

Drive Carbon Neutral Q&A

These are the Q&A for the new 'Drive Carbon Neutral' offer that will be launching in November 2020. Please note that these will sit alongside the existing Q&A so, at the moment, this document only covers any new questions that might arise as a result of the offer change.

1. What is meant by 'carbon neutral driving'?

For customers who fill up via Shell Go+, Shell will pay to offset 100% of the carbon emissions from that fuel. Known as the fuel's lifecycle emissions, this includes carbon emissions generated by the customer when the car is being driven as well as from the process before it gets to the forecourt, for example the extraction of crude oil as well as the refining and distribution of it.

2. What is the new offer?

Our introductory offer is coming to an end. Since October 2019, we've been compensating for the carbon emissions of the fuel purchases of all Shell Go+ customers. Feedback from customers has been so positive that we're giving all our Go+ customers a chance to continue using the programme. All you need to do is opt-in.

By opting in, we'll continue to offer this service for free until October 2021, at which point you are consenting to share the cost of offsetting with us by paying a small contribution of ½ pence per litre extra during each fill up, unless you specifically opt-out.

3. How can Shell Go+ customers opt-in to continue driving carbon neutral?

All Shell Go+ customers can offset the carbon emissions from their fuel by opting in. To do so, download the Shell app and tap on the rewards page icon. You then need to click on the Drive Carbon Neutral section at the top and slide across the button to opt-in and Drive Carbon Neutral. If you don't have the Shell app you can contact our customer operations team to opt-in, here: <https://support.shell.com/hc/en-gb/requests/new>, you just need your Shell Go+ number. We are also working on ways to enable card customers to opt-in via the website in future.

4. How can I opt-out/will I be able to opt-out before I need to pay?

You can opt-out at any time. If you have the Shell app, just visit the rewards tab, click on the Drive Carbon Neutral section and slide the button across to opt-out. If you don't have the app, you may contact our customer operations team who will be able to opt you out.

5. How do I sign up for Shell Go+?

It is free to become a Shell Go+ member and you can sign up quickly and easily via the Shell app or online at <https://www.goplus.shell.com>.

6. I'm already signed up for Shell Go+, is there anything I need to do?

Yes, you need to opt-in to continue driving carbon neutral. You can do this by opting in via the Shell App or by contacting our customer operations team.

7. If I don't sign up for Shell Go+ is there another way to offset my carbon emissions with Shell?

No, the only way to offset your carbon emissions with Shell in the UK is by joining Shell Go+ and then opting in, but Shell Go+ provides many benefits to customers beyond carbon offsetting. For those customers who visit us just for fuel, Shell Go+ provides a fuel reward for every ten visits. And if refilling with V-Power, members receive an extra £3 off per 300 litres. But Shell Go+ also rewards customers who don't visit Shell stations for fuel. For example, members will receive 10% off products including hot drinks such as Costa Coffee and food such as Jamie Oliver deli by Shell. So we would recommend signing up!

8. What happens if I forget to use my app?

Unfortunately, Shell can only offset the carbon emissions of your fuel purchase if you have opted in and you scan your Go+ app or card. If you prefer not to use the Go+ app you can always order a physical membership card or fob online at <https://www.goplus.shell.com>.

9. How will I be able to tell that Shell really is offsetting my carbon emissions?

Once you have opted in, on every tenth visit you will receive a carbon statement via email which will tell you both how much fuel you bought and how much Shell contributed to offset this fuel for you. Any transactions made using Pay at Pump will also be included in this statement.

10. If I use Shell Go+ with Pay at Pump, will my carbon emissions be offset?

Yes, all Shell Go+ Pay at Pump transactions will be offset, providing you are opted in.

11. Is this offer available on all fuel?

This offer is available on all Shell Go+ purchases of petrol, diesel and LPG

12. Why can't I offset my electric vehicle charging?

This offer is only available on Shell Go+ purchases of petrol, diesel and LPG. However, all the electricity provided to EV drivers via our Shell Recharge EV charging service is from 100% certified renewable sources.

13. Is this offer available at all Shell sites?

The offer is available at all stations that are part of Shell Go+ which is approximately 98% of Shell service stations in the UK. The final remaining stations will also be able to provide this offer as their IT systems are upgraded.

14. Can B2B (fuel card) customers benefit from Shell Go+ and also offset via the Shell fuel card, i.e. is there a risk of double counting?

No, B2B customers cannot benefit from the carbon offsetting service tied to Shell Go+. Both Shell and other fuel cards accepted at Shell service stations (third-party cards), have been excluded from this offer. This is so that Shell fuel card customers can make use of a specialist fuel card offer and to ensure there is no double counting of third-party cards which are accepted at Shell stations and potentially included in another providers offsetting service. For Shell Card customers, they can be confident that their fleet is driving carbon neutral across both Shell and third-party networks. Fleet Managers will also have clear visibility of the carbon offsetting services charges on their invoices offering convenience. Additionally, customers will receive an annual 'Verified Carbon Reduction Certificate' detailing the carbon offsetting completed for the fleet. For Shell fuel card customers interested in offsetting the emissions of their fleet, visit <https://www.shell.co.uk/fuelcardco2>.

15. What are Nature-Based Solutions?

Ecosystems like forests, grasslands or wetlands naturally remove carbon dioxide (CO₂) from the atmosphere every year. And nature-based solutions, or natural climate solutions, are projects which protect, transform or restore these natural ecosystems so that they can absorb even more CO₂ emissions from the atmosphere.

But these projects can also have extra benefits such as offering alternative sources of income to local communities, improving soil productivity, cleaning air and water, and maintaining biodiversity.

Nature-based solutions activities can also lead to the creation of 'carbon credits', where each credit represents the avoidance or removal of greenhouse gases equivalent to one tonne of CO₂. These carbon credits can then be marketed, traded and bought. For example, they can be bought to help offset less avoidable carbon dioxide emissions that are produced elsewhere, such as the emissions released when driving a car.

16. How do carbon offset projects guarantee the emission reductions?

There is a robust programme of third-party independent standards, verification processes and registries to help ensure the quality and integrity of carbon offsets. The Verified Carbon Standard, the Gold Standard and the Climate Action Reserve are examples of well-known standards in the market. In order to be validated to these standards, projects are checked by independent Designated Operational Entities – which are qualified to ensure the projects meet crucial quality criteria and deliver genuine reductions. In addition, the DOEs check the projects on a regular basis to ensure they are continuing to deliver what is claimed.

17. How can you assure customers the money Shell donates to offset their fuel purchase is actually making it to the forest? Is there any guarantee?

Transparency is key to the success of any carbon offsetting programme. Each CO₂ credit has its own number and can only be used once. The projects we work with are certified by standards, including the Verified Carbon Standard, currently the largest source of nature-based projects globally, and the Climate, Community and Biodiversity Standard, which verifies that projects not only address climate change, but also support local communities and conserve biodiversity.

In projects where Shell is purchasing carbon credits from others (such as a project developer or through a third-party retailer or broker) the project developer or broker will be responsible for documenting their income from sale of credits and the distribution of the income between communities and investors involved in the project as well as the project costs.

18. How do these carbon offset projects guarantee their emission reductions?

To ensure the quality and integrity of carbon offsets, there is a robust programme of third-party independent standards, verification processes and registries. The Verified Carbon Standard (VCS), the Gold Standard and the Climate Action Reserve (CAR) are examples of well-known standards in the market ensuring the quality and credibility of offset projects.

To be validated to these standards, projects are checked by independent Designated Operational Entities (DOEs) – certified independent auditors – which are qualified to ensure the projects meet quality criteria and deliver genuine reductions. In addition, the DOEs check the projects on a regular basis to ensure they are continuing to deliver what is claimed. Key criteria in evaluating the credibility and quality of an offset project are proof that it is:

1. Additional – the reduction in emissions would not have occurred without the carbon finance from selling carbon offsets.

2. Verifiable – it will be retired from the carbon market so that it cannot be sold again or double-counted. Permanent – it delivers the reductions claimed and they will not be reversed.
3. Addressing leakage – the emission reduction in one area has not caused an increase in emissions elsewhere.

19. Which projects is Shell supporting?

Shell is buying carbon credits in projects that protect, enhance or restore natural ecosystems, including reforestation, to absorb and store carbon dioxide. Shell invests in nature-based projects that do more than simply reduce or avoid the release of CO₂ emissions – they also benefit local communities by funding activities such as new schools or fresh water supplies. Shell has built a broad portfolio of projects. For the UK Shell Go+ offsetting programme Shell has sourced some carbon credits from within the UK, however, the UK market for carbon credits is small. Therefore, to have enough to offset UK drivers in this scheme, these are supplemented by carbon credits purchased from nature-based projects globally, including Cordillera Azul National Park Project in Peru, Katingan Peatland Restoration and Conservation Project in Indonesia and Green Trees Reforestation Project in the USA.

20. What is the Cordillera Azul project in Peru?

One of the places that Shell is buying carbon credits from for the Shell UK nature-based solutions programme is the Cordillera Azul National Park REDD+ project in Peru. This project strives to protect 1.6 million hectares of forest in a national park between the Andes and the Amazon Basin in Peru, much of which is under threat. It is estimated that the project will avoid the emission of 16.2m tonnes of CO₂ by 2021. In addition, project revenue from carbon credits will help drive the development of alternative livelihoods for local communities such as agriculture, textiles, and crafts.

21. What is the Katingan Mentaya project in Indonesia?

One of the places that Shell is buying carbon credits from for the Shell UK nature-based solutions programme is the Katingan Mentaya project in Central Kalimantan, Indonesia. The project protects 157,000 hectares of peatland habitats. The threatened land is home to several critically-endangered species, including up to 10% of the surviving Bornean orangutans, southern Bornean gibbons and proboscis monkeys. The project also collaborates with 34 villages and provides alternative sources of income as well as generating around 7.5 million carbon credits each year.

22. Why can't I only support projects closer to home?

It's understandable that customers may prefer local projects, but it's important to note that the environmental impact of a tonne of CO₂ reduced is the same whether the forest is closer to home, or overseas. In addition, projects that occur in developing countries often provide greater opportunities for positive environmental and social impacts, as well as the carbon benefits.

23. How are the analogies referenced by Shell substantiated?

Shell has developed a series of analogies to help customers better understand how carbon is captured and stored using nature. The analogies are used for illustrative purposes only. Whilst Shell takes reasonable care to ensure the data is true and accurate, the figures have been presented in a non-technical way to represent the scale of carbon sequestration. The average tree is defined as one with a 20-cm diameter at breast height, younger trees contain less carbon and others like Redwoods would contain far more carbon at full maturity sequestration of a tree, using three trillion trees (Crowther T. W., 2015) on the planet, which contain 400 giga tons of carbon (Erb, 2017). The average tree contains 0.48 t CO₂.

24. What carbon emissions are customers paying to offset? Their own emissions, or Shell's?

Emissions are created when fuel is produced and distributed: these are known as scope 1 and 2 emissions. But emissions are also created when that fuel is used: these are known as scope 3 emissions and are released when people drive their vehicles. Scope 3 represents the largest group – around 80% of all fuel-associated emissions happen when our customers use our fuel.

As part of this offer, all emissions are offset. For the first year Shell will pay to offset all emissions. After October 2021, Shell will pay to offset all scope 1 and 2 emissions. Customers will contribute towards offsetting scope 3 emissions, but, given that these make up almost 80% of the emissions associated with the fuel, Shell will also contribute to offsetting these emissions as well.

This means that, in total, the cost of offsetting will be split 50/50 between Shell and the customer. This way both Shell and the customer can play their part in helping to reduce the carbon emissions associated with driving cars.