

## **Assurance Statement** **related to the Royal Dutch Shell plc Greenhouse Gas Assertion for the Equity Share** **Greenhouse Gas Inventory for the calendar year ended December 31, 2019.**

### **Terms of Engagement**

This Assurance Statement has been prepared for Shell Global Solution International B.V., Carel van Bylandtlaan 30, 2596 HR the Hague, The Netherlands (hereafter referred to as "Shell").

Lloyd's Register Quality Assurance Ltd ("LRQA") was commissioned by Shell to assure its Greenhouse Gas (GHG) Assertion (hereafter referred to as "the GHG Assertion") for the calendar year 2019, which follows:

1. *"The direct greenhouse gas (GHG) equity share emissions were 105 million tonnes on a CO<sub>2</sub> equivalent basis in 2019.*
2. *The indirect GHG equity share emissions from purchased energy (electricity, heat and steam) were 11 million tonnes on a CO<sub>2</sub> equivalent basis in 2019 using the market-based method and 12 million using the location-based method.*
3. *These emissions comprise our equity share of the direct and energy indirect GHG emissions from:*
  - a. *facilities we operate;*
  - b. *major facilities operated by others where data is available; and*
  - c. *major facilities operated by others where we estimate their emissions based on production and industry intensity data.*
4. *The 2018 base year numbers for direct GHG emissions in 2019 did not change by more than the 5% threshold; therefore, the base year emissions have not been recalculated.*
5. *The 2018 base year numbers for energy indirect GHG emissions in 2019 changed by more than the 5% threshold; therefore, the base year emissions have been recalculated from 11 to 10 million tonnes. For energy indirect GHG emissions the market-based method was used."*
6. *Equity share is based on ownership percentage unless significantly different from the economic substance of the relationship, in which case the percentage economic interest is applied.*
7. *In line with the International Finance Reporting Standard (IFRS) 16 Leases (adopted by Shell with effect from January 1, 2019), GHG emissions from relevant lease contracts have been included in our 2019 inventory."*

Shell definition: *Major facilities are crude oil and natural gas terminals, gas plants, manned offshore production platforms, manned onshore production stations or flow stations, floating production and storage vessels, refineries, chemical manufacturing facilities, mines or upgraders.*

This GHG assertion will be published on the webpage: [www.shell.com/ghg](http://www.shell.com/ghg). It relates to direct and energy indirect GHG emissions from facilities within the following Shell businesses: Upstream; Downstream; Integrated Gas and New Energies; Projects and Technology; and Corporate Functions.

LRQA has not been involved in the preparation of any material included within the GHG Assertion and GHG inventory, nor in devising the internal management and reporting systems that yielded the data contained therein.

### **Management Responsibility**

Shell's management was responsible for preparing the GHG Assertion and GHG inventory, and for maintaining effective internal controls over the data and information disclosed. LRQA's responsibility was to carry out an assurance engagement on the GHG Assertion and GHG inventory in accordance with our contract with Shell. Ultimately, the GHG Assertion and GHG inventory have been approved by, and remain the responsibility of Shell.

### **LRQA's approach**

Our verification has been conducted in accordance with ISO14064-3:2006 – *Specification with guidance for validation and verification of greenhouse gas assertions* to provide limited assurance that the Shell GHG data and information as presented in the GHG Assertion has been prepared in conformance with:

- ISO 14064-1:2006 – *Specification with guidance at the organizational level for quantification and reporting of greenhouse gas emissions and removals* (hereafter referred to as ISO 14064-1);
- American Petroleum Institute – *Compendium of Greenhouse Gas Emissions methodologies for the Oil and Gas Industry 2009* (hereafter referred to as the API Compendium); and
- World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol – *A Corporate Accounting and Reporting Standard* (hereafter referred to as the GHG Protocol).

LRQA is accredited to ISO 14065:2013 – *Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition*. This includes greenhouse gas verification of ISO14064-1:2006.

To form our conclusions, the assurance engagement was undertaken as a sampling exercise and covered the following activities:

- Remote review of the processes to measure, collect, consolidate, report and control GHG emissions used at the Shell businesses described above. LRQA has not verified GHG emissions data at the installation level for the purposes of this specific engagement;
- Verified the h direct and energy indirect GHG emissions data included in the 2019 GHG inventory and the re-calculated 2018 base year, using data and information available at the Shell corporate and individual business levels; and
- Reviewed the GHG emissions data included in the 2019 GHG inventory and the re-calculated 2018 base year to determine conformance with ISO14064-1, API Compendium and GHG Protocol.

### Level of Assurance & 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.

### LRQA's Opinion

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

- i. the GHG emissions data and information as presented in the GHG Assertion are not materially correct; and
- ii. Shell is not in conformance with ISO 14064-1, the API Compendium 2009 or the WRI/WBCSD GHG Protocol.

Additional GHG Assertions can be found on the webpage: [www.shell.com/ghg](http://www.shell.com/ghg).

Paul Jackson



Lead Verifier

On behalf of Lloyd's Register Quality Assurance Limited  
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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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