

LR Independent Assurance Statement

Relating to the Royal Dutch Shell plc Greenhouse Gas Assertion for the Operational Control GHG Inventory for calendar year ended December 31, 2020.

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 its Greenhouse Gas Assertion (hereafter referred to as "the GHG Assertion") for January 1 to December 31, 2020 and the calendar year 2019, which follows:

"58 million tonnes of the 2020 direct (Scope 1) greenhouse gas (GHG) emissions and 8 million tonnes of the 2020 indirect GHG emissions from imported energy (Scope 2) (using the market-based method) on a CO₂ equivalent basis achieved reasonable assurance under a variety of regulatory and voluntary schemes.

Once a major installation has achieved reasonable assurance under the Shell verification plan it can maintain its reasonable assurance status by having a site based external audit once every three years and demonstrating on an annual basis to an external auditor operating at the business level that it has maintained the necessary internal controls by using the less-intensive verification program.

These emissions are part of the 63 million tonnes of Scope 1 and 9 million tonnes of Scope 2 GHG emissions (using the market-based method) that achieved limited assurance in February 2021."

Shell definition: *Major installations 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. It relates to Scope 1 and 2 GHG emissions from facilities within the following Shell businesses: Upstream; Downstream; Integrated Gas, Renewables and Energy Solutions; Projects and Technology; and Corporate Functions.

Note: In relation to the GHG Assertion above, LR has verified the aggregation of data and information to provide the 58 million tonnes (Scope 1 GHG emissions) and 8 million tonnes (Scope 2 GHG emissions) values and verified that the contributory regulatory and voluntary schemes provide reasonable assurance at a materiality of 5% or less. However, the results of the individual assurance engagements have been accepted without further LR investigation for the purpose of this verification.

LR 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. However, LR along with other third parties, has completed other engagements that have contributed to the Shell reasonably assured GHG inventory.

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. LR'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.

LR'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 reasonable 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).

LR 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:

- Virtual verification of the processes to measure, collect, consolidate, report and control GHG emissions used at the Shell businesses described above via an evidence pack provided by the organisation. LR has not verified GHG emissions data at the installation level for the purposes of this specific engagement.
- Verified the Scope 1 and 2 GHG emissions data included in the 2020 GHG inventory, using data and information available at the Shell corporate and individual business levels; and
- Reviewed the GHG emissions data included in the 2020 GHG inventory to determine conformance with ISO14064-1.

Level of Assurance & Materiality

The opinion expressed in this Assurance Statement has been formed based on a reasonable level of assurance and at the materiality of 5%.

LR's Opinion

Based on LR's approach:

- i. the GHG emissions data and information as presented in the GHG Assertion are materially correct; and
- ii. the GHG Assertion has been prepared in conformance with ISO 14064-1.

Additional GHG Assertions can be found on the webpage: www.shell.com/ghg.

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Issued: May 26, 2021



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LR reference: LRQ4004543

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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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