

**Estimated 2023 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 organisations.

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 Intensity" can be found under "Assurance" on [www.shell.com/ghg](http://www.shell.com/ghg). These emissions are also summarised in the Table 2 below.

**Table 1: Estimated Scope 3 Indirect GHG Emissions according to GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard**

| Scope 3 Categories |   |  | Operational control (tonnes) | Equity (tonnes)   |
|--------------------|---|--|------------------------------|-------------------|
| 1                  | Purchased goods and services  | Purchased goods & services (excl. 3 <sup>rd</sup> party energy products sold by Shell)   | 70,000,000 [a]               | Not estimated     |
|                    |   | 3 <sup>rd</sup> party energy products sold by Shell                                      | Not estimated                | 154,000,000 [b]   |
| 2                  | Capital goods   | Capital goods  | 20,000,000 [c]               | Not estimated     |
| 3                  | Fuel and energy-related activities (not included in Scope 1 or Scope 2) | Purchased 3 <sup>rd</sup> party power sold by Shell                                      | Not estimated                | 112,000,000 [d]   |
|                    |   | Well-to-tank emissions from purchased electricity, steam and heat consumed by own assets | 1,600,000 [e]                | 2,000,000 [e]     |
| 4                  | Upstream transportation and distribution                                | Upstream transportation and distribution   | 10,000,000 [f]               | Not estimated [g] |
| 5                  | Waste generated in operations   | Waste generated in operations  | 800,000 [h]                  | Not estimated     |
| 6                  | Business travel   | Business travel (air, hotel, rented cars)  | 175,000 [i]                  | Not estimated     |
| 7                  | Employee commuting  | Employee commuting   | 210,000 [j]                  | <200,000 [k]      |
| 8                  | Upstream leased assets  | Upstream leased assets   | 16,000,000 [l]               | 3,600,000 [m]     |
| 9                  | Downstream transportation and distribution                              | Downstream transportation and distribution   | Not estimated                | 4,000,000 [n]     |
| 10                 | Processing of sold products   | Processing of sold products  | Not estimated                | 3,000,000 [o]     |

| Scope 3 Categories |  |  | Operational control (tonnes) | Equity (tonnes) |
|--------------------|--|--|------------------------------|-----------------|
| 11                 | Use of sold products                   | Own production                         | Not estimated                | 319,000,000 [p] |
|                    |  | 3 <sup>rd</sup> party products         | Not estimated                | 559,000,000 [q] |
|                    |  | CO <sub>2</sub> transfers              | 250,000 [r]                  | 250,000 [r]     |
| 12                 | End-of-life treatment of sold products | End-of-life treatment of sold products | Not estimated                | 16,000,000 [s]  |
| 13                 | Downstream leased assets               | Downstream leased assets               | 0 [t]                        | 0 [t]           |
| 14                 | Franchises                             | Franchises                             | 1,800,000 [u]                | 1,600,000 [v]   |
| 15                 | Investments                            | Investments                            | 30,000,000 [w]               | 400,000 [x]     |

- [a] This category includes estimated “cradle to gate” emissions from goods and services purchased by Shell-operated entities. Examples in this category include industrial gases, additives, purchased fuels, purchased chemicals, packaging, IT equipment, professional services etc. This category does not include purchased 3<sup>rd</sup> party energy products subsequently sold by Shell. Emissions from upstream transportation and distribution are reported separately under Category 4. Indirect emissions from generation of purchased electricity, steam and heat consumed in operations were reported separately under Scope 2.
- [b] Estimated well-to-tank emissions from purchased 3<sup>rd</sup> party refined oil products, natural gas, LNG, crude oil and biofuels included in our Net Carbon Intensity. This number does not include emissions from other purchased goods and services.
- [c] This category includes estimated “cradle to gate” 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-wire emissions from purchased 3<sup>rd</sup> party power sold by Shell using the market-based method. 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 footnote [e] below).
- [e] Includes estimated 1) well-to-tank emissions for imported electricity, steam and heat consumed by our assets (e.g., emissions from extraction, refining and transportation of primary fuels before their use in the generation of electricity, steam and heat), 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. These emissions were estimated using the market-based method.
- [f] Estimated emissions from upstream transportation and distribution operating under Mode 3 contracts. Emissions from company-owned transport and from contractor transport operating under Mode 1 and 2 contracts are included in our Scope 1 emissions. In line with industry standards, we distinguish three contract modes. Mode 1: contractor/supplier performs work under Shell’s HSSE Management System (HSSE MS); Mode 2: contractor/supplier performs work under its own HSSE MS, which is materially equivalent to Shell’s HSSE MS; Mode 3: contractor/supplier performs work under its own HSSE MS.
- [g] Emissions from upstream transportation of 3<sup>rd</sup> party energy products included in our Net Carbon Intensity are captured under Scope 3, Category 1: Purchased goods and services.
- [h] Estimated emissions from 3<sup>rd</sup> party disposal of hazardous and non-hazardous waste generated by our assets.
- [i] Estimated emissions from air travel, hotel stays and rental vehicles. These emissions were offset by purchasing of project-based carbon credits.

- [j] Estimated maximum emissions from employee commuting in Shell-operated entities, assuming each employee traveled 50 km/day by car every working day in a passenger vehicle with unknown engine size. The estimate has not been adjusted for emissions associated with staff working from home. Inclusion of emissions associated with telecommuting would result in lower figures. For example, if staff worked from home 25% of the time, the estimated emissions would reduce by ~ 15-20% based on the above assumptions.
- [k] 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 by car every working day in a passenger vehicle with unknown engine size. The estimate has not been adjusted for emissions associated with staff working from home. Inclusion of emissions associated with telecommuting would result in lower figures. For example, if staff worked from home 25% of the time, the estimated emissions would reduce by ~ 15-20% based on the above assumptions.
- [l] This figure reflects estimated emissions from leased assets not under our operational control with the duration of more than 12 months. In addition, this figure includes voyage- and time-chartered vessels contracted by Shell International Trading and Shipping Company (STASCO) with a contract duration of less than 12 months where the actual data was available. Emissions from vessels operated by STASCO are included in our Scope 1 emissions under operational control.
- [m] Emissions from voyage- and time-chartered vessels contracted by Shell International Trading and Shipping Company (STASCO) with the contract duration of less than 12 months where the actual data was available. 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 with the duration of more than 12 months have been included in our 2023 Scope 1 and Scope 2 equity inventory.
- [n] Estimated emissions from downstream transportation and distribution of oil products, LNG, GTL, natural gas, biofuels, chemicals and lubricants not included in other Scope 3 categories.
- [o] This category includes estimated emissions from 3<sup>rd</sup> party processing of sold crude oil (estimated as a difference between crude oil produced by our Upstream and Integrated Gas assets and crude oil intake by our refineries). This figure does not include emissions from processing of sold intermediate petrochemical products.
- [p] This category includes estimated emissions from the use of sold refinery production, natural gas, LNG and GTL products which are included in our Net Carbon Intensity. The calculation uses Shell's energy product sales volume data, as disclosed in our 2023 Annual Report and Accounts and 2023 Sustainability Report. This calculation excludes certain contracts held for trading purposes and reported net rather than gross. Business-specific methodologies to net volumes have been applied in oil products and pipeline gas and power. Paper trades that do not result in physical product delivery are excluded. Retail sales volumes from markets where Shell operates under trademark licensing agreements are also excluded.
- [q] This category includes estimated emissions from the use of sold 3<sup>rd</sup> party oil products, natural gas, LNG and biofuels, which are included in our net carbon intensity. The calculation uses Shell's energy product sales volume data, as disclosed in our 2023 Annual Report and Accounts and 2023 Sustainability Report. This calculation excludes certain contracts held for trading purposes and reported net rather than gross. Business-specific methodologies to net volumes have been applied in oil products and pipeline gas and power. Paper trades that do not result in physical product delivery are excluded. Retail sales volumes from markets where Shell operates under trademark licensing agreements are also excluded.
- [r] CO<sub>2</sub> captured and transferred to another organisation (e.g., sold or given for free) as product or feedstock. This CO<sub>2</sub> is not included in our Scope 1 emissions.
- [s] Estimated end-life emissions from chemical and lubricant products sold. This category also includes estimated emissions from lubricants lost in use.
- [t] We have not identified any downstream leased assets with material emissions where we were the lessor in 2023.
- [u] This number includes the indirect emissions from the operation of Shell branded sites excluding those sites that are company owned and operated.

[v] 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.

[w] These data are collected via our investments in major non-operated facilities and reflect our equity share of these facilities' Scope 1 and Scope 2 GHG emissions. Leased assets with the contract duration of more than 12 months not operated by our assets are included in Category 8: Upstream leased assets.

[x] These data are collected via our investments in major facilities and reflect these facilities' Scope 1 and Scope 2 GHG emissions. These investments in equity instruments are reported under the fair valuation accounting method and, therefore, are not included in our equity Scope 1 and Scope 2 GHG emissions.

**Table 2: Scope 3 GHG Emissions Included in Shell's net carbon intensity [a]**

| Scope 3 Categories |   |   | Equity (tonnes)      |
|--------------------|---|---|----------------------|
| 1                  | Purchased goods and services  | 3 <sup>rd</sup> party energy products sold by Shell | 154,000,000          |
| 3                  | Fuel and energy-related activities (not included in Scope 1 or Scope 2) | Purchased 3 <sup>rd</sup> party power sold by Shell | 112,000,000          |
| 9                  | Downstream transportation and distribution                              | Downstream transportation and distribution          | 3,000,000 [b]        |
| 11                 | Use of Sold Products  | Own production                                      | 319,000,000          |
|                    |   | 3 <sup>rd</sup> party products                      | 559,000,000          |
| <b>Total</b>       |   |   | <b>1,147,000,000</b> |

[a] Indirect GHG emissions (Scope 3) based on the energy product sales included in Shell's Net Carbon Intensity using the equity boundary. The Net Carbon Intensity calculation uses Shell's energy product sales volume data, as disclosed in Shell's 2023 Annual Report and Accounts and 2023 Sustainability Report. This calculation excludes certain contracts held for trading purposes and reported net rather than gross. Business-specific methodologies to net volumes have been applied in oil products and pipeline gas and power. Paper trades that do not result in physical product delivery are excluded. Retail sales volumes from markets where Shell operates under trademark licensing agreements are also excluded from the scope of Shell's Net Carbon Intensity metric.

[b] Estimated emissions from transportation and distribution of sold own oil products, LNG, GTL, natural gas and biofuels.