



We aim to be a good neighbour wherever we work, by contributing to the well-being of communities.

POWERING LIVES



Our Powering Progress strategy means powering lives and livelihoods through our products and activities, and by supporting an inclusive society.

- 49** OUR APPROACH TO POWERING LIVES
- 49** PROVIDING ACCESS TO ENERGY
- 50** WORKING WITH OUR SUPPLIERS
- 51** CONTRIBUTING TO COMMUNITIES
- 54** DIVERSITY, EQUITY AND INCLUSION
- 55** WORKER WELFARE
- 56** RESPECTING HUMAN RIGHTS
- 56** MANAGING OUR IMPACT ON PEOPLE



OUR APPROACH TO POWERING LIVES

Every year, we spend tens of billions of dollars on goods and services in the communities where we operate. Our activities also generate revenues for governments through the taxes and royalties we pay and the sales taxes we collect on their behalf. This helps fund health care, education, transport and other essential services.

We try to make a positive difference to countries and communities by providing training and skills. This supports local economic development and livelihoods. And we strengthen local economies by promoting entrepreneurship, innovation and meaningful employment through programmes including Shell LiveWIRE, our enterprise development programme.

The supply of affordable, reliable and sustainable energy is also crucial for addressing global challenges, including those related to poverty and inequality. That is why we are working to provide more energy to those who do not have it today.

Our operations support countries and communities. We employ people in more than 70 countries, providing income and other benefits such as health care and pensions.

 **More in this report** [Providing lower-carbon electricity](#) | [Letter from the CEO](#) | [Our Powering Progress targets](#)

 **More on Shell websites** [Access to energy](#)

PROVIDING ACCESS TO ENERGY

POWERING PROGRESS

Our ambition, by 2030, is to provide reliable electricity to 100 million people in emerging markets who do not yet have it.

INVESTING IN ENERGY ACCESS

Our energy access team is working to deliver our ambition by improving the reliability of existing power supply to on-grid customers and providing power to off-grid customers and communities who do not yet have it. We are seeking strategic partnerships with governments, utilities, developers, banks, and investors to address local challenges and opportunities, and progress towards achieving our ambition to power emerging markets.

In 2021, Shell's commitment was registered in the UN Energy Compacts, a collection of voluntary commitments from member states and companies, governments, non-governmental organisations (NGOs) and others, with the specific actions they will take to advance progress on UN Sustainable Development Goal 7 (access to affordable, reliable, sustainable, and modern energy for all) and net-zero emissions.

Read more about our commercial energy access business at www.shell.com/energy-and-innovation/new-energies/energy-access.

SOCIAL PROGRAMMES

Separate to our commercial ambition, we invest in social programmes that benefit communities where we work. Through these voluntary initiatives, we work with partner organisations to help individuals and communities access reliable electricity to improve lives and generate greater economic opportunity.

In 2021, we continued to develop programmes to improve access to energy in Ethiopia, Mozambique, Pakistan and South Africa. COVID-19 continued to impede the delivery of access to energy projects in many locations – primarily due to restrictions on movement within and between countries.

To understand the impact of our projects, we commissioned an evaluation of seven of our access to energy projects in Canada, China, Malaysia, Myanmar, Pakistan, the Philippines, and Tanzania. A key finding of the evaluation was that 74% of participants felt their quality of life was improved. We have also identified several areas where we need to do better, such as an improved feedback mechanism for communities.



Read more about how our social investment programmes help to increase access to energy at www.shell.com/sustainability/communities/access-to-energy.

More in this report [Providing lower-carbon electricity](#) | [Letter from the CEO](#) | [Our Powering Progress targets](#)

More on Shell websites [Building an energy access business](#) | [Access to energy](#)

WORKING WITH OUR SUPPLIERS

SUPPLY CHAIN

POWERING PROGRESS

Supply chain: We will include requirements in our purchasing policies to reflect our environmental framework, and take the energy efficiency, material efficiency and sustainability of products into consideration in our purchases.

Shell aims to work with suppliers, including contractors, that behave in an economically, environmentally and socially responsible manner, as set out in our Shell General Business Principles and Shell Supplier Principles. In 2021, Shell spent around \$37.5 billion on goods and services from around 24,000 suppliers globally.

We continually work with our suppliers to find ways to reduce greenhouse gas emissions across our supply chains. In 2021, we rolled out a new digital platform, Shell Supplier Energy Transition Hub, free of charge to our supply chain and any other interested company. The platform enables them to set emission ambitions and track performance, share best practice and exchange emissions data with their own supply chains. By the end of 2021, 258 of our suppliers had joined the platform, 103 of which have already set emission reduction targets.

Read more about how we work with contractors and suppliers at www.shell.com/business-customers/shell-for-suppliers.

More in this report [Respecting human rights](#) | [Preparing for emergencies](#)

More on Shell websites [Our strategy: Powering Progress](#) | [Shell for suppliers](#) | [Supplier Principles](#)

LOCAL CONTENT

We want to make a positive difference to countries and local communities where we operate. We do this by creating jobs, training people, supporting local businesses and buying goods and services from local suppliers – collectively referred to as local content.

SHELL LOCAL CONTENT ACTIVITIES IN 2021



\$37.5 billion
spent globally on goods and services



63%
spent in Canada, Germany, the Netherlands, the UK and the USA



\$4.2 billion
spent in countries where gross domestic product is less than \$15,000 a year per person ^[A]



88.1%
spent in these low-income countries with local suppliers

[A] According to the UN Development Programme's Human Development Index 2019



In 2021, 84.8% of the \$37.5 billion we spent on goods and services was purchased from suppliers based in the same country of operation, also called local procurement. About 63% of our procurement was in Canada, Germany, the Netherlands, the UK and the USA, of which 83.5% was spent with local suppliers.

We estimate that around \$4.2 billion was spent in countries that, according to the UN Development Programme's Human Development Index 2019, have a gross domestic product of less than \$15,000 a year per person. In these countries, Shell companies spent around 88.1%, or around \$3.7 billion, with local suppliers.

Discover more about how we work to support the countries in which we operate in the [Community skills and entrepreneurship](#) section and at www.shell.com/sustainability/communities/local-employment-and-enterprise.

More in this report [Respecting human rights](#) | [Preparing for emergencies](#)

More on Shell websites [Our strategy: Powering Progress](#) | [Shell for suppliers](#) | [Supplier Principles](#)

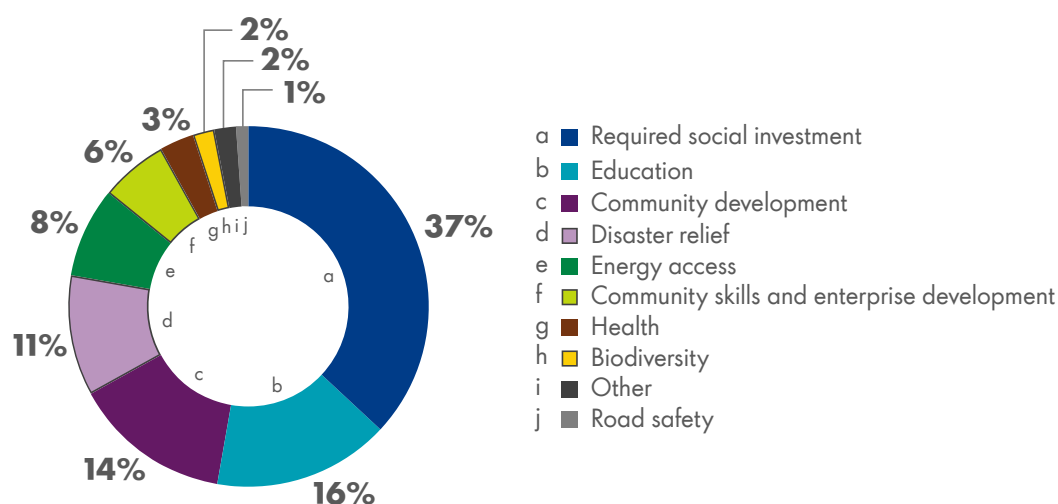
CONTRIBUTING TO COMMUNITIES

SOCIAL INVESTMENT

Our activities contribute to economies through taxes, jobs and business opportunities. We also make social investments in areas determined by local community needs and priorities. This investment is sometimes voluntary, sometimes required by governments, or part of a contractual agreement. In 2021, we spent almost \$149 million on social investment, of which 37% was required by government regulations or contractual agreements. We spent the remaining \$94 million (63%) on voluntary social investment.

SOCIAL INVESTMENT BY THEME

percentage

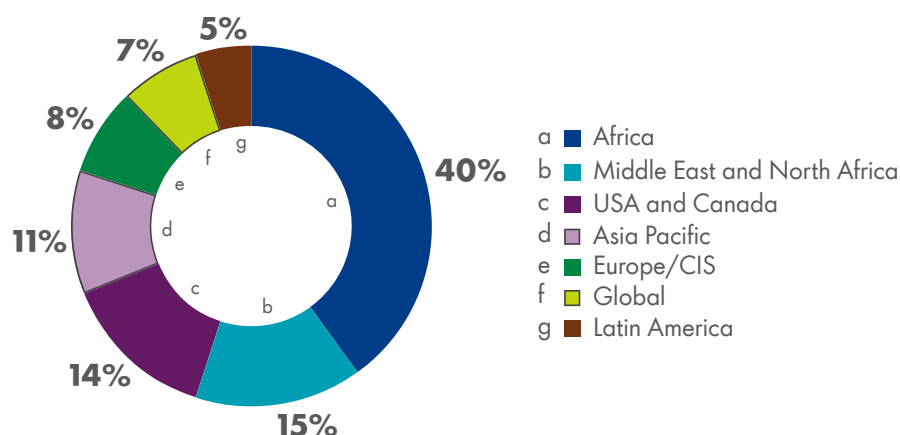


Around \$72 million of our total social investment spend in 2021 was in countries that, according to the UN Development Programme's Human Development Index 2019, have a gross domestic product of less than \$15,000 a year per person.



SOCIAL INVESTMENT BY REGION

percentage



Find out more about our social investment at www.shell.com/sustainability/communities.

More in this report Providing access to energy | Community skills and entrepreneurship

More on Shell websites Our strategy: Powering Progress | People and communities | Working with communities | Generating prosperity for countries and communities

COMMUNITY SKILLS AND ENTREPRENEURSHIP

Our community skills and entrepreneurship programmes benefit local communities where we operate by creating employment opportunities and contributing to economic development, while adding value to our supply chain. In 2021, around 26,700 people participated in and more than 700 businesses were supported by our skills development and entrepreneurship programmes. In 2021, our community skills programmes helped more than 1,300 people to gain employment immediately following the training.

Shell has two global entrepreneurship programmes – Shell LiveWIRE and Shell StartUp Engine.

Shell's LiveWIRE helps entrepreneurs turn their ideas into reality and operates in 18 countries. In 2021, Shell LiveWIRE trained more than 3,600 people around the world and helped to create more than 2,270 jobs. The programme supported around 670 existing businesses and helped create around 125 new businesses, with 19 Shell LiveWIRE-supported businesses entering our supply chain in 2021.

Shell StartUp Engine is a global innovation programme for entrepreneurs in the energy industry and supports early-stage start-ups in areas such as renewables, energy storage, smart grids and electric mobility. In 2021, the programme was delivered in the UK, France, Singapore, Brazil and the Netherlands (New Energy Challenge), with 40 start-ups receiving support.

Find out more about community skills and entrepreneurship in the [Local content](#) section and at www.shell.com/sustainability/communities/local-employment-and-enterprise.

More in this report Social investment | Providing access to energy

More on Shell websites

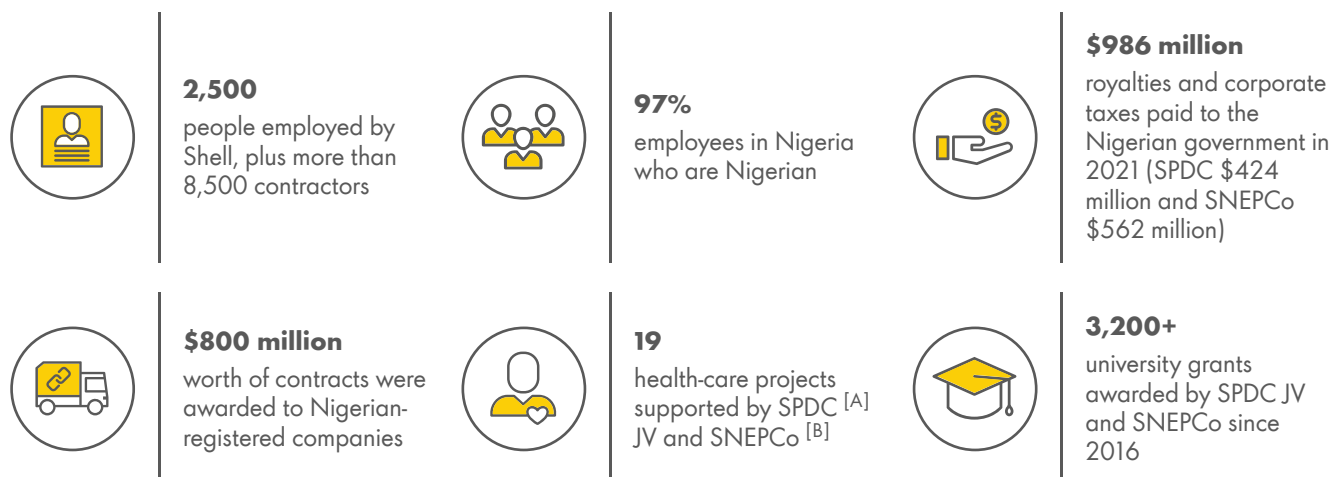
Our strategy: Powering Progress | Supporting enterprise development and entrepreneurs | Local employment and enterprise | Buying locally and encouraging local suppliers



CONTRIBUTING TO NIGERIA'S ECONOMY

Shell's Nigerian businesses support the development of local communities and companies. The businesses in which Shell has interests employed 2,500 people directly in 2021 and provided jobs for many others in supplier networks. In 2021, Shell Companies in Nigeria (SCiN) awarded contracts worth \$800 million to Nigerian-registered companies.

SOCIAL AND ECONOMIC CONTRIBUTION OF SHELL COMPANIES IN NIGERIA



[A] The Shell Petroleum Development Company of Nigeria Limited (SPDC), which has a 30% interest in the SPDC joint venture (SPDC JV) and produces oil and gas in the Niger Delta.

[B] The Shell Nigeria Exploration and Production Company Limited (SNEPCo), which operates in the deep waters of the Gulf of Guinea.

In addition to paying \$986 million in 2021 royalties and corporate taxes to the Nigerian government (SPDC \$424 million; SNEPCo \$562 million), Shell Companies in Nigeria (SCiN) also contributed \$33.82 million in direct social investment. Social investment was mainly in projects related to community, health, education, road safety and enterprise programmes. These projects are often implemented in partnership with local authorities.

In 2021, we launched Shell Energy Nigeria, which aims to develop new gas distribution solutions and deliver competitive and reliable energy for power generation and industrial use across the country.

Read more about Shell's economic contribution in Nigeria at www.shell.com.ng/nigeria-briefing-notes.

 **More in this report** Spill response and prevention in Nigeria | Our approach to safety | Providing access to energy


 **More on Shell websites** Our strategy: Powering Progress | Shell Nigeria | Nigeria Briefing Notes | Buying locally and encouraging local suppliers

EDUCATION IN SCIENCE, TECHNOLOGY, ENGINEERING AND MATHS

We actively support science, technology, engineering and maths (STEM) through a range of programmes in more than 20 countries. NXplorers, our flagship STEM programme, aims to help young people develop complex and creative thinking to bridge the skills gap. NXplorers is now active in 18 countries, and engaged more than 60,000 students in 2021.

Read more about our contribution to STEM at www.shell.com/sustainability/communities/education.

 **More in this report** Community skills and entrepreneurship | Providing access to energy

 **More on Shell websites** Our strategy: Powering Progress | Education



DIVERSITY, EQUITY AND INCLUSION

POWERING PROGRESS

We are focusing on removing barriers and creating equality of opportunity in four strategic priority areas: gender; race and ethnicity; lesbian, gay, bisexual and transgender (LGBT+); and enablement and disabilities inclusion, as set out in our powering lives commitments to diversity and inclusion.

- Shell is working towards achieving 35% representation of women in our senior leadership positions by 2025 and 40% by 2030.
- We aim to increase racial and ethnic representation across our workforce so that we better reflect the communities in which we work and live.
- At Shell, we seek to provide a safe, caring and inclusive environment for LGBT+ and PWD (people with disabilities) staff so that they can be themselves and reach their full potential.
- By 2030, we will make our global network of service stations more inclusive and accessible to customers with physical disabilities.

EMPLOYEE ENGAGEMENT

The Shell People Survey is one of our principal tools to measure employee engagement, motivation, affiliation and commitment to Shell. In 2021, the response rate was 83%, a decrease of 3.1 percentage points compared with 2020. The average employee engagement score was 75 points out of 100, a decrease of 3.0 percentage points compared with 2020. The decrease was mainly due to lower scores in the reputation, rewards and benefits sections of the survey. This reflects the uncertainty felt by many during our reorganisation in 2021 and the daily challenges of working with COVID-19.

Read more about employee engagement in the [Annual Report](#).

WORKFORCE DIVERSITY, EQUITY AND INCLUSION

Our diversity, equity and inclusion approach focuses on hiring, developing and retaining the best people. A diverse workforce, supported by an inclusive and caring environment that respects and nurtures people, is a way to improve our safety and business performance.

We aim to increase racial and ethnic representation across our workforce to better reflect the communities in which we work and live. In the USA, about 33.2% of our workforce are people of colour. In the UK, 21.5% of our employees identify as being from an ethnic minority group. Ethnicity declaration is voluntary in the UK and calculations are based on a survey declaration rate of 81%.

We also aim to materially increase our purchasing from diverse suppliers to help build the communities in which we work.

At the end of 2021, the proportion of women in senior leadership positions was 29.5%, an increase of 1.7 percentage points compared with the end of 2020. We had been working to achieve 30% representation of women in senior leadership positions by the end of 2021, and we aim to achieve 35% by 2025 and 40% by 2030. Shell Business Operations centres hired 2,742 people in 2021, of which 51% were women. Shell hired 155 graduates, of which 47% were women.

We promote equal opportunity and create an environment where people feel included, regardless of sexual orientation or gender identity. This year, we were recognised as a "Top Scorer" (92.4%) and "Advocate" in the Workplace Pride Global Benchmark 2021. We also launched campaigns aimed at supporting the LGBT+ community in 14 countries in 2021, and more than 14 countries celebrated International Coming Out Day.

We use our Shell People Survey as a key measure of success for diversity, equity and inclusion. In 2021, the survey showed 80 points out of 100 for all questions relating to Diversity and Inclusion, with the new question 'I feel like I belong at Shell' scoring 77.

Read more about diversity, equity and inclusion in the [Annual Report](#).



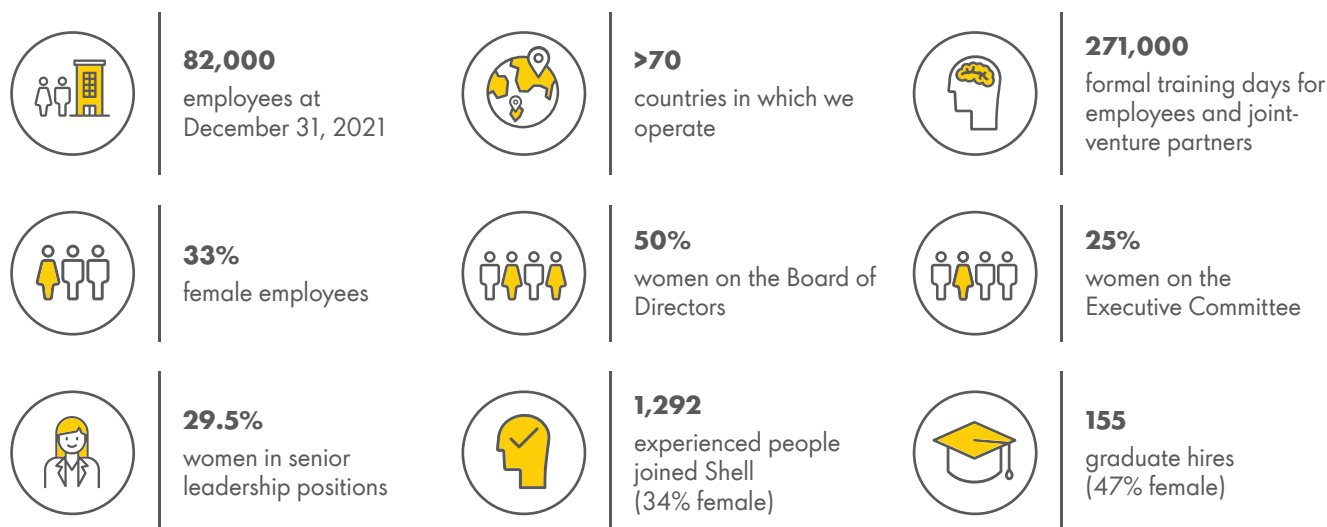
DISABILITY INCLUSION AND ENABLEMENT

We are also taking steps to provide a better experience for our customers with physical disabilities. For example, **fuelService** launched an app in partnership with Shell which allows drivers with any disability that makes refuelling difficult to alert petrol stations in advance and request assistance. Shell currently offers the service at more than 3,600 stations across ten countries.

Read more about disability inclusion and enablement in the [Annual Report](#).

Read more about diversity, equity and inclusion at www.shell.com/about-us/diversity-and-inclusiveness and at www.shell.com/diversity.

OUR PEOPLE IN 2021



[A] All metrics except the employees' metric exclude the employees in certain Upstream, Renewables and Energy Solutions and Downstream companies that maintain their own HR systems.

More in this report [Respecting human rights](#) | [Ethical leadership](#) | [Our Powering Progress targets](#)

More on Shell websites [Our strategy: Powering Progress](#) | [Contributing to a Diverse, Equitable and Inclusive World](#) | [Shell in the UK Diversity Pay Gap Report](#)

WORKER WELFARE

In 2021, we continued to take steps to improve our approach to worker welfare. We published Shell's Approach to Human Rights, which sets out our commitment to worker welfare and respecting the rights of people and communities. It describes how we integrate human rights and worker welfare into our policies and processes, and how we provide access to remedy through our community feedback mechanisms and the Shell Global Helpline. Our approach is informed by the 10 Building Responsibly Worker Welfare principles.

Read more about worker welfare at www.shell.com/sustainability/communities/worker-welfare.

More in this report [Working with our suppliers](#) | [Diversity, equity and inclusion](#) | [Our Powering Progress targets](#)

More on Shell websites [Powering Progress – transitioning to net-zero emissions](#) | [Human rights](#)



RESPECTING HUMAN RIGHTS

OUR APPROACH TO HUMAN RIGHTS

We respect human rights in all aspects of doing business and have embedded human rights in our Shell General Business Principles, Code of Conduct and Shell Supplier Principles. Our approach is informed by the UN Guiding Principles on Business and Human Rights.

We focus our effort on four key areas, where human rights are critical to the way we operate and where we have identified the risks are highest for potential impact on human rights. These four key areas are labour rights, communities, supply chains and security. In 2021, we continued to take steps to improve our approach to human rights. We published [Shell's Approach to Human Rights](#) in connection with the launch of our Powering Progress strategy.

Read more about our human rights policies and focus areas at www.shell.com/human-rights.

MODERN SLAVERY

Shell is opposed to all forms of modern slavery. Such exploitation is against our commitment to respect human rights as set out in the UN Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We follow the UN Guiding Principles on Business and Human Rights.

We contributed to IPIECA's guidance on "[Labour rights risk identification in the supply chain](#)", which was launched in 2021. The publication aims to help companies identify and assess risks, giving examples of risk-based screening methodologies and background resources on human rights due diligence.


Read more about our approach in our statement under the UK Modern Slavery Act at www.shell.com/uk-modern-slavery-act.

SECURITY PRACTICES

We work to maintain the safety, security and human rights of our employees, contract staff and local communities. Shell Group companies have implemented the Voluntary Principles on Security and Human Rights (VPSHR) since their development in 2000. We incorporate the VPSHR into our core security-related processes and contracts. Security staff and contractors are trained in the implementation of the Voluntary Principles initiatives.

Read more about our approach to human rights and security at www.shell.com/sustainability/transparency/human-rights and more about our implementation of the VPSHR at www.shell.com/vpshr.

 **More in this report** Working with our suppliers | Diversity, equity and inclusion | Our Powering Progress targets

 **More on Shell websites** Powering Progress – transitioning to net-zero emissions | Human rights

MANAGING OUR IMPACT ON PEOPLE

ENGAGING COMMUNITIES

We engage with communities because this is essential to understanding their priorities and concerns. We have a network of around 100 professionals with community engagement responsibilities who are the bridge between Shell and our local communities. Early in 2020, we launched a new global community feedback tool. This enables us to better track and respond to queries that we receive locally and provides insights at the global level.

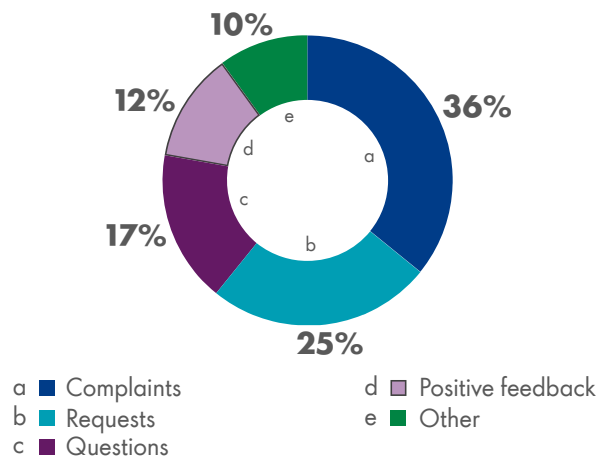
Read more about our work with communities at www.shell.com/sustainability/communities/working-with-communities.



FEEDBACK RECEIVED

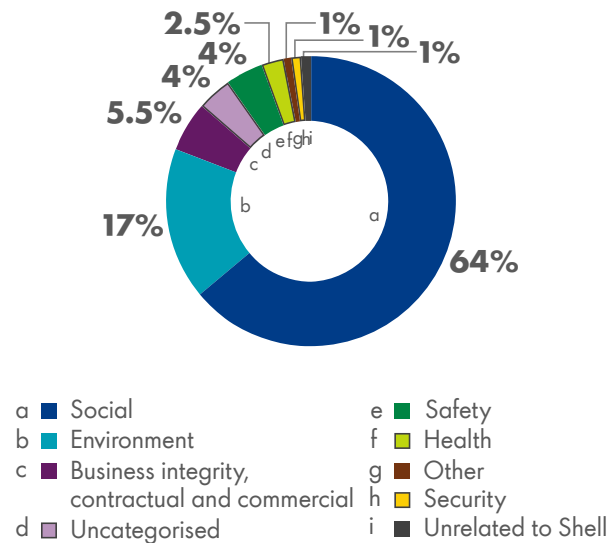
COMMUNITY FEEDBACK

by type



COMPLAINTS RECEIVED GLOBALLY [A]

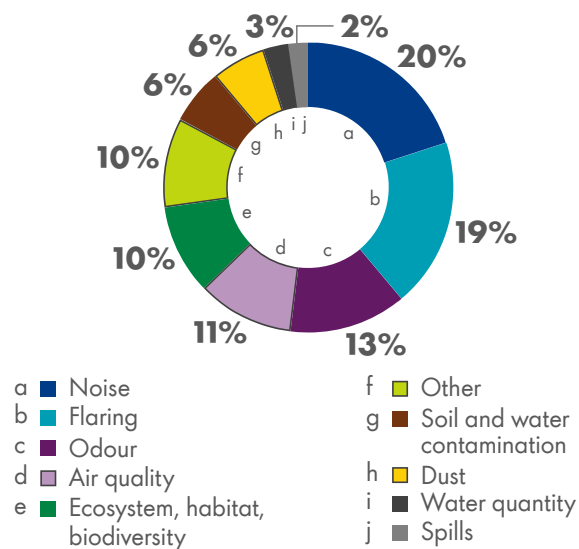
by category



[A] Chart excludes clusters of complaints regarding earthquakes in the Netherlands, which are managed outside of Shell.

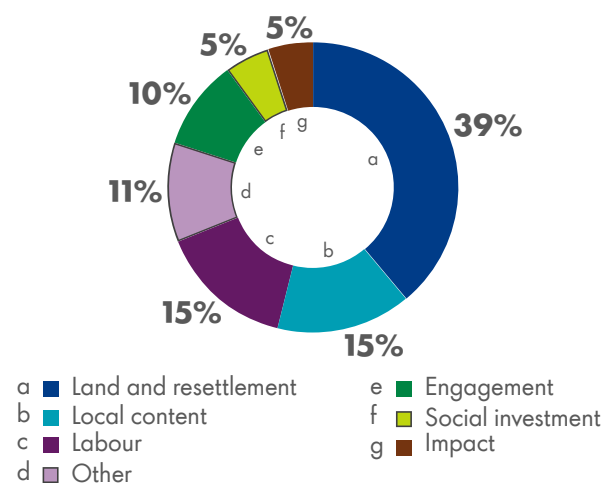
ENVIRONMENTAL COMPLAINTS

by sub-category



SOCIAL COMPLAINTS

by sub-category





INDIGENOUS PEOPLES

Our activities can affect Indigenous Peoples who hold specific rights for the protection of their cultures, traditional ways of life and special connections to land and water. We seek the support and agreement of Indigenous peoples potentially affected by our projects. We do this through dialogue and impact management processes.

Shell has also developed a public position statement on Free Prior and Informed Consent (FPIC), a principle recognised in the UN Declaration on the Rights of Indigenous Peoples. It entails open dialogue, good-faith negotiations, and where appropriate, the development of agreements that address the needs of Indigenous Peoples.

Read more about our work with Indigenous Peoples at www.shell.com/sustainability/communities/working-with-communities.

 **More in this report** Community skills and entrepreneurship | Respecting human rights | Our Powering Progress targets

 **More on Shell websites** Our strategy: Powering Progress | Working with communities

CULTURAL HERITAGE

Preserving cultural heritage is an important part of our efforts to manage our social impact. Cultural heritage refers to places of archaeological, historical, cultural, artistic and religious significance. It also includes the preservation of unique environmental features, cultural knowledge and traditional lifestyles.

Our approach starts with considering how to avoid or minimise our impact on cultural heritage. This can involve carrying out archaeological assessments to inform, among other things, project design and site selection. We then develop chance find procedures to deal with previously unknown heritage resources that may be discovered during construction. We train staff and contractors to make them fully aware of these resources to give them the authority to halt work if necessary.

Read more about our approach to cultural heritage at www.shell.com/sustainability/communities/working-with-communities.

 **More in this report** Community skills and entrepreneurship | Respecting human rights | Our Powering Progress targets

 **More on Shell websites** Our strategy: Powering Progress | Working with communities

INVOLUNTARY RESETTLEMENT

We sometimes require temporary or permanent access to areas of land or sea where people are living or working. We aim to avoid resettlement wherever possible, but where resettlement is unavoidable, we work with local communities to help them resettle and maintain, or improve, their standard of living in accordance with international standards for resettlement (notably International Finance Corporation (IFC) Performance Standard 5 on land acquisition and involuntary resettlement). Our support may also include helping these communities to establish alternative livelihoods.

Read more about our approach to involuntary resettlement at www.shell.com/sustainability/communities/working-with-communities.

 **More in this report** Community skills and entrepreneurship | Respecting human rights | Our Powering Progress targets

 **More on Shell websites** Our strategy: Powering Progress | Working with communities