



SGS Germany GmbH Independent Assurance Statement

SGS Germany GmbH (hereinafter referred to as “SGS”), one of the leading certification bodies for biofuels certification under the Renewable Energy Directive (2018/2001/EC), was commissioned by Shell (to provide an independent assurance audit and data verification on the accuracy, integrity and validity of Methodology for collecting, allocating and calculating the carbon dioxide equivalent (CO₂e) emission benefits of Shell Renewable Diesel to fulfil the Shell Renewable Diesel Customer Value Propositions (CVPs), Marketing Claims and Carbon Information Statements (or Customer Statement Letter - “CSL”).

SGS assessed these against the assurance criteria below, to a reasonable level of assurance and materiality, based on the professional judgement of the verifier who has many years of experience in biofuels certification under the Renewable Energy Directive (2018/2001/EC) and training under ISO 14064.



The independent assurance audit covered:

1. Stage 1: Process & Methodology Validation

- a. Validation of the processes, calculation methodology, references & clauses (current as per 18 September 2024) of the Shell Renewable Diesel Customer Value Proposition, marketing claims and Carbon Information Statement (Customer Statement Letter) for relevant European countries¹.
- b. **Aim:** to ensure
 - i. Integrity of the methodology, claims and customer statement letter template
 - ii. Provide feedback on any gaps, risks and/or improvements

2. Stage 2: Data Verification

- a. Verification of the volumes, absolute CO₂e emissions, carbon intensity and reduction of carbon intensity against a baseline of European market representative B7 diesel, as well as feedstocks.
- b. This was done based on a reasonable sample size of Shell Netherlands CSLs and Proof of Sustainability (PoS) Documents for Q1 2023 to Q1 2024.
- c. Data Verification will be done on an annual basis and in the future will also cover Shell Austria GmbH, Belgian Shell NV, Shell Deutschland GmbH and potentially other countries once data is available.
- d. **Aim:** to ensure
 - i. Assurance of traceability and claims,
 - ii. Accuracy, integrity and fairness of carbon claim and feedstock claim,
 - iii. Accuracy of calculations,
 - iv. Accuracy & integrity of clauses and overall Carbon Statement

¹ This is currently relevant for Shell Nederland Vekoopmaatschappij BV, Shell Austria GmbH, Belgian Shell NV, Shell Deutschland GmbH. For further European countries this Assurance Statement can only be used when the same process and methodology is applied as it was subject of the validation. If different methodologies, CVPs, Claims etc are used or the process and methodology changes a re-validation is required.

Detailed Approach & Findings

Stage 1: Process & Methodology Validation

1. Shell and/or its suppliers of the Renewable Diesel are certified under ISCC EU or other EU recognized voluntary schemes and are therefore subject to regular external audits and have to comply with the requirements set in regard to their mass balance and the traceability of the sustainable fuel. This means Shell operates and complies in accordance with EU Renewable Energy Directive (RED II) and respective country regulations.
2. Shell Renewable Diesel offers up to 90% less CO₂e emissions vs market representative Diesel (EN590 B7) and is produced from renewable feedstocks certified according to voluntary certification schemes recognized by the European Commission, in this case ISCC EU, and can be categorized as waste and residue, non-food and feed feedstocks following the EU's guidelines (REDII) described in Annex IX-A, IX-B or uncategorized feedstock. This is checked during the data verification.
3. The methodology to calculate the carbon intensity of Shell Renewable Diesel, which is based on concrete values taken from incoming PoSes was checked and found to be consistent. The calculations were based on a quarterly weighted average, on a Well to Wheel life cycle basis, of all HEFA/ HVO PoSes used for Shell Renewable Diesel volumes sold in that quarter.
4. The reduced Green House Gas (GHG) emissions (CO₂e) of Shell Renewable Diesel is compared to a GHG baseline intensity. In this case an EU market representative diesel (B7 Diesel) is used in order to reflect a fair market representative product. Data for this representative diesel is taken from the most recent JEC Well-To-Wheels Report². The calculation methodology is fair and more conservative, with the calculation being done accurately.

2 Prussi, M., Yugo, M., De Prada, L., Padella, M., Edwards. JEC Well-To-Wheels report v5. EUR 30284 EN, Publications Office of the European Union, Luxembourg, 2020, ISBN 978-92-76-20109-0, doi:10.2760/100379, JRC121213.

Stage 2: Data Verification

1. A randomized sample of Proofs of Sustainability (PoSes) used in each quarter was checked and can be verified. This gives assurance of the traceability, integrity and accuracy of the calculations and claims. The focus of this sample was the quantity, GHG-value (carbon Intensity) and feedstock of the fuel which is used in the weighted average CI calculation and feedstock claim.
2. The calculation files were checked and could be verified for the periods Q1 2023 to Q1 2024 (inclusive). The calculations used the correct methodology, information from the PoSes and contained accurate calculations for all carbon information used on the Carbon Information Statement (Customer Statement Letter). This gives assurance of the accuracy and integrity of the claim: *Shell Renewable Diesel offers up to 90% (80% to 90%) less CO_{2e} emissions vs market representative Diesel (EN590 B7)*
3. A randomized sample of Customer Statement Letters (CSLs) already issued by Shell Nederland Verkoopmaatschappij B.V. for the Shell Renewable Diesel sales in the Netherlands, was checked and can be verified for the periods Q1 2023 to Q1 2024 (inclusive). This gives assurance of the integrity and accuracy of the calculations and claims.
 - a. This check focused on the following information given on the customer statement letter:
 - i. Volume sold
 - ii. Carbon intensity of the Shell Renewable Diesel in grams of CO_{2eq} per MJ
 - iii. Total emissions of Shell Renewable Diesel in ton CO_{2eq}
 - iv. Total emissions reductions in ton CO_{2eq} compared to market representative diesel (B7)
 - v. Relative percentage reductions compared to market representative diesel (B7)
 - vi. Carbon Claim: *Shell Renewable Diesel offers up to 90% (80% to 90%) less CO_{2eq} emissions vs market representative Diesel (EN590 B7)*



- vii. Feedstock Claim: *Shell Renewable Diesel comes from allocated waste and residue, non-food and feed feedstocks following the EU's guidelines (REDII) described in Annex IX-A, IX-9B or uncategorized feedstocks*
4. Due to the extent of datasets, assumptions and simplifications were made which are considered reasonable in this context. Samples were taken to prove the correctness.

SGS's Independent Audit Opinion

Based on the independent audit conducted on "14.8.2024" and "18.09.2024" and the data and information provided by Shell, we conclude with a reasonable level of assurance that Shell has, in all material respects:

- Met the requirements of the criteria listed
- Disclosed accurate and reliable performance data and information required for the validation and verification

SGS's standards, competence and independence

SGS works as a certification body, approved by the German Federal Agency of Agriculture and Food to conduct biofuels certification under the Renewable Energy Directive (2018/2001/EC). SGS is a listed ISCC cooperating certification body ([Certification Bodies – ISCC System](#)) with many years of experience in performing ISCC audits and GHG verifications. SGS works on basis of the norm DIN EN ISO/IEC 17065 and the ISO/IEC Guide 65. SGS Germany, operates only with contractually bound experts and skilled auditors. All auditors and experts follow the rules of the SGS Code of Integrity, which we will be glad to forward to you on request.

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