

# LR Independent Assurance Statement

Relating to the Royal Dutch Shell plc processes for carbon credit procurement, reconciliation, retirement and Shell-branded certificate production.

## 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 processes for carbon credit procurement, reconciliation, retirement and Shell-branded certificate production, with the following scope:

*Verification of the integrity of the processes for carbon credit procurement, reconciliation, retirement and Shell-branded certificate production, in support of Shell's Net Carbon Footprint and Customer Value Propositions (CVP).*

This Assurance Statement will be used to support the Shell Net Carbon Footprint verification. LR has not been involved in the processes for carbon credit procurement, reconciliation, retirement and Shell-branded certificate production.

## Management Responsibility

Shell's management was responsible for maintaining effective internal controls over the carbon credit procurement, reconciliation, retirement and Shell-branded certificate production 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 processes for carbon credit procurement, reconciliation, retirement and Shell-branded certificate production via an evidence pack provided by the organisation;
- Interviewed by video-call, various Shell staff involved in these processes; and
- Investigated various systems remotely using Shell facilitated screen-share.

## 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 internal processes that manage carbon credit procurement, reconciliation, retirement and Shell-branded certificate production 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 regards the generation of carbon credits.
- LR has separately verified the integrity of the processes for the screening of third-party Nature-Based Solutions projects that generate carbon credits for voluntary use. Refer to the separate Assurance Statement dated 8 October, 2020.

**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  
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Expiry date: 8 October, 2021

LR reference: LRQ00003002

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