

PENNZOIL CARBON NEUTRAL
LONG-FORM DISCLAIMER

1. Before offsetting CO₂ equivalent (CO₂e) emissions, including emissions of greenhouse gases such as CO₂, CH₄, N₂O, Shell¹ advises that the Customer strives to first avoid, and second to reduce CO₂e emissions, and to offset CO₂e emissions only in those cases where the above-mentioned options are not feasible. This can be accomplished by using as little fuel as possible, for instance, through driving (partly) electric vehicles, improvement of energy efficiency of vehicles and improvement of driver behavior. At this moment it might not be possible to completely avoid or reduce CO₂e emissions. Therefore, Shell offers the possibility to offset the remaining CO₂e emissions by purchasing carbon credits to balance the full lifecycle emissions of Pennzoil®.
2. The terms “Net Zero Carbon” or “Carbon Neutral”, indicate that Shell has engaged in a transaction where an amount of carbon dioxide equivalent associated with the acquisition and pre-processing of raw materials, lubricants production, packaging, distribution, and the subsequent use and end of life treatment of the used materials in relation to the Product, has been removed from the atmosphere through a nature based process, or emissions saved through avoided deforestation. The amount of CO₂e to be offset will be verified on the basis of actual volumes sold per customer and market.
3. The calculation of CO₂e emissions is the result of multiplying the liters of Pennzoil purchased by the Customer by the applicable emission factors.
4. Currently there are no standard emission factors available to describe emissions throughout the full life cycle of Pennzoil®. As a result, Shell’s calculations are based on emission factors that are typically obtained from the following sources: Shell internal studies, external consultants, acknowledged LCA databases (e.g. the ecoinvent 3 database (<https://www.ecoinvent.org/database/database.html>)), public literature and national and international guidelines following industry best practices. The associated processes have been independently reviewed by an external, accredited verification body.
5. Shell offsets the CO₂e emissions resulting from the full lifecycle of Pennzoil by using verified carbon credits. A carbon credit represents the avoidance or removal of 1 tonne of carbon dioxide. These credits are traded among governments and businesses. In order to ensure the quality and integrity of carbon credits, there is a robust program of third-party standards, verification processes and registries.
6. Shell and its subsidiaries are not liable in any way for any loss, damages or expenses arising from the calculation of the carbon offsets.
7. Carbon credits can be reported and counted only once; Shell makes no representations or warranties that carbon offsets offered will satisfy the requirements or expectations of any reporting standards that are in force at the 1st of May 2020 such as the GHG Protocol or under ISO 14064. The carbon offsets

¹ The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate legal entities. In this document “Shell”, “Shell Group” and “Royal Dutch Shell” are sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, the words “we”, “us” and “our” are also used to refer to Royal Dutch Shell plc and its subsidiaries in general or to those who work for them. These terms are also used where no useful purpose is served by identifying the particular entity or entities. “Subsidiaries”, “Shell subsidiaries” and “Shell companies” as used in this press release refer to entities over which Royal Dutch Shell plc either directly or indirectly has control.

may be used by Shell to calculate annual progress against its Net Carbon Footprint² ambition. Shell retires the carbon credits associated with the total CO₂e emissions from carbon neutral products generated during a calendar year annually, within 3 months after the end of the calendar year.

8. The calculations of CO₂e emissions may be subject to change as a result of changes in the Pennzoil specifications, changes in emission factors, or otherwise.

² Shell's "Net Carbon Footprint", which includes Shell's carbon emissions from the production of our energy products, our suppliers' carbon emissions in supplying energy for that production and our customers' carbon emissions associated with their use of the energy products we sell. Shell only controls its own emissions. But, to support society in achieving the Paris Agreement goals, we aim to help such suppliers and consumers to likewise lower their emissions. The use of the term Shell's "Net Carbon Footprint" is for convenience only and not intended to suggest these emissions are those of Shell or its subsidiaries.