LR Independent Assurance Statement

Relating to the Royal Dutch Shell plc processes for carbon credit screening, project performance monitoring, procurement, reconciliation, retirement and certificate issuance.

Terms of Engagement

This Assurance Statement has been prepared for Shell Global Solutions International B.V., Lange Kleiweg 40, Rijswijk, 2288 GK, Netherlands (“Shell”). Lloyd’s Register (“LR”) was commissioned by Shell to assure specific processes, with the following scope:

Verification of the integrity of the processes for carbon credit screening, project performance monitoring, procurement, reconciliation, retirement and certificate issuance, in support of Shell’s carbon offsetting Customer Value Propositions (CVPs) and Net Carbon Footprint target.

This Assurance Statement will be used to support the Shell Net Carbon Footprint verification. LR has not been involved in these processes.

Management Responsibility

Shell’s management was responsible for maintaining effective internal controls over these processes. LR’s responsibility was to carry out an assurance engagement on these processes in accordance with our contract with Shell. Ultimately, these processes have been approved by, and remain the responsibility of Shell.

LR’s Approach

Our verification has been conducted in accordance with the LR Verification Approach. To form our conclusions, the assurance engagement was undertaken as a sampling exercise and covered the following activities:

- Remote review of the aforementioned processes via an evidence pack provided by the organisation.

Level of Assurance and Materiality

The opinion expressed in this Assurance Statement has been formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the Verifier.

LR’s Opinion

Based on LR’s approach, nothing has come to our attention that would cause us to believe that:

- The Environmental Product Trading Business and Nature-Based Solutions internal processes that manage carbon credit screening, project performance monitoring, procurement, reconciliation, retirement and certificate issuance are not in conformance with the fundamental principles of: relevance; completeness; consistency; accuracy; transparency; and conservativeness.

Points of Information

- LR has not verified any data, only the processes that manage the data.
- LR has not verified the integrity of individual projects or programs related to the generation of carbon credits.

LR’s competence and independence

LR ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all assurance engagements is internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

Paul Jackson
LR Lead Verifier
For and on behalf of Lloyd’s Register Quality Assurance Limited
1 Trinity Park, Bickenhill Lane, Birmingham, UK.
Birmingham, B37 7ES, United Kingdom.

LR reference: LRQ00003002

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Due to inherent limitations in any internal control, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the verification was not designed to detect all weakness or errors in internal controls so far as they relate to the requirements set out above as the verification has not been performed continuously throughout the period and the verification carried out on the relevant internal controls were on a test basis. Any projection of the evaluation of control to future periods is subject to the risk that the processes may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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