

This is an Expression of Principles between Shell Nederland B.V., the Minister of Economic Affairs and Climate Policy and the State Secretary of Infrastructure and Water Management to establish a framework for future cooperation with the aim to significantly reduce greenhouse gas emissions by Shell NL and is shared and discussed on a confidential basis, without prejudice and remains subject in its entirety to all necessary internal and external approvals.

**Expression of Principles
Dated 13 April 2023**

As entered into between

1. the **Minister of Economic Affairs and Climate Policy of the Netherlands**, acting as administrative body and as representative of the State of the Netherlands;
2. the **State Secretary of Infrastructure and Water Management of the Netherlands**, acting as administrative body and as representative of the State of the Netherlands;

hereafter individually as well as jointly referred to as the "State";

and

3. **Shell Nederland B.V.**, with its registered office in The Hague, Netherlands and its office address at Carel van Bylandtlaan 30, 2596 HR, The Hague, represented by its directors;

regarding cooperation to reduce Greenhouse gas emissions and environmental and innovation projects in the Netherlands

Parties, 1, 2 and 3 hereafter individually also referred to as "Party" and jointly as the "Parties."

WHEREAS:

Legal and policy framework

1. Parties acknowledge that additional efforts for reduction of greenhouse gas emissions are required for the Netherlands to achieve the goals of The Paris Agreement, the European Climate Law, the Dutch Climate Law (*Klimaatwet*), and the Dutch Coalition Agreement (*Coalitieakkoord*);
2. The Dutch Coalition Agreement as presented on December 15, 2021, increases the national CO₂ reduction target to 55% in 2030, and the Government aims for 60% CO₂ reduction in 2030, for climate neutrality in 2050 and for establishment of a green economy that is climate neutral, fossil free, and circular;
3. For the industry, as laid down in the Draft Dutch Climate Policy Programme, these increased targets for 2030, correspond to an increased CO₂ reduction of at least 5-5.9 million tons (hereafter: "Mton") per year by 2030;
4. The Government will present a national roadmap to accelerate the transition in the Dutch industry towards a climate neutral and circular economy. Parties acknowledge that their cooperation will take place in the context of the developing policy around accelerating the transition in the industry;
5. Parties acknowledge that a long-term collaborative approach and consistent long-term government policy in relation to large energy transition projects and related high value risks are beneficial for a successful outcome of the tailor-made approach;
6. Parties acknowledge that the innovative and transformational change of Shell's business not only has benefits in terms of decarbonization of Shell's own activities, but may also benefit its customers, suppliers and even competitors in the industry;
7. Parties acknowledge that decarbonization projects by the industry require timely realisation of energy and CO₂ infrastructure and a clear industrial demand for such infrastructure. The Government has developed a national and regional infrastructure program (*Programma Infrastructuur voor een Duurzame Industrie (PIDI)*) in which governments, industry and grid operators work together to (i) take stock of all infrastructural needs for the industry, including for Shell NL and (ii) enable acceleration of infrastructural projects admitted to the MIEK (*Meerjarenprogramma Infrastructuur en Klimaat*) where desirable and possible;
8. Parties acknowledge that the further development of offshore wind is an essential part of the energy transition. The Minister for Climate and Energy Policy has appointed new offshore wind areas to bring the total capacity at 21GW around 2030 of which a substantial share is for the accelerated electrification of the industry.¹ For the years 2040 and 2050, the Minister for Climate and Energy Policy has communicated that planning will begin towards 50GW and 70GW offshore wind capacity respectively;²
9. The Government strives to realise a complete circular economy by 2050, by (i) using raw materials more efficiently in existing production processes; (ii) making use of sustainably sourced, renewable (inexhaustible) and generally available materials if new materials are required; and (iii) by developing new production methods and new circular products. A reduction of 50% of use of primary raw materials (minerals, metals and fossil fuel) has been set at the intermediate goal for 2030;³

Tailor-made approach ("Maatwerk")

10. The Government aims to facilitate the climate transition of the industry in the Netherlands with, amongst other instruments, a tailor-made approach for the 10-20 largest industrial emitters. As set out in among others the letter informing Parliament on the tailor-made approach⁴ (hereafter: "*Zomerbrief*"), and the letter informing Parliament on the progress of the tailor-made approach⁵ (hereafter: "*Voortgangsbrief*") the aim of the tailor-made approach is to support these companies, based on mutual commitments, in achieving additional and accelerated CO₂ reduction before 2030 and having a sustainable future in the Netherlands. Furthermore, where possible, the aim is to contribute and meet now and in the long-term other sustainability challenges in the Netherlands;

¹ Kamerbrief *Aanvullende routekaart windenergie op zee 2030*, d.d. 10 June 2022.

² Kamerbrief *Windenergie op zee 2030-2050*, d.d. 16 September 2022.

³ [Nationaal Programma Circulaire Economie 2023-2030](#), p.20.

⁴ Kamerbrief *Zomerbrief Maatwerk*, d.d. 8 July 2022.

⁵ Kamerbrief *Voortgang Maatwerkafspraken*, d.d. 27 February 2023.

11. Where needed, the Government, as stipulated in the Draft Dutch Climate Policy Programme, intends to support the largest industrial emitters in their endeavors to contribute to additional CO₂ reduction, while considering European principles regarding state aid and a level playing field on the internal market and aiming for an international level playing field;
12. In the Zomerbrief and the Voortgangsbrief, the Government explained the structure of the discussions with the 10-20 largest emitters for a tailor-made approach. The structure will be along the following lines. First, discussions will be held to see whether parties can come to an expression of principles, in which they express their intention to further discuss the possibilities of reducing additional CO₂-emissions and reduction of impact on the local environment by the respective companies and the possibilities of the Government to assist therewith. Second, if an expression of principles is signed and it appears to be a good basis for further discussions, parties intend to discuss and define the specific measures to be taken and intend to agree on those in a draft joint letter of intent. Third, the draft joint letter of intent will be submitted to the 'Adviescommissie Maatwerkafspraken' for an expert advice to the Minister of Economic Affairs and Climate Policy with respect to, among others feasibility, cost-effectiveness and level of ambition. Finally, if a final joint letter of intent has been agreed upon and signed, parties intend to implement and elaborate their agreements in binding tailor-made agreements;
13. The current Expression of Principles (hereafter: "EoP"), therefore, is only of an indicative, non-binding nature, which means that in the further discussions in the context of the tailor-made approach neither Party can be legally held to expressed intentions, statements, facts or numbers in this EoP, among other things because at this stage, such expressed intentions, statements, facts or numbers cannot and will not be fully verified by the Parties to this EoP and because neither Party wants to enter into legally binding commitments with this EoP;
14. Parties confirm explicitly that (i) they shall have full discretion in agreeing on a joint letter of intent (hereafter also: "JLoI") or not, and in modifying, removing or completing any intentions, statements, facts or numbers mentioned in this EoP, and (ii) that at its sole discretion, either Party may terminate discussions at any time for any reason;

Shell in the Netherlands

15. Shell is a global group of energy and petrochemical companies with more than 90,000 employees and operations in more than 70 countries. Shell is globally serving more than 1 million commercial and industrial customers and around 32 million customers at 46,000 retail service stations daily. Shell's strategy is to accelerate the transition of its business to net-zero emissions, purposefully and profitably;
16. Shell's powering progress strategy combines its ambitions under four goals: generating shareholder value, achieving net-zero emissions, powering lives and respecting nature. Shell is accelerating its powering progress strategy to become a net-zero emissions business by 2050 and has set an absolute climate target to halve its operational emissions from Shell's business on a net basis by 2030, compared to 2016 levels (scope 1 and 2). In addition, part of Shell's powering progress strategy is to help its customers reduce their emissions from the use of its products, known as Scope 3 emissions;
17. Shell NL operates two large manufacturing facilities in the Netherlands, Shell Energy and Chemicals Park Rotterdam, which is the largest refinery in Europe, and Shell Chemicals Park Moerdijk. These facilities produce about 15 Mton per year of transportation fuels for road, marine and aviation and 4.5 Mton per year of chemical products used for sectors like manufactured goods, packaging, construction and pharmaceuticals. To put this into perspective, the total consumption of petroleum products in the Netherlands equals about 50 Mton (reference year: 2020) according to Centraal Bureau voor de Statistiek;⁶
18. On 10 December 2021, Shell and Shell Nederland B.V. have publicly committed to a carbon abatement plan for the Netherlands through a commitment letter⁷ to the Government. This letter confirms commitment to continue their presence in the Netherlands and to transition their operations to net-zero by 2050. In 2020 and 2021, as stated in the commitment letter, Shell has made investment decisions amounting to almost 4 billion euros in energy transition projects,⁸ making Shell one of the largest investors in the energy transition in the

⁶ [StatLine - Petroleum products balance sheet; supply, consumption stock 1946-April 2021 \(cbs.nl\)](#).

⁷ Commitment Letter Shell NL, [commitmentnl.pdf \(shell.nl\)](#).

⁸ Ibid.

- Netherlands.⁹ Shell aims to maintain the pace of its investments in line with recent years in order to achieve Shell NL's goals of net-zero Shell NL operations in the Netherlands;
19. Shell Energy and Chemicals Park Rotterdam and Shell Chemicals Park Moerdijk both have the ambition to transform their activities towards producing low carbon and circular products by increasingly replacing fossil feedstocks by alternative feedstocks like biomass, hydrogen, municipal waste, plastic waste and renewable energy;
 20. Parties acknowledge that with this ambition Shell Energy and Chemicals Park Rotterdam and Shell Chemicals Park Moerdijk are well positioned to transition to competitive production sites for sustainable transportation fuels and sustainable and circular chemicals products. In this regard, Shell NL is important to the Dutch economy;
 21. Shell NL has the ambition to deliver 100% CO₂-neutral energy for all types of road transport in the Netherlands by 2040. In addition to providing low carbon fuels, Shell aims to contribute to a reduction in road traffic emissions by facilitating and stimulating e-mobility, renewable hydrogen for heavy duty transport and providing mobility hubs. Shell is currently one of the major providers of charging points in the Netherlands¹⁰, offering 218 public fast charging points at its petrol stations and over 3,000 public fast chargers on its roaming network. Shell intends to expand its public charging points with several thousands in the coming three years. In addition, Shell provides charging points to businesses and at private residences. Shell NL aims to grow this business in the coming years;
 22. Shell NL is currently the largest investor in offshore wind energy in the Netherlands (1317 MW in total as of January 2023) and has the ambition to keep growing its portfolio. Furthermore, Shell NL is building the largest hydrogen electrolyser in Europe (Holland Hydrogen 1, 200 MW) at Tweede Maasvlakte and aims to increase its hydrogen project portfolio with a capacity of several GWs. With the integration of its wind and hydrogen ambitions, Shell NL aspires to contribute to the energy transition in industry, mobility and both the planning and balancing of the overall electricity grid;
 23. Shell's main research center in Amsterdam has been transformed into an open Energy Transition Campus (ETCA), where start-ups, scale-ups, research institutions and companies work together on solutions for cleaner energy (for example: synthetic kerosine, scale-up of hydrogen, plastic circularity, energy storage, CO₂ capture and recycling). As per the SEO report, Shell is currently the largest private investor in the Netherlands in research and development in the energy transition and takes part in consortia focusing on the energy transition;¹¹
 24. According to Oxford Economics (2019), Shell delivers an economic contribution of ~EUR 7.4 bn Gross Domestic Profit to the Dutch economy (which is ~ 1% of the Dutch economy) and ~ 46,700 jobs in the Netherlands (or one in every 168 jobs in the Netherlands) of which ~ 9,700 direct and 37,000 indirect and induced jobs;¹²
 25. Shell has the ambition to become one of the world's most diverse and inclusive organisations with a focus on: (i) working towards gender equality in our workforce; (ii) addressing racial inequity, creating an inclusive work environment where everyone feels valued; (iii) advancing LGBTQ+ inclusion within Shell and the communities where Shell works; and (iv) ensuring that Shell is a place where people with disabilities can excel;¹³

Decarbonization

26. Shell NL has the ambition to achieve its CO₂ reduction by 2030 in line with the Dutch Climate Agreement and the Dutch Coalition Agreement and sees opportunities to achieve additional CO₂ reduction. Shell NL has expressed that the higher the level of the ambition of additional CO₂ reduction, the higher the level of the support and facilitation that might be needed to realise the ambition;
27. Shell NL's decarbonization roadmap may be optimised to take into account technological, economic, political, commercial and control developments if and when needed;

⁹ [Investeringsanalyse energietransitie \(seo.nl\)](#).

¹⁰ [Shell Recharge | NewMotion Laadpalen | Bekijk de voordelen \(laadkompas.nl\)](#).

¹¹ Ibid 9.

¹² [Generating prosperity for countries and communities | Shell Global](#). Underlying source: Oxford Economics, *Shell's socioeconomic impact in the Netherlands*, d.d. March 2021, pages 2, 3 and 18.

¹³ [Diversity, equity and inclusion | Shell Global](#).

28. Parties recognise that the innovative and transformational change and decarbonization roadmap of Shell's business has substantial advantages as mentioned under consideration 6. and may also come with substantial risks and challenges for Shell, depending on technological, economic, political and commercial developments. Parties acknowledge that decarbonization projects have long development and construction times (several years) and can change in scope and impact – including the amount of CO₂ reduction;
29. Within the framework of the tailor-made approach, the Government intends to support Shell NL's additional CO₂ reduction in scope 1 and scope 2 by, among others: financial support through generic financial mechanisms, stimulation of demand for sustainable products, timely decision-making on permit applications, advancing timely availability of affordable energy carriers and required infrastructure for these energy carriers (such as electricity, CCS and hydrogen), and addressing of (EU or other) regulatory uncertainty;
30. The Government aims to facilitate the energy transition of the industry in the Netherlands, both with pricing instruments such as the carbon levy for industry and with instruments covering uneconomical parts of necessary and efficient investments and operations and recognises the necessity of continued involvement with the industry to monitor whether the current governmental instruments are indeed suitable and sufficient towards this end;
31. The Aramis project is an important enabler in achieving the Dutch 2030 climate goals. Several industrial companies depend on the Aramis project for the reduction of their CO₂ emissions by means of CCS by 2030. Both the Government and Shell NL are aware of their respective responsibility with regard to the feasibility, facilitation and realisation of the Aramis project in view of the importance of CCS projects of other industrial companies;
32. Parties acknowledge that the use of fossil-based Carbon Capture and Storage (CCS) is a transitional application of this technology that should be phased out before 2050, unless this technique can play a part in achieving negative emissions to offset hard-to-abate emissions. To achieve this, there has to be sufficient affordable sustainable sourced biogenic and/or circular feedstock;

Local environmental impact

33. It is Shell NL's ambition to operate its Dutch assets with zero emissions from harmful matters for humans and the environment by 2050, in line with the European Zero Pollution Vision. For the energy transition projects in its Dutch portfolio Shell NL aims to expedite compliance with the anticipated 2030 European Zero pollution policies;
34. Parties acknowledge that the Dutch Coalition Agreement aims to decrease the reactive nitrogen emissions to reduce the deposition thereof in Dutch Natura 2000 nature areas and that each sector, including the industrial sector, is expected to contribute fairly to the necessary reduction of reactive nitrogen emissions. The letter regarding nitrogen¹⁴ explains the policy framework;
35. The Government aims, in line with the European Zero Pollution Vision, to reduce air-, water- and soil contamination by 2050 to levels that are no longer harmful to general health and natural ecosystems, thereby taking into account the limits of planet earth with the aim of realising a toxin-free environment and has formulated emission reduction and health gain ambitions in several policy acts to this end;
36. The Government has formulated an emission policy that includes the legal obligation to minimise emissions of persistent pollutants and pollutants of high concern (*zeer zorgwekkende stoffen (ZZS)*) and inform the authorities on achieved reduction and next steps every five years.

¹⁴ Kamerbrief *Stand van zaken stikstof en landelijk gebied*, d.d. 15 juli 2022.

Have agreed

1. Definitions

1. **BAT** is best available technologies (*beste beschikbare technieken*) as defined in article 1.1 paragraph 1 of the Dutch Environmental Permitting (General Provisions) Act (*Wet algemene bepalingen omgevingsrecht*);
2. **Carbon Capture and Storage** is the process of capturing, transporting and permanent storing of carbon dioxide to prevent it from entering the atmosphere, and will hereafter also be referred to as 'CCS';
3. **CO₂** is to be understood as all Greenhouse gases in CO₂ equivalent terms, unless stated otherwise;
4. **Dutch Coalition Agreement** means coalition agreement (*Coalitieakkoord*) of the current Government dated 15 December 2021;
5. **Dutch Climate Agreement** means the accord dated 28 June 2019 as supported by the Government, Dutch companies and other interested parties in relation to the reduction of greenhouse gases as part of the Dutch climate policy (*Klimaatakkoord*);
6. **Draft Dutch Climate Policy Programme** means the governmental draft policy (*beleidsprogramma Klimaat*) dated 2 June 2022 on the main features of the climate policy until 2030 aimed at the realisation of the objectives of the Dutch Climate Law;
7. **Dutch CO₂ Levy** means the national levy on industrial CO₂ emissions, governed by the 'Wet belastingen op milieugrondslag' chapter VIB;
8. **Expression of Principles** or **EoP** means this document in its entirety;
9. **European Zero Pollution Vision** is the vision for 2050 laid down in the EU ACTION PLAN 'Towards Zero Pollution for Air, Water and Soil' adopted on 12 May 2021 by the European Commission: 'Air, water and soil pollution is reduced to levels no longer considered harmful to health and natural ecosystems and that respect the boundaries our planet can cope with, thus creating a toxic-free environment.';
10. **Government** means the government of the Netherlands;
11. **Greenhouse gases** means gases listed in Annex II to Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the European Union;
12. **Meerjarenprogramma Infrastructuur Energie en Klimaat** means the multi-annual program in which the Government, together with other stakeholders, coordinates timely decision-making and realisation of infrastructural projects of national interest that are needed to achieve CO₂ reduction and will hereafter be referred to as 'MIEK';
13. **NEa** means Dutch Emissions Authority (*Nederlandse Emissieautoriteit*);
14. **Parties** means the Parties to this Expression of Principles;
15. **Permits** means any permit, license, exemption, consent or other authorisation that Shell NL requires from the State or any (local) governmental organisation for the realisation of projects executed by Shell NL relating to the tailor-made approach;
16. **PIDI** means *Nationaal Programma Infrastructuur Duurzame Industrie*;
17. **Revision of the Renewable Energy Directive III** means the EU legal framework for the development of renewable energy across all sectors of the EU economy and will hereafter be referred to as 'RED III';
18. **SAF** means sustainable aviation fuel;
19. **SDE++** means the aid scheme 'Stimulation of sustainable energy production and climate transition' through which the State can subsidize the unprofitable component of a project during the operational period of that project;
20. **Shell** means Shell plc together with its group companies;
21. **Shell NL** means a group of Dutch entities carrying out the operational activities of Shell in the Netherlands, a.o. consisting of the Shell Chemicals Park Moerdijk, Shell Energy and Chemicals Park Rotterdam as well as the operational activities in NL for retail, wind, hydrogen, solar, biofuels, and EV charging. Shell Nederland B.V. has involved the respective companies where necessary at the EoP stage;
22. **Shell Nederland B.V.** means a company within the Shell group of companies, registered with the Chamber of Commerce under file 24098177, having its registered office and place of business in Den Haag, the Netherlands;
23. **Shell Chemicals Park Moerdijk** means Shell NL's asset based in Moerdijk;
24. **Shell Energy and Chemicals Park Rotterdam** means Shell NL's asset based in Rotterdam (formerly the Pernis Refinery);

2. Objectives for the cooperation between the Parties

The objectives of this EoP are to:

1. express non-binding principles for potential subsequent mutual agreements on the cooperation between the Parties to pursue the other objectives as stated below in this section each from their own purview (see recitals above) and subject to each Party's internal criteria for cooperation and decision making;
2. accelerate reduction of Shell NL's CO₂ emissions subject to the Dutch CO₂ Levy in the Netherlands, aiming for 3.9 Mton CO₂ reduction in the year 2030 relative to the year 2020;
3. accelerate reduction of Shell NL's local environmental impact in the Netherlands, with a focus on nitrogen; and
4. accelerate the transition to a sustainable economy, notably through stimulating markets for sustainable fuels and products (i.e. chemicals and plastics aiming for significant CO₂ reductions at Shell NL's customers).

3. Objective 1 – establish basis for cooperation

1. Parties intend to cooperate on the basis of mutuality ("wederkerigheid") in a staged process to create mutual and simultaneously increasing levels of commitment, in due course towards binding agreement(s) on achieving the objectives, to be laid down in writing and subject to authorised signature.
2. As the next step, Parties intend to strengthen their cooperation by drawing up and agreeing on a JLoI. The JLoI will elaborate on the levels of commitment related to all objectives to be pursued thereafter. At the moment of signing this EoP, Parties aim to agree the JLoI in the second half of 2023.
3. Parties acknowledge that apart from an adequate application process, early alignment, effective prioritisation, planning and cooperation between the State, the relevant (local) governmental authorities, the relevant public institutions and Shell are important for effectively conducting permitting processes to obtain the relevant Permits, including NO_x related permits and to that effect:
 - a. Parties acknowledge each Party's and other entities' responsibilities under various laws and regulations;
 - b. Parties intend to, individually and jointly, engage and align with relevant public entities and institutions to promote a timely and predictable permitting process. Shell intends to continue its engagement with relevant stakeholders, e.g. those in the vicinity of its operations, in relation to the permitting process; and
 - c. the State intends to facilitate, where possible and within its purview, timely decision-making on permit applications for any Permit and, whilst respecting their respective authority and role under public law, encourage relevant public entities and authorities whose actions and/or decisions are required for obtaining any Permit, to contribute to timely decision making.
4. Parties intend to periodically discuss Shell NL's role as a key player in the ports of Rotterdam and Moerdijk and how Shell's energy transition activities can contribute to economically strong and climate neutral ports.

4. Objective 2 – reduction of Shell NL's CO₂ emissions

1. This objective relates to CO₂ emissions of Shell NL's activities under its operational control at Shell Energy and Chemicals Park Rotterdam and Shell Chemicals Park Moerdijk that are subject to the Dutch CO₂ Levy. In the year 2020 Shell NL's CO₂ emissions under the Dutch CO₂ Levy were 6.7 Mton.
2. Shell NL aims, with support of the tailor-made approach by the State, to reduce its annual CO₂ emissions as defined in article 4 paragraph 1, by 3.9 Mton in the year in 2030 when compared to the year 2020. This would mean 0.5 Mton additional CO₂ reduction beyond the estimated 3.4 Mton CO₂ reduction required to achieve an emissions level equal to the expected amount of CO₂ dispensation rights in 2030 under the Wet belastingen op milieugrondslag.
3. Shell NL intends to allocate its resources to accelerate and mature a portfolio of carbon abatement projects, subject to all Shell's internal criteria. This portfolio consists of already committed projects such as Porthos, Skyline and Holland Hydrogen 1 (1.3 Mton), and future projects (2.6 Mton) including energy efficiency and electrification projects, CCS projects,

- and an e-boiler project to be implemented between now and 2030. Of the future projects approximately 1.7 Mton is related to CCS.
4. Acquisitions, divestments, or significant changes to today's output are currently not considered and could lead to re-evaluation of the above-mentioned intentions and other elements in this article.
 5. Shell NL has the ambition to have net-zero emissions on scope 1 and scope 2 in the Netherlands before 2040 assuming long-term economic perspective. Parties intend to explore promising innovation routes and associated projects to support this ambition.
 6. According to Shell NL the following enablers are required to accomplish this intention (as described under article 4 paragraph 2):
 - a. (Accelerated) realisation of MIEK infrastructures projects, notably the 380kV electrical infrastructure at Shell Chemicals Park Moerdijk, the Porthos project, the Delta Corridor, the national Hydrogen Transport Network, and the Aramis project.
 - b. Timely Permits to execute the project portfolio. Risks related to the permitting processes are to be addressed as well as pathways to accelerate these processes.
 - c. The tariffs for existing and future subsidy schemes to be indexed to mirror market price developments and budget levels to remain adequate.
 - d. Depending on the adequacy of article 4 paragraph 6 sub-paragraph c, other mechanisms facilitating the implementation of parts of the carbon abatement portfolio corresponding to the target set in article 4 paragraph 2 might be needed.
 - e. Appropriate and coherent set of policies creating demand incentives recognizing low carbon production processes (scope 3). This can greatly reduce the need for financial support through subsidy schemes and other measures, as this limits the unprofitable component of the project portfolio.
 - f. As Shell NL acknowledges the potential for flexible electricity demand, ensure adequate electricity grid pricing structure for flexible use.
 7. Parties intend to explore how they can contribute to the enablers mentioned in the previous article. In this context:
 - a. The State intends to continue to coordinate the – in certain cases accelerated – realisation of MIEK projects, notably the 380kV electrical infrastructure at Shell Chemicals Park Moerdijk, the Porthos project, the Delta Rhine Corridor, the national Hydrogen Transport Network, and the Aramis project. Whereby, Shell, within its influence as partner in Porthos, Aramis and the Delta Corridor, intends to commit its best endeavours for timely realisation of these projects.
 - b. All Parties intend to address risks related to the permitting processes and identify pathways to accelerate permitting processes, and follow-up in line with article 3 paragraph 3.
 - c. The State intends to explore how existing and future generic subsidy schemes can be adequately funded and be kept up to date to address possible deficiencies, subject to all internal criteria (political consent, subsidy design principles and state support regulations among others).
 - d. The State intends to explore support mechanisms to stimulate low carbon production processes (market pull) as described in objective 4.
 - e. If existing financial support mechanisms and new market pull instruments are deemed insufficient or not fit for purpose, Parties intend to explore other facilitating mechanisms to contribute to the implementation of parts of the carbon abatement portfolio corresponding to the target set in article 4 paragraph 2.
 - f. Parties intend to explore the potential to increase the share of flexible electricity consumption, in order to allow for the efficient integration of renewable electricity into the electricity grid in space and time.
 8. Parties acknowledge that it is Shell's intention not to further trade additional CO₂ dispensation rights under the Wet belastingen op milieugrondslag with other companies, in order to prevent a "waterbed effect". The effects hereof will be discussed in the coming period and worked out in more detail in a JLOI.

5. Objective 3 – reduction of Shell's local environmental impact

1. This objective relates to emissions to air and water (other than CO₂), external safety, impacts of logistics and local zoning. Parties acknowledge that air quality in the Rijnmond area and nitrogen emissions on nearby ecosystems are particular areas for cooperation. In addition, the development towards a sustainable operation of the Shell sites in the Netherlands requires a continuous improvement of the environmental performance. A sustainable operation is defined as an operation in line with the EU Zero Pollution Vision.

Parties acknowledge that a shared fact base, application of high environmental standards and cost effectiveness are important principles for this Objective.

2. Following paragraph 1 of this article:
 - a. Shell NL aims to reduce at a minimum 10% of its nitrogen emissions by the year 2030, compared to the year 2020 at Shell Energy and Chemicals Park Rotterdam and Shell Chemicals Park Moerdijk. Shell NL intends to carry out a study on potential routes to reduce nitrogen emissions at Shell Energy and Chemicals Park Rotterdam and Shell Chemicals Park Moerdijk, including emissions from logistics and mobile sources on the sites, by means of e.g. electrification, low NOx burners and de-NOx technology. This study takes into account, among other elements, the impact on nitrogen emissions of Shell NL's aforementioned portfolio of carbon abatement projects.
 - b. Shell NL intends to identify other potential, substantial contributions Shell NL can make to improving the environment based upon reported emissions, including initiatives that are already being developed by Shell NL as part of, among others, existing permit related work processes with authorities as well as positive side effects resulting from the execution of the aforementioned portfolio of carbon abatement projects.
 - c. To this effect Shell NL intends to carry out a study for Shell Energy and Chemicals Park Rotterdam and Shell Chemicals Park Moerdijk with the objective to identify the potential for reduction of (i) persistent pollutants and pollutants of high concern emitted to air and local receiving water bodies (according to EU regulation); and (ii) emissions of particulate matter.
 - d. Parties intend to discuss the scope and outcome of the studies indicated above. With this, Parties intend to achieve a common understanding on potential next steps to substantially reduce emissions, taking into consideration the overall environmental improvement that can be achieved.
 - e. Shell NL intends to realise emission levels comparable to the lower end of the BAT Associated Emission Level bandwidth.
 - f. With respect to nitrogen deposition, the emission reduction of nitrogen oxide and ammonia are to be considered in mutual coherence when determining BAT emission levels.

6. Objective 4 – accelerate transition to a sustainable economy notably through stimulating markets for sustainable fuels and products

1. Parties intend to explore further opportunities to accelerate and scale-up the production of sustainable fuels and products towards 2030, notably by stimulating demand through market creation that benefits both industry and society.
2. Parties intend to explore (discuss) promising innovation routes to reduce scope 3 CO₂ emissions towards and beyond 2030 related to the use of relevant fuels, chemicals and plastics.
3. Parties are of the opinion that:
 - a. market creation, such as through blending mandates, minimum uptake percentages for recycle, and government purchasing criteria, as part of a coherent set of policies, are vital to stimulate investments necessary for the production of sustainable fuels and products;
 - b. market creation for sustainable fuels and products ideally takes into account products on a net carbon footprint basis, covering scope 1, 2, and 3 CO₂ emission reduction;
 - c. market creation is vital for the industry to underpin its investments in sustainable fuels and products;
 - d. market creation also depends on the necessary instrumentation such as mass balancing methodology, sustainability criteria and methodology, and certification or MRV (monitoring reporting and verification).
4. Parties acknowledge the large-scale CO₂ emission reduction potential among Shell's customers (i.e. scope 3 emissions) in the Netherlands and elsewhere, as one of the benefits of these sustainable fuels and products.
5. The State intends to explore policy options to stimulate (scale-up) and accelerate the markets for sustainable fuels and products, and intends to develop and promote policies accordingly, while:
 - a. following generally accepted principles for good governance and stakeholder engagement, including compliance with EU directives on State Aid;

- b. taking into account various programs at local, national and EU levels, and seeking opportunities to stimulate investments in recycling and sustainable products;
 - c. taking into account the ambitions, including time schedules, of relevant industry, other stakeholders and the subsequent potential added value of implementation of national policies in advance of EU regulation; and
 - d. focusing on the use of biogenic sources as feedstock for the production of chemicals, plastics and sustainable aviation fuel.
6. Shell NL is developing and implementing projects for sustainable products and fuels including a.o., sustainable products derived from recycled plastics and bio-based materials, sustainable aviation fuels, sustainable mobility solutions and green hydrogen supply. Parties recognise that market creation influences the speed of development and implementation of these projects.
 7. Shell NL as a knowledge partner intends to actively contribute to the development of sustainable initiatives through, among others:
 - a. active participation in the setup and implementation of growth fund proposals, such as 'FutureCarbonNL' and 'GroenvermogenNL';
 - b. conducting joint research projects with Dutch universities and knowledge institutes; and
 - c. developing and strengthening academic competencies and capacity at Dutch universities, particularly in the area of electrochemistry and energy technology.

7. Objective 4 – with regard to plastics circularity

1. Shell NL aims to chemically recycle plastic waste streams that are difficult to recycle by other means. The combined portfolio has the potential to recycle 300 kilo tons (hereafter: kton) plastic waste by 2027, equivalent to approximately 30% of plastic waste in the Netherlands.¹⁵
2. Parties recognise that Shell's activities in plastics circularity contribute to a reduction of emissions related to incineration of plastic waste. Parties moreover recognise that processes required to chemically recycle plastic waste streams might result in a net, but smaller increase of scope 1 emissions.
3. Shell NL intends to allocate its resources to accelerate and mature a portfolio of plastics circularity projects, subject to Shell's internal criteria, with a final investment decision planned for a scale-up plant planned in 2024.
4. Parties recognise that the EU legislative process concerning market uptake of sustainable products (Packaging and Packaging Waste Regulation, PPWR) is crucial to stimulate investments in circular plastics. Parties acknowledge that a successful and accelerated development of plastic chemical recycling projects also depends on having appropriate policies in place, in particular the enabling of mass balancing, and the recognition of chemical recycling in a blending mandate. Furthermore, Parties intend to address issues in obtaining the end-of-waste status for pyrolysis oil.
5. The State intends to promote an ambitious sustainable materials uptake scheme at the European level including the necessary instrumentation.
6. The State intends to further stimulate investments in recycling and sustainable products.
7. The State intends to explore if besides volume, also quality can be taken into account in order to encourage chemical recycling as a recycling option, e.g. in the Extended Producer Responsibility (EPR).
8. The State intends to explore pathways to:
 - a. facilitate the market for pyrolysis oil, by clarifying the conditions under which pyrolysis oil can be applied in production processes for circular plastics;
 - b. possibly include the dimension of quality of recycling in for instance Extended Producer Responsibility (EPR) schemes or the Circular Materials Plan (CMP); and
 - c. further stimulate recycling, including chemical recycling by other mechanisms, e.g. a targeted levy or SDE++ type of arrangement to incentivise investments in the use of circular feedstocks.
9. The State intends to explore pathways to incentivise and accelerate the availability of sustainable biogenic resources for sustainable plastics manufacturing, as a next step to various ways of recycling.

¹⁵ Circular Economy for Plastics, Netherlands 2020 (slide 5), [PlasticsEurope-National ALL.pdf](#).

10. In addition to the efforts on recycling Shell is exploring ways to increase the use of sustainable biogenic resources as alternative feedstock for sustainable plastics manufacturing.

8. Objective 4 – with regard to Sustainable Aviation Fuels (SAF)

1. Shell NL intends to allocate its resources to accelerate and mature a portfolio of SAF projects, subject to Shell's internal criteria.
2. This portfolio, as a significant scale-up step, includes the 800 kton HEFA production facility, currently under construction at Shell Energy and Chemicals Park Rotterdam. When operational, this plant will reduce scope 3 CO₂ emissions in mobility (road transport) and aviation by 2.8 Mton in the Netherlands and elsewhere, when replacing fossil fuels.
3. The State intends to explore pathways to incentivise and accelerate the availability of biogenic resources and non-recyclable municipal solid waste for sustainable aviation fuel as an alternative to fossil-based jet fuel. The scope includes benefits/impacts of the waste-to-jet route, waste-to-fuels policies, blending mandates and (practical, technical, permitting) bottlenecks for collecting and using non-recyclable municipal waste.
4. Shell NL continues to explore opportunities to develop and accelerate SAF projects in the Netherlands.

9. Objective 4 – with regard to Sustainable mobility solutions (road transport)

1. Shell NL intends to allocate its resources to develop, roll out and scale-up infrastructure in order to accelerate and mature (de-risk) a portfolio of sustainable mobility solutions for road transport, reducing scope 3 emissions. This portfolio consists of, among others, supplying renewable hydrogen, services for e-mobility, and biofuels, for replacement of conventional fuels with the aim to provide 100% CO₂ neutral energy for Dutch road transport by 2040.
2. Shell NL has the ambition to proportionally contribute to the CO₂ reduction target for mobility in line with the Dutch Coalition Agreement. Parties intend to explore various routes (including above mentioned solutions) to scale-up and expand markets for sustainable mobility solutions as a means to accelerate the decarbonization of road transport towards 2030.
3. Shell NL intends to create mobility hubs in major cities throughout the Netherlands, solely focusing on offering services for e-mobility, shared mobility, parcel delivery and convenience retail.
4. The State intends to explore policies to facilitate the rapid expansion of recharging and refuelling infrastructure at scale for zero emission mobility solutions. This includes the realisation of a modernised grid that supports EV electrification demands for both heavy duty as well as light duty vehicles, large scale smart charging solutions and the infrastructure needed to decarbonize road transport.
5. The State intends to accelerate the incentives for zero emissions mobility solutions through stimulating schemes and by removing barriers such as lengthy permitting processes.
6. Parties intend to cooperate on exploration of initiatives that strengthen the market for direct use of hydrogen in heavy-duty mobility, including possible incentive options. This will be further addressed in the JLoI phase.

10. Objective 4 – with regard to green hydrogen production, connected to off-shore wind

1. Shell NL intends to mature a portfolio of large-scale green hydrogen production projects, potentially part of integrated offshore wind and hydrogen tenders. Investment decisions remain subject to Shell's internal criteria.
2. This Shell NL portfolio of large hydrogen projects includes:
 - a. Holland Hydrogen 1, 200 MW capacity under construction at Maasvlakte;
 - b. Emmen Electrolyser, 4 MW Fully Integrated Research and Development project in Emmen, combining renewables, electrolysis, storage, mobility and industrial use;
 - c. future green hydrogen production projects in e.g. Rotterdam, Moerdijk and the North of the Netherlands – depending on market development, power availability, site and infrastructure availability, infra tariffs and permit procedures; and
 - d. development of Hydrogen Import into the Port of Rotterdam – e.g. H2Sines.
3. Parties intend to collaborate with relevant stakeholders in studies to develop an accelerated phased buildout of a.o., green hydrogen into the energy system.
4. The State intends to develop policies, in anticipation of the REDIII, to enable investments in the green hydrogen value chain – market development, infrastructure development (Power connections and Hydrogen backbone), subsidies, credits and streamlining in permitting procedures.

11. Time schedule

The Parties share a joined sense of urgency. The Parties therefore have the ambition to agree on a JLoI in the second half of 2023.

12. Costs

Each Party bears its own costs associated with this EoP, unless the Parties agree otherwise in writing.

13. Interpretation of terms and substance of this document

1. The terms of this document are not legally binding nor legally enforceable upon either Party hereto.
2. The current EoP is only of an indicative, non-binding nature, which means inter alia that neither Party can be legally held to expressed intentions, statements, facts or numbers in this EoP, among other things because at this stage, such expressed intentions, statements, facts or numbers cannot and will not be fully verified by the Parties to this EoP and because neither Party wants to enter into legally binding commitments with this EoP; the EoP only serves the goal of affirming Parties' intention to engage in further discussions about the possibilities of additional CO₂ reduction;
3. Parties shall after signing of this EoP begin discussions on a joint letter of intent, which will more specifically describe the plans of the State and Shell NL in this respect;
4. Parties confirm explicitly that (i) they shall have full discretion in agreeing on a joint letter of intent or not, and in modifying, removing or completing any intentions, statements, facts or numbers mentioned in this EoP, and (ii) that at its sole discretion either Party may terminate discussions at any time for any reason, in which case the terminating Party is not liable for any damages or compensation of costs towards (any of) the other Parties.
5. The provinces of Zuid-Holland and Noord-Brabant will play an important role in the realisation of ambitions expressed in this EoP. Parties will actively involve these provinces in discussions about a JLoI and are open to the possibility of these provinces becoming parties to a JLoI.
6. The Provincial Executives of the provinces of Zuid-Holland and Noord-Brabant are co-signing this EoP to express their support of the objectives of this EoP and to express their intention to participate in the upcoming discussions about a JLoI and possibly becoming a party to that JLoI.
7. To the extent that this document creates any legal relationship between the Parties, that legal relationship shall be governed by and shall be construed in accordance with the laws of the Netherlands. Any dispute about the interpretation or implementation of this document will be resolved through consultations between the Parties.

14. Other

This EoP comes into effect on the signature date and will be jointly reviewed upon written request by one or more Parties.

Signed in the Hague on 13 April 2023 in four original copies, each in the English language.

Minister of Economic Affairs and Climate Policy, acting as administrative body and as representative of the State of the Netherlands

By: Mrs. M.A.M. Adriaansens

State Secretary of Infrastructure and Water Management, acting as administrative body and as representative of the State of the Netherlands

By: Mrs. V.L.W.A. Heijnen

Shell Nederland B.V.

By: Dhr. F.F. Everts
Title: President-Director Shell Nederland B.V.

By: Mrs. P. Buitink
Title: General Manager Shell Energy and Chemicals Park Rotterdam

Co-signed in Den Bosch on 13 April 2023.

The Provincial Executive of the Dutch province of Noord-Brabant

By: Mrs. I.R. Adema

Title: King's Commissioner

Co-signed in the Hague on 13 April 2023.

The Provincial Executive of the Dutch province of Zuid-Holland

By: Mrs. J.N. Baljeu

Title: Member of the Provincial Executive