



Safety is central to our Powering Progress strategy.

LIVING BY OUR CORE VALUES



Our Powering Progress strategy is underpinned by our core values of honesty, integrity and respect for people, and our focus on safety. This includes our commitment to doing business in an ethical and transparent way.

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BUSINESS ETHICS AND TRANSPARENCY

ETHICAL LEADERSHIP

POWERING PROGRESS

Powering Progress is underpinned by our core values of honesty, integrity and respect for people and our focus on safety. These include our commitment to doing business in an ethical and transparent way.

Our core values of honesty, integrity and respect for people underpin our work with employees, customers, investors, contractors, suppliers, non-governmental organisations (NGOs) and others. The Shell General Business Principles set out our core values, our responsibilities and the principles and behaviours that guide how we do business.

Code of Conduct

Shell employees, contractors and third parties can report any potential breaches of the Code of Conduct confidentially through several channels, including anonymously through a global helpline, operated by an independent provider. The three most frequent categories of alleged Code of Conduct breaches raised via the Shell Global Helpline in 2021 related to harassment, conflicts of interest and protection of assets. We maintain a stringent no retaliation policy to protect any person making an allegation in good faith.

Anti-bribery and corruption

Shell has rules on anti-bribery and corruption in our Code of Conduct and Ethics and Compliance Manual. Contractors and consultants are also required to act consistently with our Code of Conduct when working on our behalf.

Shell has around 24,000 suppliers worldwide (see [Supply chain](#)). Although our largest suppliers often have their own anti-bribery and corruption training programmes, smaller companies may lack the resources. We offer free training in anti-bribery and anti-corruption practices to selected suppliers and contractors. This training is offered in 14 languages. By the end of 2021, we had offered training to more than 1,300 third parties in 16 countries.

Read more at www.shell.com/sustainability/transparency-and-sustainability-reporting/transparency-and-anti-corruption.

Protecting personal data

Shell respects the privacy of individuals and recognises that personal data belong to the individual. We take action to manage personal data in a professional, lawful and ethical way.

Shell is subjected to frequent cyber-security attacks. We regularly monitor our IT systems for possible vulnerabilities. Our incident-handling process helps to ensure that we deal effectively with an issue.

**IN 2021 THERE WERE:****1,479**reports to the Shell
Global Helpline**181**confirmed breaches of
the Code of Conduct**244**employees or
contractor staff subject
to disciplinary action**67**

people dismissed

**6.7**million counterparties
screened for trade
compliance, anti-
bribery, anti-corruption
and anti-money
laundering on an
ongoing basis**2,444**enhanced pre-
screenings for higher-
risk contracts

Read more about how we do business and ethical leadership at www.shell.com/sustainability/our-approach/commitments-policies-and-standards/business-integrity and www.shell.com/values and www.shell.com/shell-ethics-and-compliance-manual.

More in this report Letter from the CEO | Working with our suppliers | Collaborations and stakeholder engagement | Tax transparency

More on Shell websites Our strategy: Powering Progress | Code of Ethics | Our Values

COLLABORATIONS AND STAKEHOLDER ENGAGEMENT

We work with governments, non-governmental organisations (NGOs), industry bodies, academic institutions, national oil and gas companies and other businesses. We do this in compliance with antitrust rules and regulations. These collaborations range from working together on a project to sponsoring a particular group. These efforts help us learn, share best practice, achieve specific objectives, set future goals and build trust with our stakeholders.

Read more about collaborations and stakeholder engagement at www.shell.com/sustainability/our-approach/working-in-partnership.

More in this report Letter from the CEO | Protecting biodiversity | Social investment

More on Shell websites Our strategy: Powering Progress | External voluntary codes | Human rights

POLITICAL ENGAGEMENT

Shell engages with governments, regulators and policymakers to help shape comprehensive policy, legislation and regulation. We advocate our positions on matters which affect us, our employees, customers, shareholders or local communities, in accordance with our values and the Shell General Business Principles.

In the European Union (EU) and the USA, we report expenditure associated with our lobbying activities in line with the requirements and guidelines set out in the EU Transparency Register and the US Lobbying Disclosure Act, respectively. There are different rules for which costs should be reported in these two submissions and we are required to comply with the appropriate requirements for each jurisdiction. These submissions are publicly available:

- In the EU, Shell's reported estimated annual costs related to activities covered by the register were €4,000,000 to €4,499,999 in 2021.
- In the USA, Shell's reported expenses related to lobbying practices were \$7,080,000 in 2021.

Read more about corporate political engagement and positions on key public issues, such as climate change and energy transition, at www.shell.com/advocacy.

More in this report Letter from the CEO | Tax transparency

More on Shell websites Powering Progress – transitioning to net-zero emissions | Advocacy and political activity | Payments to governments



TAX TRANSPARENCY

Our tax strategy is designed to support Shell in delivering our Powering Progress strategy through our commitment to transparency, compliance and open dialogue with our stakeholders, from governments to civil society. Our strategy and actions reflect our values and principles.

Tax revenues enable governments to pay for public services, such as education, health care and transport. In 2021, Shell paid \$58.7 billion to governments. We paid \$6.0 billion in corporate income taxes and \$6.6 billion in government royalties, and collected \$46.1 billion in excise duties, sales taxes and similar levies on our fuel and other products on behalf of governments.

We also made other payments to governments, including \$10.5 billion in production entitlements, \$2.1 billion in fees and \$149 million in bonuses.

Shell publishes a Tax Contribution Report annually which sets out the corporate income tax that Shell companies paid in countries and locations where they have a taxable presence. Our latest Tax Contribution Report includes, for the first time, a breakdown of our total tax contribution in five countries where we have key business activities. These countries are: India, the Netherlands, Nigeria, the UK, and the USA. This breakdown includes the taxes we pay as an employer, such as social security payments, and the taxes we collect from our employees on behalf of governments.

We regularly engage with policymakers to support the development of tax rules and regulations based on sound tax policy principles. In this way, we hope to contribute to the development of fair, effective and stable tax systems. We also provide constructive input to industry groups and international organisations, such as the Extractive Industries Transparency Initiative (EITI), the B Team Responsible Tax Working Group (B Team) and the international business network Business at OECD.

Read more about our approach to tax at www.shell.com/sustainability/transparency-and-sustainability-reporting/shells-approach-to-tax. Read our latest Tax Contribution Report at reports.shell.com/tax-contribution-report/2020/ and our Payments to Governments report at www.shell.com/payments.

 **More in this report** Political engagement

 **More on Shell websites** Powering Progress – transitioning to net-zero emissions | Tax Contribution Report 2020 | Shell's approach to tax | Payments to governments



SAFETY

OUR APPROACH TO SAFETY

POWERING PROGRESS

Powering Progress is underpinned by our core values of honesty, integrity and respect for people and our focus on safety.

Safety is central to our Powering Progress strategy. We aim to do no harm to people and to have no leaks across our operations. We call this our Goal Zero ambition.

In 2021, we began to move from the Shell Life-Saving Rules, which were in place for more than a decade, to the International Association of Oil & Gas Producers (IOGP) **Life-Saving Rules**. This is an important step in our refreshed approach to safety. By the end of 2021, more than 100,000 of our employees and contractors had completed the mandatory training on the new Life-Saving Rules. The new rules came into effect from January 2022.

Read more about our approach to safety at www.shell.com/sustainability/safety/our-approach.

Personal safety

The number of safety incidents increased in 2021, after steady improvements in reducing these over the last few years.

Eight of our contractor colleagues lost their lives in the course of their work on Shell-operated venture activities in 2021. We feel these losses deeply. We are determined to learn from these incidents and spread the lessons from them throughout our organisation so we can help prevent anything similar recurring.

Six people working for a contractor were killed when gunmen attacked a convoy of buses travelling to the Assa North Gas development project site in Nigeria. A government security agent was also killed in the incident and seven other people were injured. Shell Petroleum Development Company of Nigeria Limited (SPDC), in its capacity as operator of the **SPDC** joint venture (Shell interest 30%), supported the contractor during the emergency response and the investigation of the incident.

In Pakistan a contractor died at a service station operated as a franchise after a flash fire that occurred when a product was being delivered to the site. Two other people were injured in the fire.

In Indonesia, a contractor died after being injured when a wall collapsed during demolition work at a service station. Three other people were also injured.

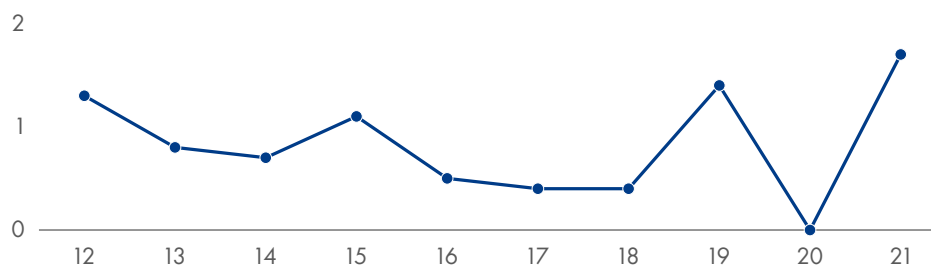
At Shell, we work closely with our contractors to help build a strong safety culture at the frontline.

Read about how we work with our contractors at www.shell.com/sustainability/safety/our-approach.

Fatal accident rate (FAR)

FATAL ACCIDENT RATE (FAR)

Number per 100 million hours





Our fatal accident rate – the number of fatalities per 100 million working hours in our operated ventures – increased to 1.7 in 2021 compared with zero in 2020.

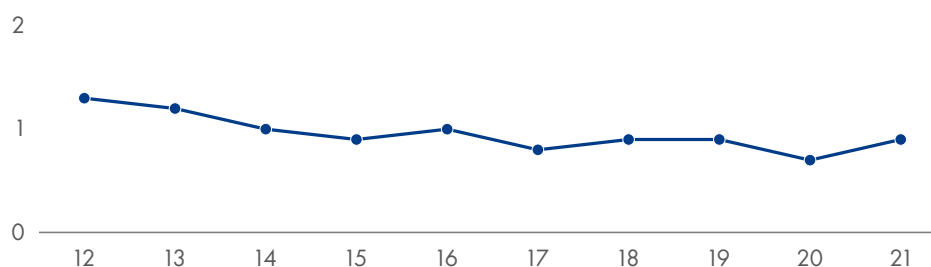
Serious injuries and fatalities frequency (SIF-F)

To strengthen our efforts to protect people from harm, we now measure the number of serious injuries and fatalities per 100 million working hours. This allows us to focus our efforts to prevent serious injuries and fatalities on the most critical events. In 2021, the number of serious injuries and fatalities per 100 million working hours (SIF-F) was 6.9, compared with 6.0 in 2020.

Total recordable case frequency (TRCF)

TOTAL RECORDABLE CASE FREQUENCY (TRCF)

Number per million hours



In 2021, the number of injuries per million working hours – the total recordable case frequency (TRCF) – was 0.9, compared with 0.7 in 2020.

Shell's response to COVID-19

In 2021, COVID-19 restrictions meant that many staff members were working from home, fewer people were able to travel on Shell business and many of our work activities, including higher-risk ones, were reduced or carried out differently. Sadly, one contractor died in 2021 after catching the virus in the course of working for Shell. In 2020, two contractors died after they caught COVID-19 at work.

We continued to support our people during COVID-19, for example by providing office equipment for home use for employees through our Home Ergonomics Programme.

The COVID-19 pandemic continues to have a serious impact on people's health and livelihoods in most parts of the world, including communities where we work. We continued to support vulnerable groups and frontline workers through monetary donations and by providing medical supplies and other necessities.

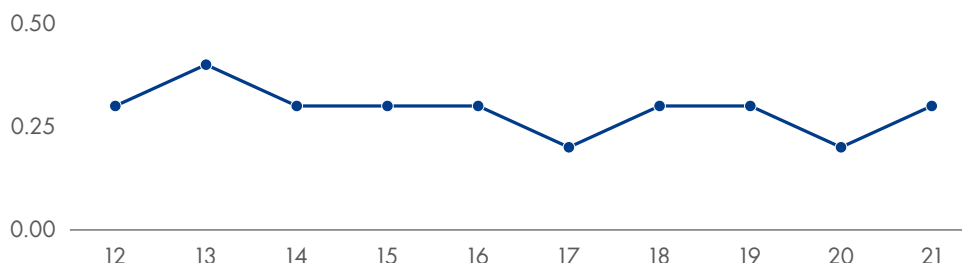
Read more about Shell's response to COVID-19 at www.shell.com/covid19.



Lost time injury frequency (LTIF)

LOST TIME INJURY FREQUENCY (LTIF)

Number per million hours



The level of injuries that led to time off work in 2021 increased to 0.3 cases per million hours compared with 0.2 in 2020.

Read more about our approach to personal safety at www.shell.com/sustainability/safety/personal-safety.

Read more about how Shell's 2021 safety performance impacted remuneration in the [Directors' Remuneration Report](#) in our Annual Report.

More in this report [Preparing for emergencies](#) | [Letter from the CEO](#)

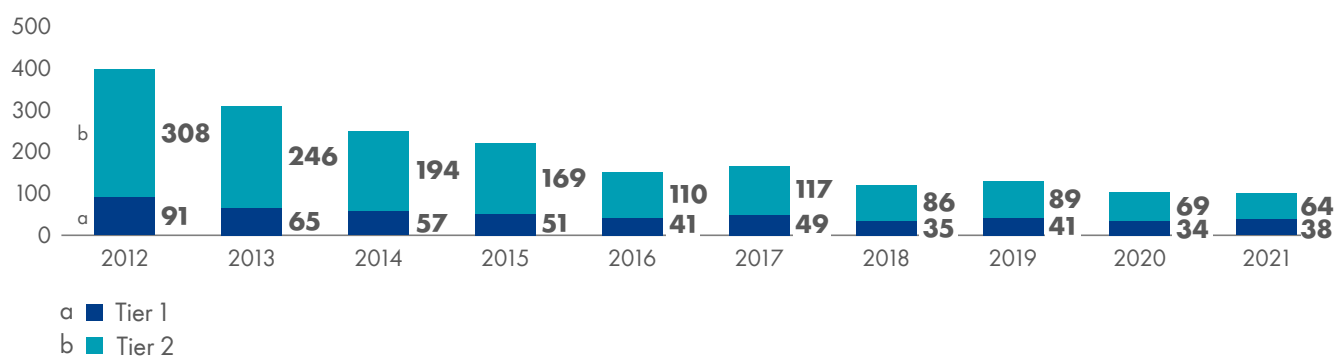
More on Shell websites [Powering Progress – transitioning to net-zero emissions](#) | [Safety](#) | [HSSE materials for contractors](#)

PROCESS SAFETY

In line with industry standards, we measure and report process safety incidents according to significance, with Tier 1 as the most significant category.

TIER 1+2 OPERATIONAL PROCESS SAFETY EVENTS [A]

* excluding sabotage



[A] Process safety events are classified according to guidance from the IOGP and API. In 2021, there were seven Tier 1 sabotage-related events. The classification of sabotage-related process safety events is made on the best-endeavours basis.

The number of Tier 1 and 2 operational process safety events stagnated at 102 in 2021, compared with 103 in 2020. Of these, 38 were Tier 1 and 64 were Tier 2 events in 2021. For comparison, there were 34 Tier 1 and 69 Tier 2 operational process safety events in 2020.

Process safety events related to sabotage and theft in Nigeria are recorded separately. In Nigeria, there were seven Tier 1 events in 2021, compared with one in 2020.



Read more about process safety at www.shell.com/process-safety.

More in this report Our approach to safety | Letter from the CEO

More on Shell websites Powering Progress – transitioning to net-zero emissions | Process safety

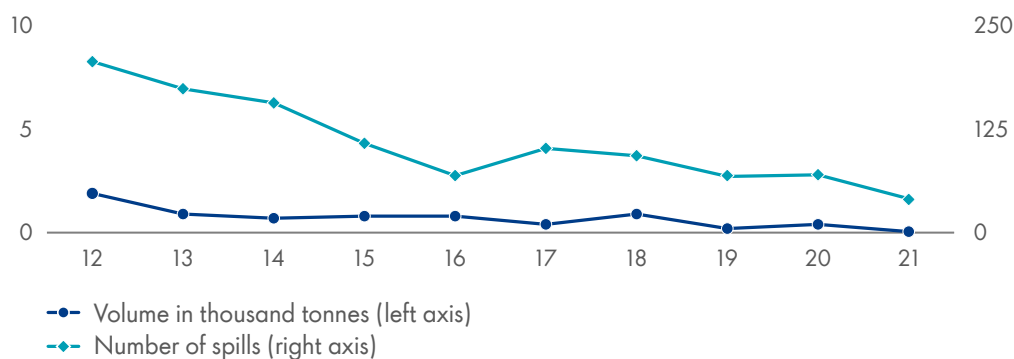
PREPARING FOR EMERGENCIES

Ensuring that we have the necessary resources to deal with spills, leaks, fires and explosions, both offshore and onshore, is essential to meet our aim to do no harm to people and to have no leaks across our operations. We must maintain the robust procedures and capability to respond rapidly to an incident in our operations, in collaboration with relevant stakeholders.

Spills

We have programmes in place across our operations to reduce the number of operational spills. The volume of operational spills of oil and oil products of more than 100 kilograms to the environment (land or water) in 2021 was 0.05 thousand tonnes, a significant decrease from 0.4 thousand tonnes reported for 2020. In 2020, the numbers included an underground leak of around 0.3 thousand tonnes (plus or minus 30%) of light gas oil in Germany, formed at some point between 2016 and 2019, with the volume established in 2020. In 2021, the largest operational spill was a spill of around 15 tonnes in Nigeria.

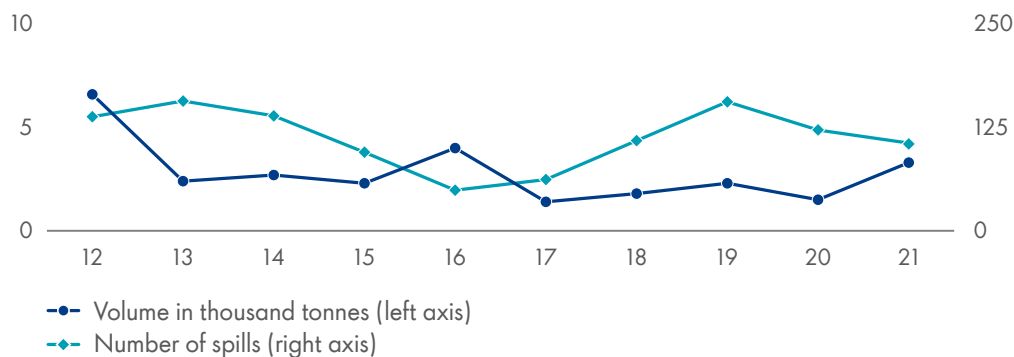
SPILLS – OPERATIONAL [A]



[A] All spill volumes and numbers are for hydrocarbon spills of more than 100 kilograms. We have updated some of our historical figures following a review of the data.

There were 41 operational spills of more than 100 kilograms in 2021, compared with 70 in 2020.

SPILLS – SABOTAGE [A] [B]



[A] Sabotage- and theft-related spills of more than 100 kilograms. We have updated some of our historical figures following a review of the data.

[B] All sabotage- and theft-related spills occurred in Nigeria except in 2016 (0.001 thousand tonnes).



In 2021, all the spills caused by sabotage and theft were in Nigeria. The number of these spills decreased to 106 in 2021 from 122 in 2020, while the volume of these spills increased to 3.3 thousand tonnes from 1.5 thousand tonnes in 2020.

Read about our emergency response procedures at www.shell.com/process-safety.

More in this report Spill response and prevention in Nigeria | Our approach to safety | Letter from the CEO

More on Shell websites Our strategy: Powering Progress | Our approach | Process safety

SPILL RESPONSE AND PREVENTION IN NIGERIA

The Shell Petroleum Development Company of Nigeria Ltd (SPDC) produces oil and gas through its SPDC joint venture (SPDC-operated, with Shell interest 30%), which operates a network of wells and pipelines across the Niger Delta.

Over the last 11 years, the total number of operational spills in the Niger Delta has fallen significantly, from more than 60 in 2011 to 9 in 2021. The SPDC JV also continues to work at preventing spills caused by third-party interference and other illegal activities. The JV has increased security and surveillance, and implemented several local initiatives to address the underlying causes and raise awareness of the damage caused by sabotage and theft.

Regardless of the cause of a spill, the SPDC JV cleans up and remediates areas affected by spills originating from its facilities. With operational spills, SPDC pays compensation to affected people and communities. When a spill is caused by illegal activities, SPDC provides relief to the communities affected on a case-by-case basis. This relief can include food, health checks and clean water supply. In 2021, the time needed to complete the recovery of free-phase oil – oil that forms a separate layer and is not mixed with water or soil – was around six days.

Spill response and prevention in Nigeria

Spills in 2021	Clean-up	Prevention
Number of operational spills: 9 [A] Volume of operational spills: 29 tonnes	Average days before joint investigations commence: 2 days in 2021, improved from six days in 2016	Illegal theft points removed: 195 in 2021, 922 in total since 2016
Number of spills caused by third-party interference and other illegal activities: 106 [B], 91% of the total number	Average days to complete the recovery of surface oil: around 6 days in 2021, improved from 13 days in 2016	Steel cages installed to protect wellheads: 283 in total
Volume of spills caused by third-party interference and other illegal activities: 3,333 tonnes, 99% of the total volume	Number of sites remediated: 187 in 2021, 651 in total since 2016	Breaches of steel cages in 2021: 29 out of 1,700 attempts

[A] We have updated the number of operational spills from 10 (as reported in the Annual Report) to 9 in 2021 following a review of data which indicates that a spill previously thought to be operational, was instead residual impact from a previous incident.

[B] We have updated the number of sabotage spills from 107 (as reported in the Annual Report) to 106 in 2021 following a review of data to exclude a spill from OML 17, as the spill occurred after the divestment.

By the end of 2021, a total of 283 cages had been installed to protect wellheads, including 62 that had been upgraded with CCTV. This compared with a total of 364 installed cages at the end of 2020. The year-on-year reduction of 81 cages was attributable to the 2021 divestment of the OML-17 licence.

SPDC continues to review its portfolio options for onshore oil in Nigeria. In the last decade, SPDC has reduced its licences in this area by half.

Read more on spill prevention and response in Nigeria at www.shell.com.ng/environment and www.shell.com.ng/oil-spills.

More in this report Contributing to Nigeria's economy | Preparing for emergencies | Our approach to safety

More on Shell websites Our strategy: Powering Progress | Oil Spill Data | Shell Nigeria | Shell Nigeria | Nigeria Briefing Notes 2021



TRANSPORT SAFETY

Safety at sea

We manage a global fleet of 26 tankers and liquefied natural gas carriers. One of our biggest challenges during the COVID-19 pandemic has been to keep our crews safe from infection. Shell is amongst the 700 original signatories of The Neptune Declaration, an international agreement aimed at supporting seafarers during the pandemic.

Air safety

In 2021, our owned and contracted aircraft flew more than 40,000 hours and safely delivered around 400,000 Shell employees and contractors. On top of rotating critical workers, such as our shipping crews, Shell's own aircraft were used to fill gaps in commercial services globally, including evacuating families from high-risk countries and transporting cargo.

Road transport safety performance

In 2021, Shell employees and contractors drove around 470 million kilometres on business in more than 50 countries. There were no fatalities related to road transport in activities under the operational control of a Shell company in 2021. By the end of December, we recorded more than 1.2 billion kilometres with no fatalities in almost two-and-a-half years. In 2021, around 11,000 Shell employees and contractors completed some form of in-vehicle or virtual defensive driving training.

Read more about transport safety at www.shell.com/sustainability/safety/transport-safety.

More in this report [Process safety](#) | [Our approach to safety](#) | [Letter from the CEO](#)

More on Shell websites [Our strategy: Powering Progress](#) | [Transport safety](#) | [Community road safety](#)

PRODUCT STEWARDSHIP

We work to ensure our products – such as fuels, lubricants and chemicals – are safe throughout their life cycle. In 2021, we carried out more than 400 risk assessments for products and additives. We also published and distributed around 150,000 safety data sheets to customers in about 180 countries.

Read more about product stewardship at www.shell.com/product-stewardship.

More in this report [Circular economy and waste](#) | [Driving innovation](#) | [Letter from the CEO](#)

More on Shell websites [Our strategy: Powering Progress](#) | [Product stewardship](#)