

**Estimated 2020 Scope 3 Indirect GHG Emissions according to
GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard**

Scope 3 greenhouse gas emissions are defined as indirect GHG emissions, other than Scope 2 GHG emissions, which are consequences of our activities, but arise from greenhouse gas sources that are owned or controlled by other organizations.

We have selected the following Scope 3 GHG emission categories in the table below to be estimated and reported. There are exclusions. The numbers 1 - 15 relate to the categories in line with the 2011 GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard where we have been able to estimate the emissions. The emissions are estimated and reported in metric tonnes. Where possible, we separated the emissions in line with the most appropriate consolidation boundary.

The term "Upstream" in the table refers to value chain segments that are upstream of our activities. The term "Downstream" refers to value chain segments that are downstream of our activities.

The assurance statement for Scope 3 GHG emissions from sold energy products included in our Net Carbon Footprint can be found under the GHG assurance tab on www.shell.com/ghg.

Scope 3 Categories			Operational Control (tonnes)	Equity (tonnes)
1	Purchased goods and services	Purchased goods & services (excl. 3 rd party energy products sold by Shell)	20,000,000 [a]	Not estimated
		3 rd party energy products sold by Shell	Not estimated	147,000,000 [b]
2	Capital Goods	Capital Goods	4,000,000 [c]	Not estimated
3	Fuel and energy-related activities (not included in Scope 1 or Scope 2)	Purchased 3 rd party power sold by Shell	Not estimated	103,000,000 [d]
		Well-to-tank emissions from purchased electricity, steam and heat consumed by own assets	1,500,000 [e]	1,500,000 [e]
4	Upstream transportation and distribution	Upstream transportation and distribution	5,000,000 [f]	Not estimated [g]
5	Waste generated in operations	Waste generated in operations	200,000	Not estimated
6	Business travel	Business travel (air, hotel, rented cars)	50,000 [h]	Not estimated
7	Employee commuting	Employee commuting	<250,000 [i]	<250,000 [j]
8	Upstream leased assets	Upstream leased assets	Not estimated	Not estimated [k]
9	Downstream transportation and distribution	Downstream transportation and distribution	Not estimated	12,000,000 [l]
10	Processing of sold products	Processing of sold products	Not estimated [m]	Not estimated [m]
11	Use of sold products	Own production	Not estimated	452,000,000 [n]
		3 rd party products	Not estimated	602,000,000 [o]
		CO2 transfers	300,000 [p]	300,000 [p]

Scope 3 Categories			Operational Control (tonnes)	Equity (tonnes)
12	End-of-life treatment of sold products	End-of-life treatment of sold products	Not estimated	19,000,000 [q]
13	Downstream leased assets	Downstream leased assets	0 [r]	0 [r]
14	Franchises	Franchises	2,600,000 [s]	2,200,000 [t]
15	Investments	Investments	50,000,000 [u]	300,000 [v]

- [a] This category includes estimated “cradle to grave” emissions from goods and services purchased by Shell-operated entities. Examples in this category include IT equipment, industrial gases, additives, packaging, professional services etc. This category does not include purchased 3rd party energy products subsequently sold by Shell.
- [b] Estimated well-to-tank emissions from purchased third-party refined oil products, natural gas, LNG, crude oil and biofuels emissions included in our Net Carbon Footprint. It does not include emissions from other purchased goods and services.
- [c] This category includes estimated “cradle to grave” emissions from capital goods purchased by Shell-operated entities. Examples in this category include subsea equipment, rotating equipment, pipes etc.
- [d] This category includes estimated well-to-tank emissions from purchased 3rd party power sold by Shell. It does not include well-to-tank emissions from electricity, steam and heat included in our Scope 2 emissions. These emissions were estimated separately (see well-to-tank emissions from purchased electricity, steam and heat consumed by own assets).
- [e] Includes estimated 1) well-to-tank emissions for imported electricity, steam and heat consumed by our assets, 2) transmission and distribution losses associated with imported electricity, steam and heat consumed by our assets; and 3) well-to-tank emissions from transmission and distribution losses associated with imported electricity, steam and heat consumed by our assets.
- [f] Estimated emissions from upstream transportation and distribution operating under mode-3 contracts. Emissions from company transport and from contractor transport operating under mode-1 and -2 contracts are included in our Scope 1 emissions.
- [g] Emissions from upstream transportation of 3rd party products included in our Net Carbon Footprint were included in category 1: purchased goods and services.
- [h] Estimated emissions from air travel, hotel stays and rental vehicles. These emissions were offset by purchasing of project-based carbon credits.
- [i] Estimated maximum emissions from employee commuting in Shell-operated entities, assuming each employee traveled 50 km/day. The assessment for 2020 did not include the impact of COVID-19, which resulted in a significant number of employees working from home; therefore, we believe our assessment is very conservative.
- [j] Estimated maximum emissions from commuting by Shell employees in subsidiaries, joint operations, seconded to non-Shell operated joint operations, joint ventures and associates, assuming each employee traveled 50 km/day. The assessment for 2020 did not include the impact of COVID-19, which resulted in a significant number of employees working from home; therefore, we believe our assessment is conservative.

- [k] In line with the International Finance Reporting Standard (IFRS) 16 Leases (adopted by Shell with effect from 1 January 2019), GHG emissions from relevant lease contracts have been included in our 2020 Scope 1 and 2 equity inventory.
- [l] Estimated emissions from transportation and distribution of oil products, LNG, GTL, natural gas, chemicals and lubricants.
- [m] We do not track the destination of sold products that undergo further processing; due to diverse application and customer structure, it is not possible to obtain reliable figures.
- [n] This category includes estimated emissions from our refinery production, natural gas, LNG and GTL products included in our Net Carbon Footprint.
- [o] This category includes estimated emissions from 3rd party oil products, natural gas, LNG and biofuels included in our Net Carbon Footprint.
- [p] CO₂ captured and transferred to another organisation (e.g. sold or given for free) as product or feedstock. It is not included in our Scope 1 emissions.
- [q] Estimated from the amount of chemical and lubricant products sold, their carbon content and assumptions taken from reports like ICCA's 2009 Innovations for Greenhouse Gas Reductions.
- [r] We have not identified any downstream leased assets in 2020.
- [s] This number includes the indirect emissions from the operation of Shell branded sites excluding those sites that are company owned and operated.
- [t] This number includes the indirect emissions from the operation of Shell branded sites excluding those sites that are company owned and operated or company owned but dealer operated.
- [u] The data are collected via our investments in major non-operated facilities and reflects our equity share Scope 1 and 2 GHG emissions from these facilities.
- [v] The data are collected via our investments in major facilities and reflects these facilities' Scope 1 and 2 GHG emissions. These investments are reported under the cost dividend accounting method and therefore not included in our equity Scope 1 and 2 GHG emissions.