, and cash flow under declining oil and gas demand is essential to assess its business resilience.

This resolution aims to ensure that Shell's strategy accounts for a complex and uncertain energy transition and demonstrates its ability to create shareholder value under a range of plausible scenarios.

You have our support.