Delivering our climate targets

Investing in the energy transition

We help provide energy security while investing in the energy transition.

In 2023, we invested $7.9 billion in low-carbon energy and non-energy products, around a third of our total cash capital expenditure [A] of $24.4 billion. Of this, we invested $5.6 billion in low-carbon energy solutions including biofuels, hydrogen, charging for electric vehicles, wind and solar power, an increase of 30% compared with the previous year. This was mainly due to the acquisition of Nature Energy and the roll-out of electric vehicle charging. The remaining $2.3 billion was invested in non-energy products such as chemicals, lubricants and convenience retail. Our investment in non-energy products decreased by 41% compared with 2022 due to the completion of Shell Polymers Monaca in 2022 and greater inorganic expansion in our lubricants and convenience retailing businesses in 2022.

[A] Non-GAAP financial measure. See Reconciliation of non-GAAP financial measures where non-GAAP reconciliation is provided.

Our strategy supports a balanced energy transition by responsibly delivering the oil and gas people need today, while helping to build the clean energy system of the future. We are prioritising slower-to-decarbonise sectors, namely transport and industry, where we believe we have the competitive strengths to provide our customers with the products they need through the transition. See our 2023 Annual Report to learn more about our investments in energy in 2023.

Investing in the energy transition

Total cash capital expenditure * of $24.4 billion in 2023

Non-energy products [A] **$2.3 billion**	Low-carbon energy solutions [B] **$5.6 billion**
LNG, gas and power marketing and trading [C] **$4.0 billion**	Oil, oil products and other [D] **$12.5 billion**

[A] Products for which usage does not cause Scope 3, Category 11 emissions: Lubricants, Chemicals, Convenience Retailing, Agriculture & Forestry, Construction & Road.

[B] E-Mobility and Electric Vehicle Charging Services, Low-Carbon Fuels, Renewable Power Generation, Environmental Solutions, Hydrogen, CCS. We define low-carbon energy products as those that have an average carbon intensity that is lower than conventional hydrocarbon products, assessed on a life-cycle basis.

[C] LNG Production & Trading, Gas & Power Trading, and Energy Marketing.

[D] Upstream segment, GTL, Refining & Trading, Marketing fuel and hydrocarbon sales, Shell Ventures, Corporate segment.

* Non-GAAP financial measure. See Reconciliation of non-GAAP financial measures where non-GAAP reconciliation is provided.

Absolute emissions reduction performance

In October 2021, in support of our 2050 net-zero emissions target, we set a target to reduce Scope 1 and 2 absolute emissions from assets and activities under our operational control (including divestments) by 50% by 2030, compared with 2016 levels on a net basis.

In 2023, our total combined Scope 1 and 2 absolute greenhouse gas emissions (from assets and activities under our operational control) were 57 million tonnes on a CO_2 equivalent basis, a 2% reduction compared with 2022 and a 31% reduction compared with 2016, the base year for our target.

Our Scope 3 emissions associated with our energy product sales were 1,147 million tonnes of CO_2 equivalent, compared with 1,174 million tonnes of CO_2 equivalent in 2022.

In March 2024, we set an ambition to reduce customer emissions related to the use of our oil products by 15–20% by 2030, compared with 2021 (Scope 3, Category 11) [B]. This level of ambition is in line with the European Union's climate goals in the transport sector, which are among the most progressive in the world. Read more about our climate targets in our Energy Transition Strategy 2024.

[B] Customer emissions from the use of our oil products (Scope 3, Category 11) were 517 million tonnes carbon dioxide equivalent (CO_2e) in 2023 and 569 million tonnes CO_2e in 2021.