Shell plc

Tax Contribution Report 2023

#PoweringProgress

Contents

Introduction

Each year, we publish information on our revenues, results and taxes paid, as well as on the principles we follow and the positions we advocate in our approach to tax.

Introduction from the Chief Financial Officer

Sinead Gorman
Chief Financial Officer

Taxation is a significant source of revenue for governments and helps to fund public services like education and healthcare. It can also finance infrastructure that is vital for the economic development that helps societies and communities thrive.

One of the ways Shell makes a meaningful financial contribution to the countries where we operate is by paying taxes. This, our sixth, annual Tax Contribution Report is part of our drive to be transparent about the revenues and profits we have made in those countries, and the taxes that we have paid to those governments.

In 2023, Shell's average tax rate across the 99 countries where we have a taxable presence was 39.9%, which is considerably higher than the 23.6% average levied by the member countries of the Organisation for Economic Co-operation and Development (OECD). We paid $14.1 billion in corporate income and withholding taxes after making a profit before tax of $32.6 billion.

The international tax landscape is changing, particularly as governments navigate the challenges of increasingly digitalised and inter-connected economies. Shell strongly supports a transparent and co-ordinated approach to improving the global tax system.

Taxes are an important foundation for society and governments' fiscal policy. For example, carbon taxes and incentive programmes will play a key role in encouraging demand for and investment in low-carbon energy as the world moves to net zero.

A co-ordinated approach to introducing fair and stable taxation brings clarity to businesses like Shell. It allows us to more efficiently plan future investments, including in projects that help to advance the energy transition, or that create jobs and greater prosperity for the societies in which we operate.

Sinead Gorman
Chief Financial Officer

Payments overview

Key figures in 2023

Total revenue and other income
$323.2 billion

Profit before corporate income tax [A]
$32.6 billion

Corporate income tax paid [B]
$14.1 billion

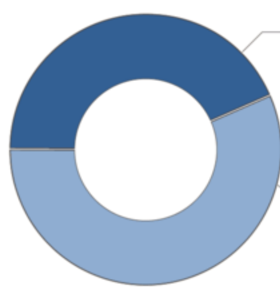
Effective tax rate
39.9%

OECD average corporate income tax rate [C]
23.6%

Total expenditure [D]
$290.6 billion

Corporate income tax charge
$13.0 billion

Overview of taxes paid and other payments to governments



Corporate income tax paid [B]
$14.1 billion

Other payments to governments [E]
$18.3 billion

Royalties
$4.5 billion

Production entitlements
$11.5 billion

Fees
$2.2 billion

Bonuses
$47.1 million

[A] This corresponds to "Income before taxation" in our Annual Report and Accounts 2023.
[B] We paid $13.7 billion in corporate income taxes and accrued $0.4 billion of withholding taxes. For more details, see the section Our tax data. Withholding tax is part of "Other" of $(-0.55) billion in our 2023 Consolidated Statement of Cash Flows.
[C] OECD (2023), Corporate Tax Statistics 2023, OECD Publishing, Paris.
[D] As reported in our 2023 Consolidated Statement of Income
[E] As reported in our Payments to Governments Report 2023.

The global tax landscape

In 2023, the global tax landscape continued to evolve as governments navigate the challenges arising from the energy transition, the increasing digitalisation of global economies and the ongoing cost-of-living crisis.

Global tax reform

Steered by the G20, the Organisation for Economic Co-operation and Development (OECD) has been developing proposals for a co-ordinated two-pillar framework to address the tax challenges presented by increasingly digitalised economies.

Pillar One of the framework aims to align corporate taxes more closely with local markets so that a larger portion of profits is taxed in the jurisdiction where sales are made, even if a multinational company does not have a physical presence in that jurisdiction. Pillar Two requires multinational companies to pay at least 15% tax on the profits they make in each jurisdiction where they operate. We support the OECD's ambitions set out in the framework.

The framework rules are complex and require considerable effort from all large companies to apply them and comply. It remains uncertain when the Pillar One rules will be implemented. The Pillar Two rules came into effect in January 2024 and Shell complies with these rules. This may result in Shell paying additional taxes each year on our activities in low-tax jurisdictions, depending on our business results in those jurisdictions.

Carbon pricing

Shell supports a direct price on carbon emissions as part of a broader policy framework to achieve net-zero emissions. The carbon price – whether through a carbon tax, cap and trade, or a hybrid system – should apply to as many sectors of the economy as possible and increase over time. Policies should be based on robust and transparent modelling of the impacts of carbon pricing on consumers and industry. Shell advocates carbon pricing through various industry bodies. We also promote greater international co-operation through systems that transfer carbon credits between countries.

Windfall taxes

In 2022, some governments introduced additional taxes on the gains made by the energy industry because of higher revenues from increased energy prices. These taxes, commonly referred to as windfall taxes, continued to be levied in 2023 despite lower energy prices. There is a risk that the increasing fiscal uncertainty caused by these additional taxes could negatively impact the investment climate and international competitiveness of the countries where they are levied.

Read more about **Carbon pricing**.

Businesses and tax

Governments use tax to raise revenues to enable them to carry out their activities. Revenue agencies audit and collect these taxes. Most businesses are subject to tax, regardless of whether they are multinational corporations or home-office enterprises. Businesses pay direct taxes to the government and they collect indirect taxes on behalf of governments as a supplier of goods or services.

Companies pay and collect a range of taxes including:

- **Corporate income tax:** A direct tax imposed on companies' profits. It is sometimes levied at a national level but can also be levied on a state or local basis.
- **Value-added tax (VAT):** An indirect tax due on the purchase of goods and services, typically as a percentage of the sales price of the item or service. Companies administer VAT collection and payment on behalf of governments.
- **Employment taxes:** Companies routinely collect income taxes on employees' salaries and pay these taxes to the government. Companies also pay employer taxes on employees' salaries.
- **Excise duties:** Excise duties are taxes that are imposed on specific goods or services such as fuel. They are typically charged at the point of manufacture, importation or sale, or when the goods are removed from a warehouse. Excise taxes are in addition to other forms of indirect tax, such as customs duties and VAT and typically form part of the cost of the product.
- **Customs duties:** An indirect tax imposed on goods as they either enter or leave a country.

When a business collects indirect taxes on behalf of a government, it carries the cost of gathering the financial data, preparing reports and executing payments. This process helps governments collect taxes more efficiently. For example, it is easier to collect VAT from businesses than from individual consumers.

Tax generates revenue for governments

Governments raise revenues through taxes to pay for public services, such as education, healthcare and transport, and other government expenses. Governments periodically set their fiscal policies and the rules for individual and business taxes.

According to a 2023 report from the OECD [A], social security contributions amounted to the largest share of tax revenues in the OECD countries, at just over one-quarter on average. Together with personal income taxes, these two tax types amounted to nearly one-half of tax revenues in OECD countries. OECD data on the average split of member countries' tax revenues show that corporate income tax raises around 10% of total tax revenues.

Tax treatments – such as tax rates, reliefs, exemptions and allowances or disallowances – are typically approved by national parliaments. Companies must comply with relevant tax laws. Audits and controls by tax authorities help to check whether companies are compliant.

Governments can use targeted tax incentives for specific policy objectives, such as protecting the environment, reducing carbon emissions or encouraging advances in areas like research and development. Governments often design incentives to attract domestic and international investment, which can boost economies, create jobs and develop communities. When available and appropriate, we make use of tax incentives and exemptions where we have a business activity that qualifies.

Some governments may choose to lower specific taxes, like corporate income tax, as a deliberate policy decision. Such incentives are designed by governments to attract investment in areas where development may benefit their countries. When governments offer such incentives, they may expect to raise revenues through other types of taxes, such as employment taxes or customs duties.

[A] OECD (2023), Revenue Statistics 2023: Tax Revenue Buoyancy in OECD Countries, OECD Publishing, Paris.

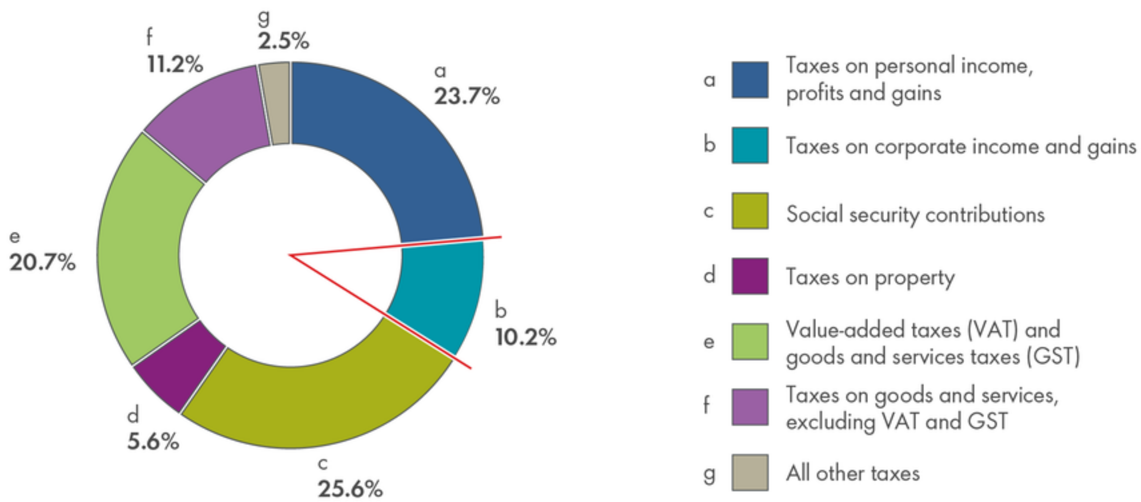
Most businesses pay corporate income tax where profits are made

Corporate income tax is typically due by law in countries where profits are made. This should correspond to where the business activity occurred. The tax due is determined by the tax system of the country or location where that activity took place. Governments design and apply tax rules to the profits generated in their countries and assess what is owed by businesses. Corporate income tax is payable on profits, not revenues. There are instances when a multinational enterprise like Shell faces double taxation. This is when two jurisdictions seek to tax the same business income, resulting in a company or a transaction being taxed twice. We believe that profit should only be taxed once, in line with the positions of the United Nations and the OECD.

Governments collect different types of taxes

Companies operating in the oil and gas industry also contribute to public finances by paying, for example, royalties, bonuses, fees and a host government's production entitlements. In 2023, we paid around $11.5 billion in production entitlements.

Sources of government tax revenue in OECD countries



Source: OECD (2023), Revenue Statistics 2023: Tax Revenue Buoyancy in OECD Countries, OECD Publishing, Paris.

Our Payments to Governments Report shows how we directly contributed to public finances in 2023 as a result of our exploration and production activities. [A]

[A] The Tax Contribution Report differs from our Payments to Governments Report which provides a consolidated overview of the payments to governments made by Shell plc and its subsidiary undertakings arising from upstream activities including exploration, development and extraction of minerals, oil and natural gas deposits. These payments include taxes, production entitlements, royalties, bonus payments, fees and infrastructure improvements. The Payments to Governments Report refers to taxes on the income, production or profits of companies, and excludes taxes levied on consumption, such as value added taxes, personal income taxes or sales taxes. Payments made through the operator of the venture, where Shell is not the operator, are not included. Where Shell is the operator, we report 100% share, if Shell is making the payment for the whole venture. Payments made by entities where Shell has joint control are excluded. Where made, these payments have been referenced under each applicable country.

Read more in **Payments to Governments Report 2023**.

Our business and organisation

Shell is a global group of energy and petrochemical companies, employing around 103,000 people [A] and with operations in more than 70 countries. We seek to provide the world with the energy it needs today, while helping it build a sustainable energy future.

[A] As at December 31, 2023.

Our organisation in 2023

Our operating businesses

Integrated Gas and Upstream

Integrated Gas and Upstream (IGU) explores for and extracts crude oil, natural gas and natural gas liquids. It delivers hydrocarbon products from conventional oil and gas operations, deep-water exploration and production, liquefied natural gas (LNG) activities, and converts natural gas into gas-to-liquids (GTL) fuels and other products. The marketing, trading and optimisation of LNG are included in IGU. IGU provides the secure energy customers need and we aim to do this with lower emissions.

Reporting segments

Integrated Gas | Upstream

Downstream, Renewables and Energy Solutions

Downstream, Renewables and Energy Solutions (R&ES) provides products and services to more than 1 million business customers. It includes Chemicals and Products, and Marketing, which includes Mobility – a business that serves around 33 million retail customers a day at more than 47,000 service stations. Marketing also includes Lubricants, and Sectors and Decarbonisation activities. Downstream and R&ES, underpinned by Trading and Supply, aims to meet the evolving energy needs of our customers.

Reporting segments

Marketing | Chemicals and Products | Renewables and Energy Solutions

Innovation

Technological innovation is integral to our pursuit of more and cleaner energy solutions as we work towards becoming a net-zero emissions energy business by 2050. Projects & Technology (P&T) manages major projects, driving innovation, while delivering technical services to our businesses. P&T provides essential functional leadership across Shell, addressing safety and environment, contracting and procurement, and greenhouse gas emissions management. Our research and development activities also encompass safety, performance products, and automation and artificial intelligence.

Read more in **Annual Report and Accounts 2023**.

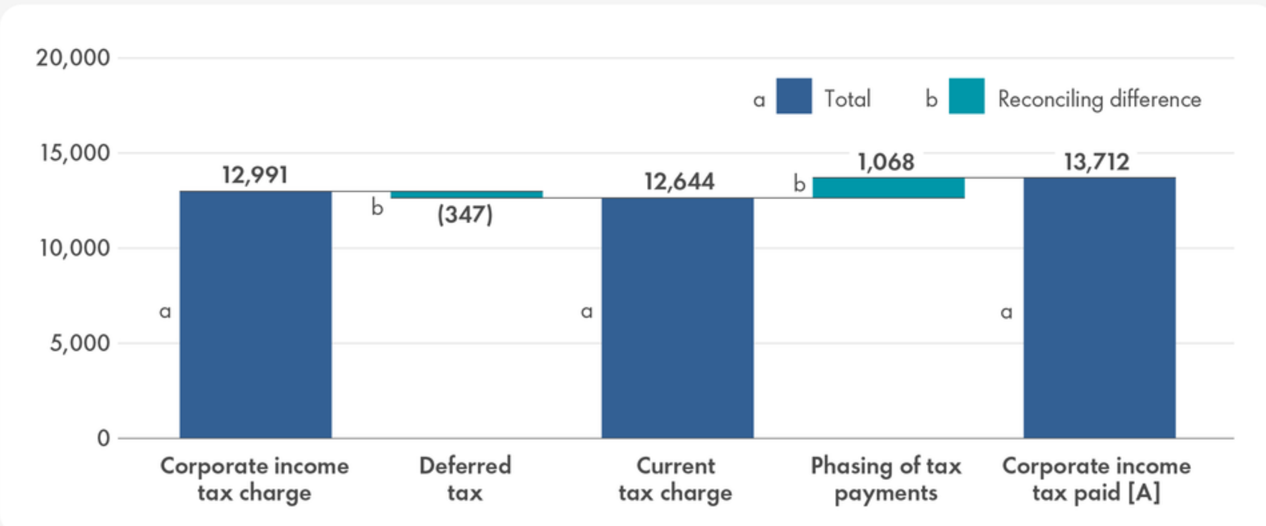
Corporate income tax

In 2023, we paid $13.7 billion in corporate income taxes and accrued $0.4 billion of withholding taxes. This amounts to $14.1 billion, which is reported as corporate income tax paid in our Payments overview.

The chart below provides a reconciliation between our 2023 corporate income tax charge of $13.0 billion and the corporate income tax we paid of $13.7 billion as per our Annual Report and Accounts 2023.

2023 Corporate income tax reconciliation

$ million



[A] In 2023, we paid $13.7 billion in corporate income taxes as per our Annual Report and Accounts 2023. We also accrued $0.4 billion of withholding taxes, amounting to $14.1 billion, which is reported as corporate income tax paid in the Payments overview section of this report.

The corporate income tax charge consists of the current tax charge plus the deferred tax charge. Deferred tax arises when there is a timing difference between the tax and accounting treatment of an asset or liability shown on the balance sheet. For example, decommissioning costs are accrued for accounting purposes over several years; however, they may not be tax deductible until the decommissioning costs have been paid. Deferred tax can, therefore, smooth out large differences in the tax charge over a number of years.

The current tax charge consists of the corporate income tax accrued on our 2023 taxable profits, as well as adjustments to the current tax charge accrued in previous years. The current tax charge for a given year is on an accruals basis for accounting purposes, whereas corporate income taxes are paid in accordance with the relevant tax legislation, resulting in some taxes being paid in-year and some after year-end. For example, in Nigeria, petroleum profit taxes need to be paid in monthly instalments on the basis of estimates, starting in March of the current year and ending in February of the following year, followed by a final payment (or refund) when the tax return is filed in May.

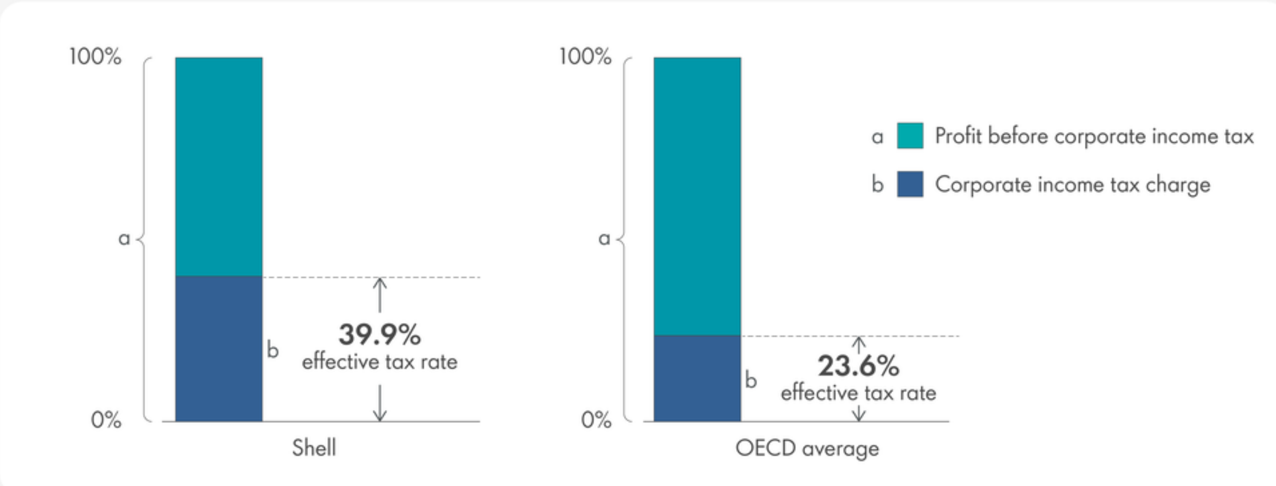
The difference between the current tax charge and corporate income tax paid is therefore a result of the phasing of tax payments across several years.

Effective tax rate

Our effective tax rate (ETR) is calculated by dividing the corporate income tax charge of $13.0 billion by the profit before corporate income tax [A] of $32.6 billion, resulting in an ETR of 39.9% for 2023. For comparison, in 2023 the average corporate income tax rate levied by the 38 member countries of the OECD was 23.6% [B]. Our ETR is typically higher than the average corporate income tax rate in OECD countries, partly because many governments apply a higher corporate income tax rate to profits made by oil and gas production activities. In some cases, this corporate income tax rate can be more than 75%. Our ETR is a blend of the different statutory tax rates and the different corporate income tax laws applied to our various businesses.

[A] This corresponds to "Income before taxation" in our Annual Report and Accounts 2023.
[B] OECD (2023), "Statutory corporate income tax rates", in Corporate Tax Statistics 2023, OECD Publishing, Paris.

Effective tax rates for 2023



Corporate income taxes paid in 2023

The world map shows corporate income taxes paid and withholding taxes accrued in line with our country-by-country reporting data.

Europe	
Norway	$1,772,588,323
United Kingdom	$1,450,575,970
Netherlands	$313,988,613
Italy	$287,376,966
Others	$458,908,927

Middle East	
Oman	$3,590,493,779
Qatar [A]	$1,735,524,464
United Arab Emirates	$365,510,912
Others	$18,662,961

Asia-Pacific	
Australia	$1,399,473,001
Malaysia	$423,146,925
Singapore	$89,100,798
Brunei	$73,804,507
Others	$193,176,029

Americas	
Brazil	$613,518,508
Canada	$362,120,394
Trinidad and Tobago	$314,850,397
USA	$71,486,965
Others	$10,289,160

Africa	
Nigeria	$649,030,659
Egypt	$67,773,336
Tunisia	$9,537,343
Others	$1,475,672

[A] Source: Payments to Governments Report 2023.

Total tax contribution

In the table below, we present our total tax contribution for 2023 in five key operating jurisdictions: Canada, the Netherlands, Singapore, the UK and the USA. Our total tax contribution for 2023 in these five jurisdictions was $23.0 billion. The figure includes $2.8 billion in taxes borne by Shell and $20.2 billion in taxes collected by Shell in relation to its employment and economic activities.

Total tax contribution in 2023

	Taxes borne ($ millions)		Taxes collected ($ millions)		Total ($ millions)
Country	Corporate income taxes	Employer taxes	Indirect taxes [A]	Employee taxes	
Canada 	362	17	4,715	228	**5,322**
Netherlands 	314	119	4,464	648	**5,546**
Singapore 	89	13	714	9	**825**
UK 	1,451	196	3,806	571	**6,024**
USA 	71	183	4,232	831	**5,317**
Total ($ millions)	**2,287**	**527**	**17,931**	**2,288**	**23,033**

[A] The numbers are consolidated at entity level. If the entity is registered for VAT in multiple countries, the numbers are consolidated based on the country in which the entity is based.

Calculating total tax contribution

Total tax contribution comprises the sum of taxes borne and taxes collected.

Taxes borne are taxes that are a cost to Shell and comprise:

- **Corporate income taxes:** These numbers correspond to the "corporate income tax paid" figures presented in Our tax data and are in line with our country-by-country report data.
- **Employer taxes:** These numbers represent employment-related taxes borne by Shell in respect of its role as an employer and include employer social security contributions and similar payments. They also include employer taxes borne by Shell's joint-venture partners where Shell is responsible for managing the payroll of the joint venture.

Taxes collected are taxes that Shell does not directly incur but instead collects from its customers and employees on behalf of governments. These comprise:

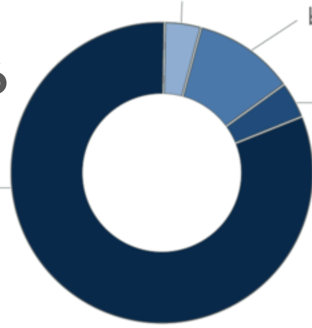
- **Indirect taxes:** These numbers represent gross indirect taxes such as value-added tax (VAT), goods and services tax (GST) and excise duties arising on the products we sell. Indirect taxes on our purchases of goods and services, which may be borne by Shell or be available to offset and reduce the taxes paid directly by Shell to governments, are not included.
- **Employee taxes:** These include employee income taxes, employee social security contributions and similar payments. They also include employee taxes collected in joint ventures where Shell is responsible for managing the payroll of the joint venture.

Data relating to certain taxes borne and collected by Shell are not included in this report. For example, we have not included property taxes, insurance premium taxes, customs duties and withholding taxes collected on dividends paid to shareholders.

These data have been compiled from our financial reporting systems. Where centrally held data are unavailable, we have gathered figures from in-country tax teams and Human Resources.

Economic and social contributions in 2023

Economic



Social

Our relationships

- Suppliers **25,000**
- **120,000 students** participated in our flagship STEM programme NXplorers
- Research and development expenditure **$1.287 billion**
- Research and development projects started at universities **270**

Our people

- Employees **103,000**
- Total employee costs [D] **$13.6 billion**
- Experienced hires **9,209** (38% women, 62% men)
- Graduate hires **460** (40% women, 60% men)
- Women in senior leadership **32%**
- Women on the Board **42%**

[A] We paid $13.7 billion in corporate income taxes and accrued $0.4 billion of withholding taxes. For more details, see the section on Our tax data. Withholding tax is part of "Other" of $(-0.55) billion in our 2023 Consolidated Statement of Cash Flows.
[B] Of which $10.7 billion was repaid to lenders, $4.4 billion was interest paid to lenders, $0.8 billion was paid to non-controlling interests, $8.4 billion of dividends were paid to Shell plc shareholders and $14.6 billion was paid to repurchase Shell plc shares.
[C] As reported in our 2023 Consolidated Statement of Income.
[D] Excludes employees seconded to joint ventures and associates.

Our approach to tax

Shell seeks to comply with the applicable tax laws in all the jurisdictions in which we have a taxable presence. We respect both the letter and the spirit of these tax laws.

Our tax strategy

When we invest in a country, we seek to build long-term relationships and develop our business sustainably. We recognise our responsibility towards investors, governments, employees and the local communities we are part of. The taxes we collect and pay are one of the ways we fulfil this responsibility.

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

Our tax strategy is designed to support Shell in delivering its Powering Progress strategy

Shell is committed to tax compliance

- We have a taxable presence in 99 jurisdictions
- We file around 43,000 tax returns annually
- We seek to protect the interests of our investors by managing our tax affairs in a sustainable way

Shell is transparent on tax matters

- We publish our global approach to tax and the taxes we pay by jurisdiction
- We publish payments on our extractive activities by project
- We seek to provide tax authorities with timely and comprehensive information on potential tax issues

Shell is open to dialogue

- We engage with society on tax matters
- We promote co-operative compliance relationships
- We give constructive input to industry groups and international organisations

The Board of Directors of Shell plc approves our tax strategy, reviews its effectiveness and maintains sound internal controls.

The Executive Vice President Taxation and Corporate Structure is responsible for tax matters and provides assurance based on our tax control framework. The Audit and Risk Committee assists the Board in maintaining sound internal controls and oversight of Shell's financial reporting. A variety of standing matters and more specific topics are discussed by the committee throughout the year. The Board conducts an annual review, to its satisfaction, of the effectiveness of our financial, operational and compliance controls, including tax controls.

Read more about Shell's approach to tax on **Shell.com**.

Shell Responsible Tax Principles

The B Team Responsible Tax Principles were developed by companies, including Shell, civil society, investors and representatives from international institutions. We adopted The B Team Responsible Tax Principles as our own. The Shell Responsible Tax Principles guide our decisions on tax matters:

Accountability and governance
Tax is a core part of corporate responsibility and governance and is overseen by the Board of Directors (the Board).

- We have a tax strategy and set of principles approved by the Board.
- The Board is accountable for the tax strategy and responsibility for tax risk management is clearly delegated to key individuals and overseen by an established board sub-committee (e.g. Audit and Risk).
- We put mechanisms in place to ensure awareness of and adherence to our tax strategy and principles and provide opportunities for employees to confidentially raise any issues of concern.
- We have clear procedures in relation to tax risk management and carry out risk assessments before entering into any tax planning on significant transactions.
- We report at least annually to the Board (or delegated sub-committee) on tax risks and adherence to the tax strategy.
- Our tax strategy and principles apply to all our local tax practices in all jurisdictions, and wherever possible to all subsidiaries and entities.
- We employ appropriately qualified and trained tax professionals with the right levels of expertise and understanding.

Compliance
We are committed to complying with the tax legislation of the countries in which we operate and pay the right amount of tax at the right time in the countries where we create value.

- We prepare and file all tax returns required, providing complete, accurate and timely disclosures to all relevant revenue authorities.
- Our tax planning is based on reasonable interpretations of applicable law and is aligned with the substance of the economic and commercial activity of our business.
- We will not undertake transactions whose sole purpose is to create a tax benefit which is in excess of a reasonable interpretation of relevant tax rules (legislation, regulation or treaties).
- We aim for certainty on tax positions but where tax law is unclear or subject to interpretation we evaluate whether our position would more likely than not, be upheld and, where appropriate seek external opinion.
- We use the arm's length principle, pricing in line with best practice guidelines issued by the OECD, and apply this consistently across our businesses (contingent on local laws).

Business structure
We will only use business structures that are driven by commercial considerations, are aligned with business activity and which have genuine substance. We do not seek abusive tax results.

- The Group is transparent about the entities that it owns around the world and about who owns them.
- We do not use so-called tax havens in order to avoid taxes on activities which take place elsewhere. Entities which are based in low or zero tax rate jurisdictions exist for substantive and commercial reasons.
- We pay tax on profits according to where value is created within the normal course of commercial activity. We do not use artificially fragmented structures or contracts to avoid establishing a taxable presence in jurisdictions where we do business.
- Our tax principles extend to our relationships with employees, customers and contractors. We will not engage in arrangements whose sole purpose is to create a tax benefit which is in excess of what is reasonably understood to be intended by relevant tax rules.

Relationships with authorities

We seek, wherever possible, to develop co-operative relationships with tax authorities, based on mutual respect, transparency and trust.

- We follow established procedures and channels for all dealings with tax authorities, government officials, ministers and other third parties, in a professional, courteous and timely manner.
- We are open and transparent with tax authorities, responding to relevant tax authority enquiries in a straightforward and timely manner (providing information held in other jurisdictions where relevant) to assist in the evaluation of tax liability.
- We endeavour to build relationships of cooperative compliance with tax authorities where both parties engage in a proactive and constructive dialogue to discuss tax planning strategy, risks and significant transactions.
- Where there are misunderstandings of fact or law, we will seek to work with tax authorities, where possible, to identify the issues and explore options to resolve any misunderstandings or disagreements.
- If we seek rulings from tax authorities to confirm an applicable tax treatment, we do so based on full disclosure of all the relevant facts and circumstances.
- We will seek to enter into an early dialogue with tax authorities, wherever possible, where there is significant uncertainty about how the tax rules apply to our business.
- We will not bribe or otherwise induce tax officials, government officials or ministers with the aim of obtaining more beneficial outcomes with respect to tax matters.

Seeking and accepting tax incentives

Where we claim tax incentives offered by government authorities, we seek to ensure that they are transparent and consistent with statutory or regulatory frameworks.

- Where we accept tax incentives offered by a government authority to support investment, employment and economic development, we will seek to implement these in the manner intended by the relevant statutory, regulatory or administrative framework.
- We will only use tax incentives where they are aligned with our business and operational objectives and where they require economic substance.
- Ideally, tax exemptions and reliefs should be specified by law and generally available to all market participants. Where there are exceptions, we will work with relevant authorities to encourage publication of those incentives and contracts.
- We will make data available for governments to assess the revenue and economic impacts of specific tax concessions where appropriate.

Supporting effective tax systems

We engage constructively in national and international dialogue with governments, business groups and civil society to support the development of effective tax systems, legislation and administration.

- We give constructive input to industry groups, governments and other external bodies (e.g. OECD and the EU) and engage with civil society on tax issues in order to contribute to the development of future tax legislation and practice.
- We support initiatives to help develop the capability of tax authorities and systems if requested.
- We promote responsible tax practices which are in line with The B Team Responsible Tax Principles through our involvement in industry associations and other governmental or external bodies and, where appropriate, through our relationships with suppliers, contractors and customers.

Transparency

We provide regular information to our stakeholders, including investors, policymakers, employees, civil society and the general public, about our approach to tax and taxes paid.

- A tax strategy or policy, including details of governance arrangements, our tax risk management strategy and our approach to dealing with tax authorities.
- A regular update on our progress and key issues related to our tax strategy and principles.
- An overview of our group structure and a list of all entities, with ownership information and a brief explanation of the type and geographic scope of activities.
- An explanation of why we have subsidiaries, branches and joint ventures operating in low-tax jurisdictions.
- Annual information that explains our overall effective tax rate and gives information on the taxes we pay at a country level, together with information on our economic activity.
- Information on financially-material tax incentives (e.g. tax holidays) where appropriate, including an outline of the incentive requirements and when it expires.
- An outline of the advocacy approach we take on tax issues, the channels through which we engage in regard to policy development and the overall purpose of our engagement.

Read more about Shell Responsible Tax Principles on **Shell.com**.

Compliance

We are committed to compliance. We seek to comply with the letter and the spirit of the tax laws wherever we have a taxable presence. We expect to pay tax on profits where the business activity took place. When available and appropriate, we use tax incentives and exemptions.

Our aim is to take sustainable tax positions in support of our business investments, many of which are of a long-term nature. We plan our tax activities efficiently within boundaries set by our principles and overall tax strategy, and balance this with the aim of preserving value for shareholders. We do not define an acceptable level of tax risk, but rather we aim for certainty on tax positions.

Where tax law is unclear or subject to interpretation, we evaluate whether our position is more likely than not to be upheld and, where appropriate, seek an external opinion. We also escalate these uncertain tax positions to the Tax Leadership Team for their review and advice to the business.

We seek to resolve uncertainty in the interpretation of tax laws directly with tax authorities, including through advance tax agreements. We may also seek a co-operative compliance approach, which involves regularly and proactively engaging with tax authorities and providing them with real-time information before filing the tax return.

These arrangements offer an opportunity for early resolution, minimising the risk of future disputes. Where necessary, we will seek a clear resolution through the judicial system to test the legal principle of the tax law concerned.

Our tax and finance staff supported the filing of around 43,000 tax returns in 2023. We aim to adhere to international best practices and aim for accuracy and timeliness when we fulfil our tax filing obligations.

Our tax control framework, policies and guidelines set out the standards, controls, risk management and assurance that establish boundaries for our tax activities. Our tax control framework helps us to identify tax risks and sets out practical guidance for our staff, including the procedures for considering tax risks.

All ventures that we operate must conduct their activities in line with our business principles. The tax control framework is part of the Shell Performance Framework, which applies to each Shell entity, including its employees and contract staff, and to Shell-operated ventures. We monitor the adequacy of our system of risk management and internal controls throughout the year.

Our tax and data systems evolve continuously to deal with the growing demand for information from authorities.

We do not condone, encourage or support tax evasion. Compliance with all applicable laws and regulations of the countries in which we operate is embedded in the Shell General Business Principles and the Shell Code of Conduct. Employees, contract staff and third parties with which Shell has a business relationship may raise ethical and compliance concerns, anonymously if preferred, through the Shell Global Helpline.

We regularly monitor relevant changes and developments in tax systems. We review our corporate and financing structures to confirm that our presence in all countries, including low-tax jurisdictions, is grounded in substantive and commercial reasons.

Shell may seek the support of an external adviser where specialist technical expertise is required that is not available within Shell or where additional resources are required.

Our participation in the development of The B Team Responsible Tax Principles reflects our ambition to align our tax strategy more closely with emerging best practice. Our Tax Contribution Report and future publications aim to demonstrate how we are applying our Responsible Tax Principles.

Open to dialogue

We welcome the opportunity to work with others in areas of shared interest. Our approach to tax considers the interests of relevant stakeholders. Through engagement with thought leaders, other companies, investors and civil society, we stay informed of developments that may impact our business.

We also 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 and Business at OECD, an international business network.

> Tax is crucial to the effective functioning of societies around the world. Shell believes in paying taxes and being transparent about the taxes we pay in the countries where we operate. We are open to dialogue with governments and will continue to share details of our tax affairs through our annual Tax Contribution Report.
>
> In our report, we also share our views on tax developments and emerging trends, including fiscal frameworks for the energy transition, where tax has a vital role to play. For the transition to be fair and just, governments, industry and society must all play a role.
>
> **Christopher Rice**
> Executive Vice President Taxation and Corporate Structure

Read more in **Advocacy**.

Tax transparency timeline

We aim for an open dialogue on tax matters with governments, policymakers, businesses, investors and civil society. Since 2003, we have taken steps to be more transparent about the taxes we pay.

Tax transparency timeline

2003

- One of the initiators of the Extractive Industries Transparency Initiative.

2012

- First voluntary publication of tax payments in 14 countries.
- Publication of Shell's Approach to Tax.

2016

- First publication of Payments to Governments Report in line with European regulations (covering exploration and production activities).

2017

- Publication of Shell UK Tax Strategy and Statement on Tax Evasion.
- Shell's first country-by-country report submitted to tax authorities.

2018

- Pilot International Compliance and Assurance Programme (ICAP).
- Shell commits to The B Team Responsible Tax Principles.

2019

- First publication of Shell's Tax Contribution Report.

2022

- Shell helps develop and signs up to the Tax Governance Code in the Netherlands with members of the VNO-NCW industry association.

Intra-group transactions

Our businesses are supported by many services, including information technology, finance, legal and human resources. We organise most of these services centrally to share specialist expertise and make efficient use of resources.

Central functions

Headquarters and central functions provide business support in communications, finance, health, human resources, information technology, legal services, real estate and security. For example, central services could include a human resources team developing global training programmes or an information technology team purchasing software used across Shell.

The centralisation of services enables us to support our businesses by bringing together and sharing specialised expertise and advice, while reducing costs. The costs of such centralised services are incurred in direct support of business operations and need to be charged fairly to the Group entities benefiting from these activities. This is known as transfer pricing and is closely monitored by governments and tax authorities. They check that costs like these are charged appropriately and only once.

Allocation of costs

Shell's centralised services and business service centres charge fees for services that provide a benefit for the receiving entities and which these entities would have been willing to pay a third party to provide. Shell's operating companies using centralised services pay a fee, which is based on the actual cost of providing the services. The cost of these services needs to be charged fairly to the entities benefiting from the services.

All Group entities should bear their fair share of the costs. Costs are not excessively charged to entities in higher-tax jurisdictions where they could be deducted and used to manipulate taxable profit to a lower level. In cases where there is just one recipient of a service, the entity pays a direct fee for the service it has received based on the actual cost of the service. However, if there are different entities receiving the same service, they share the cost. Their share is allocated proportionately based on an appropriate measure of the use of the service, for example capital and operating expenditure, staff employed or orders processed.

Shell's service cost allocation system, including the proportionate allocation of costs, is set up and operated in accordance with the guidance provided by the OECD.

Shell Business Operations

- **Business service centres:** Our businesses are supported by business service centres around the world. The choice of location for these centres is based on available expertise and costs, which compare favourably with alternative outsourcing solutions. The centres provide significant employment opportunities with around 23,000 staff worldwide in 2023. Some of their activities benefit from local tax exemptions where, for example, certain employment levels are met.
- **Information technology (IT):** IT provides capabilities that improve the way we do business. IT services are centralised in India and Malaysia.
- **Human resources (HR):** HR focuses on reviewing, monitoring and guiding the business processes and systems that affect our employees, such as staff recruitment, onboarding, retention and motivation. Human resources services are centralised in Malaysia, the Philippines and Poland.
- **Legal:** The Global Operations team within Legal is located within the Shell Business Operations business service centres, and it provides legal advice and support to many portions of the businesses and functions. This team within Legal is centralised in Malaysia and Poland.
- **Finance and data operations:** These provide the businesses with access to reliable data and analysis of their financial profiles and performance, as well as accounting, tax return and billing services. Finance and data operations are centralised in India, Malaysia, the Philippines and Poland.

Insurance

Shell, like other major oil and gas companies, self-insures most of its exposures to hazard risks. Our Group insurance companies are wholly owned subsidiaries. They provide insurance coverage to our subsidiaries and entities in which we have an interest, including those that are not controlled by Shell.

Shell's principal insurance company, Solen Versicherungen AG (Solen), is incorporated and taxed in Switzerland where we employ qualified insurance specialists to manage our insurance activities. This includes underwriting, risk management, claims handling and balance sheet management. Solen does not outsource any of its critical business functions.

Solen is licensed and subject to insurance legislation relating to the conduct of an insurance business in Switzerland. It is regulated by the Swiss Financial Market Supervisory Authority (FINMA) and is subject to the same rules (including solvency requirements) as a Swiss commercial insurer.

Treasury

Daily Treasury operations include managing the Group's cash, liquidity and foreign exchange requirements for the different currencies that are needed by Shell around the world. Treasury also advises on the financing of Group subsidiaries and joint ventures and manages the Group's surplus funds and external bank accounts. It is also responsible for issuing external and internal guarantees to ensure contractual and regulatory obligations are met and that Shell's licence to operate is maintained.

Oil, gas and renewables projects, which can take years to develop, need significant capital. Our operating companies require a balance between equity and long-term loan funding. We have three Treasury centres located in the UK, Singapore and the USA to provide short-term financing and take deposits from Group companies. We also have Treasury companies that provide long-term financing, primarily out of the UK, the Netherlands, Singapore and the USA.

Treasury reviews the funding needs of Shell's operating companies around the world on a case-by-case basis to ensure there is an appropriate mix of equity and debt. Treasury manages deposits from operating companies that generate cash. This cash, the returns from operating companies plus external debt, is used to provide long- and short-term funding, including loans with interest due and paid as if these loans had been sourced from external financial markets or institutions.

Related-party lending, borrowing, guarantee offers and acceptance, and governance processes are decided by the lending and borrowing companies respectively, independently and on a stand-alone basis.

Intellectual property

Shell companies have access to specialist expertise in long-term brand building, consistent brand strategy and global marketing campaigns. Local operating companies focus on local execution and on shorter-term marketing strategies tailored to their markets.

Centralised services provide advice on all intellectual property including patents, industrial design, copyright and trademarks.

Our approach to transfer pricing

Transfer pricing refers to the setting of prices for goods and services sold between related entities within a group. Shell applies the internationally recognised arm's length principle, where profits from the sale of goods or services are allocated to the countries where the relevant economic activity takes place and cannot be artificially taken somewhere else. The arm's length principle ensures that individual group members are taxed on their transactions with each other, as if they were comparable independent enterprises operating in the open market under similar circumstances.

Shell also follows the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, as incorporated in applicable local tax laws. The guidelines outline transfer pricing methods that can be used to apply the arm's length principle in practice. These methods are applied consistently across the Group.

Shell has a structured approach to transfer pricing accountabilities and responsibilities. The responsibility for transfer pricing matters lies with Shell's global and finance operations transfer pricing teams. The global team provides support to Shell businesses, assists in any engagement with tax authorities and gives guidance for projects. The finance operations team focuses on compliance, including the preparation of documents according to OECD recommendations and country regulations.

Tax compliance

Shell invests significant time and resources in building processes to support accurate and timely compliance with tax legislation. We are committed to complying with the tax legislation of the many countries where we operate and seek to establish constructive relationships with tax authorities.

Our tax compliance activities in 2023

By region and type of return

	Africa	Americas	Asia-Pacific	Europe	Middle East
Indirect tax returns	188	17,764	11,212	8,290	178
Direct tax returns	37	4,553	421	375	46
Number of payments	100	13,299	3,804	6,622	66

In 2023, Shell filed around 5,400 direct tax returns and about 37,600 indirect tax returns. We filed these on time in almost 100% of cases. We also processed more than 23,800 separate tax payments. Occasionally, tax returns are submitted late. When this is the case, we carefully monitor the reasons, learn from them and pay any applicable late-filing fees. If we identify errors in our filings, we seek to address these with the relevant tax authorities.

Around 650 trained staff prepare, file and process our tax returns and payments. They are based in our business service centres in Poland, India, Malaysia and the Philippines. We also rely on a global team of around 280 tax experts who advise the business according to the Shell Responsible Tax Principles and our tax control framework. Where appropriate, we run training sessions for non-tax staff who need to be aware of tax compliance requirements.

Read more in **Shell Responsible Tax Principles**.

Assurance and controls

Our Tax function supports the business in delivering on priorities and understanding tax risks. We seek to submit accurate tax accounting data and tax returns, in compliance with the letter and spirit of the applicable laws, wherever we have a taxable presence. Our tax control framework, policies and guidelines set out the standards, risk management, controls and assurance processes that establish boundaries for our tax activities. The framework helps us to identify tax risks and sets out practical guidance for our staff, including the procedures for considering tax risks.

All ventures that we operate must conduct their activities in line with our Shell General Business Principles. The tax control framework is part of the Shell Performance Framework, which applies to every Shell entity, including its employees and contract staff, and to Shell-operated ventures. We monitor the adequacy of our system of risk management and internal controls throughout the year. External auditors regularly review our tax controls as part of the audit of our financial results.

Tax authorities in several countries, including the UK and the Netherlands, have granted Shell entities Authorised Economic Operator (AEO) status for customs duties. AEO is an internationally recognised status which indicates that Shell operates secure supply chains and has a strong compliance framework when it comes to customs processes and controls. One of the benefits of having AEO status is reduced reliance on physical and document-based customs controls.

We do not condone, encourage or support tax evasion. Compliance is embedded in the Shell General Business Principles and the Shell Code of Conduct. Employees, contract staff and third parties with which Shell has a business relationship may raise ethical and compliance concerns, anonymously if preferred, through the Shell Global Helpline.

Dealing with uncertainty

Our aim is to take sustainable tax positions in support of our business investments, which may be of a long-term nature. When we apply tax legislation, we do so with the reasonable expectation that our interpretation will be upheld in court. Sometimes, the law or how to apply it is unclear to taxpayers.

The countries in which we operate have differing degrees of political, legal and fiscal stability. This exposes us to a wide range of political developments that could result in changes to contractual terms, laws and regulations. We continually monitor geopolitical developments and societal issues relevant to our interests. In situations where the tax law and how to apply it are unclear, we will first seek to find clarity by talking to the tax authority and sharing our understanding of the application of the law.

There are a number of ways in which a lack of clarity can be resolved. One such solution is a co-operative compliance arrangement, where businesses and tax authorities proactively discuss how to resolve uncertainty before the tax filing occurs. Tax authorities in different countries can hold conflicting views about how the taxation of multinational enterprises should be interpreted or applied. When this lack of clarity occurs within a tax treaty or agreement between countries, we may use a mutual agreement procedure where the authorities aim to resolve the issue between themselves.

If we are still unable to reach an agreement with an authority on any matter of tax, we may have to test the legal principle of the tax law concerned through the judicial system. However, we take this approach only when other options have not provided a resolution. If uncertainty remains on tax law and how to apply it, investment decision-making may be impacted as different scenarios would need to be factored into the investment appraisal process. This could potentially make it more difficult to make a positive investment decision.

Tax liabilities are recognised when it is likely that there will be a future payment to a taxing authority. In such cases, a provision is made for the amount that is expected to be paid. We determine these provisions based on the most likely amount or the expected value, whichever method is more appropriate.

Generally, uncertain tax treatments are assessed on an individual basis unless they are expected to be settled collectively. Provisions for taxes on uncertain income can be examined by tax authorities. A change in an estimate would be recognised in the income for the period in which the change occurs.

Compliance with transparency initiatives

We continually review our tax disclosures for compliance, taking into account transparency initiatives. We also provide constructive input to industry groups and international organisations, such as the EITI and The B Team Responsible Tax Working Group.

We seek to comply with transparency standards including the Global Reporting Initiative (GRI). The GRI has set out sustainability reporting standards that aim to help companies report more transparently on their environmental, social and governance performance. In 2021, the GRI introduced the GRI 207 standard which encourages companies to publicly and comprehensively disclose country-by-country corporate income tax payments. GRI 207 provides best practice reporting guidance. We have publicly disclosed country-by-country income tax payments, according to OECD guidelines, since we published our Tax Contribution Report for 2018.

In 2021, the European Union's Public CbCR Directive came into force. Even though Shell is headquartered in the UK (which is no longer part of the EU), the directive applies to multinational enterprises headquartered outside the EU, providing they exceed the materiality threshold and their EU presence includes medium-sized or large subsidiaries (as defined in Directive 2013/34/EU), or branches comparable in terms of net turnover. Shell fulfils these requirements. The EU required member states to implement the directive by June 2023, with the first reporting period being the financial year starting on or after June 22, 2024. We will continue to review and improve our tax disclosures so that they are meaningful to our stakeholders.

Advocacy

We believe it is important to hold open dialogue on fiscal matters and we advocate fair, effective and stable tax systems. Shell advocates on tax matters to manage the risks and opportunities in a fiscal environment that is constantly changing. As we implement our Powering Progress strategy, we consider all fiscal changes to understand what we need to do to meet compliance and transparency requirements.

Our advocacy covers taxes that are relevant to Shell in the jurisdictions where we operate. As more taxes are introduced, it is important for businesses to engage with policymakers to help them understand the combined impact of new and existing taxation on business. This can help minimise unintended consequences and maintain a stable, sustainable and competitive fiscal environment.

Shell recognises that any advocacy should not improperly influence decisions and should never be misused for any corrupt or illegal purpose. Shell companies do not make payments to political parties and organisations or their representatives and do not participate in party politics.

Governments are responsible for their fiscal policy and resulting laws. We respect the roles and responsibilities of the institutions and organisations we engage with.

Supporting effective tax regimes

We advocate fair, effective and stable tax systems because they reduce uncertainty for both governments and companies. Such tax systems help countries develop sustainable budgets and help companies manage their investments more effectively.

We support a transparent and co-ordinated approach to improving the global tax system where countries work together, build consensus and agree on applicable legislation.

Proposed tax policies should be targeted and proportional. For instance, double taxation of multinational companies should be avoided, as it could deter investment, which could negatively impact employment and economic growth for the countries or regions involved.

Governments may seek input from different stakeholders through public consultation when they design tax policies. We believe it is important to hold an open dialogue on fiscal matters as new legislation should be effective, practical to administer and should facilitate the collection of taxes. For example, we continue to support the implementation of government-led carbon pricing systems, including carbon taxes, and recognise them as an essential tool for reducing emissions and tackling climate change.

Shell typically advocates through national and international trade associations. If and when appropriate, we advocate directly with policymakers and in line with local legal, regulatory and other requirements.

Read more in **The global tax landscape**.

Fiscal frameworks for the energy transition

Society faces a dual challenge: it must transition to a low-carbon energy system to manage the risks of climate change, while still providing a secure and affordable supply of energy.

Fiscal policy plays a crucial role in facilitating the energy transition. Taxes are one of the tools that governments can use to raise revenues, encourage behaviour change and incentivise investment in low-carbon products and their use.

In setting fiscal policy, governments may face competing priorities. On the one hand, they may wish to use tax incentives to reduce greenhouse gas emissions by encouraging investment in renewable energy and new technologies. On the other hand, they may also need to secure energy supply and raise revenues for public spending.

As the energy transition gathers momentum, governments may also need to consider tax policies that can help them manage potentially lower revenues from the declining use of fossil fuels. Shell supports stable fiscal regimes which attract investment, including in new technologies that facilitate the energy transition and support sustainable government budgets.

We suggest that fiscal policies for the energy transition should be based on the following principles:

Achieve climate objectives

- Be effective in influencing supply and demand for clean energy, through carbon taxes and investment incentives such as those for R&D expenditure.
- Remain aligned with broader energy transition policies, taking account of non-fiscal instruments such as regulations and subsidies.
- Be evidence-based, which includes economic modelling and scenarios analysis.

Support investment and maintain energy security

- Be predictable and stable, providing clarity on the taxing of future income through long-term frameworks.
- Be flexible, with innovative mechanisms to address volatility.
- Be simple to apply and administer.

Meet government revenue needs

- Generate revenues through fiscal interventions that meet government revenue requirements.
- Recycle revenues by combining fiscal policies that address economic growth and income distribution concerns.

Contribute to a just and equitable energy transition

- Meet the specific issues and needs of countries and communities.
- Include measures that effectively address the needs of vulnerable impacted groups.
- Allow for international collaboration to meet energy transition goals.

Transparency

The Shell General Business Principles define our core values, our responsibilities and the principles and behaviours by which we do business. In all that we do, employees are bound by the Shell General Business Principles and the Shell Code of Conduct.

As part of these principles, everyone engaged in Shell's business, including in tax-related activities, must comply with the anti-bribery and corruption laws of the countries where we operate as well as those that apply across borders. This has been made explicit in our Corporate Political Engagement statement.

In the context of advocacy activities:

- Shell senior executives, including tax and government relations professionals, lead our tax advocacy activities.
- We participate in industry groups that advocate on behalf of businesses.
- We report on our advocacy activities in line with legal and regulatory requirements in the countries where we operate.
- In the EU and the USA, we report on costs relating to advocacy activities in line with the requirements and guidelines set out in the EU Transparency Register and the US Lobbying Disclosure Act. These submissions are publicly available.

Our work with the EITI

We are a founder and board member of the Extractive Industries Transparency Initiative (EITI).

The EITI is the global standard for the good governance of mining and oil and gas resources, which aims to promote understanding of natural resource management, strengthen public and corporate governance and accountability, and provide the data to inform policymaking and dialogue in the extractive sector.

The EITI provides a platform for governments, non-governmental organisations and companies to disclose information that supports greater transparency and responsibility in the extractive sector, including the oil and gas industry.

As a supporting company of the EITI, Shell is committed to advance transparency and good governance in the extractive sector.

We participate in the governance of the EITI internationally as a board member and at a national level through our involvement with several country stakeholders.

Photo: Aerial photograph of the Timi platform in Malaysia before operations started in 2023.

Read more in **Shell Responsible Tax Principles**.

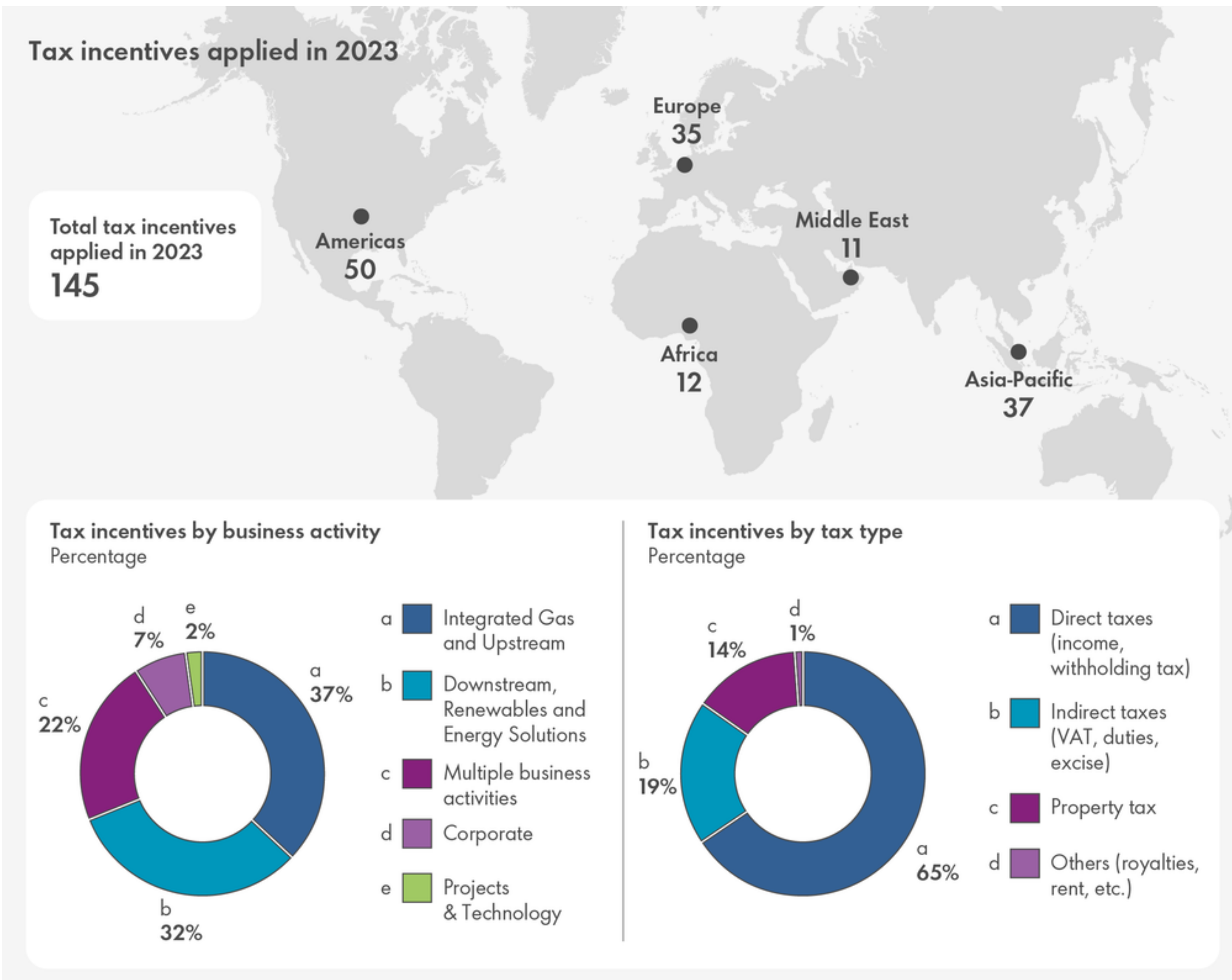
Tax incentives

Governments offer tax incentives to support investment, employment or economic development. We seek to ensure that tax incentives are transparent and consistent with statutory and regulatory frameworks before deciding whether to make use of them. We only make use of incentives where they are aligned with our business and operational objectives and where we have a qualifying business activity.

We continually review our approach to tax incentives because we believe that greater transparency promotes a better understanding of what tax incentives are designed to achieve. If there is uncertainty, we will seek to engage with the relevant authorities to agree that the implementation of any incentive meets a government's intended policy objectives.

Ideally, incentives should be specified by law and generally available to all market participants. However, sometimes governments offer companies incentives that are specific to a contract and not widely available to other market participants. We will use these incentives if they align with the Shell Responsible Tax Principles and, if there is any uncertainty, we will escalate a decision to the Shell Tax Leadership Team through our Shell Tax Escalation Procedure, which is part of our tax control framework.

If we decide to use an incentive that is not specified by law and is not generally available to all market participants, we encourage the relevant authorities to make details of these incentives publicly known.



Tax incentives and investment decisions

Tax incentives play an important role as a policy tool for governments and are a key component of taxpayers' investment decisions. Where appropriate and in line with the Shell Responsible Tax Principles, we consider the economic value of an incentive when assessing the viability of a new business opportunity. In some cases, for example in relation to solar or wind projects, we may have several similar opportunities in different locations around the world and only a limited amount of capital available to spend. The greater the similarities between these opportunities, the more influential an incentive may be in determining where capital is ultimately invested.

Pillar Two of the OECD's global taxation framework applies a global minimum tax rate of 15% on multinational companies and this could impact the effectiveness of any given tax incentive.

However, because Pillar Two applies on a jurisdictional basis, its impact will be determined by our overall tax position in the country concerned. For example, in a country where some of our income from our Downstream business is exempt from taxation because of an incentive, but profits from our Upstream business are subject to a high tax rate, the latter may raise our overall effective tax rate above 15%. As a result, our Downstream business income would not give rise to additional Pillar Two tax.

Although any tax incentive may continue to achieve its policy goals under Pillar Two, we expect governments to use refundable tax credits, grants and subsidies in the longer term as a means of incentivising investment.

Shell also receives country-specific incentives to support initiatives such as economic development or specific policies. Our 2022 Tax Contribution Report provides examples of some of the country-specific incentives we use.

Read more about Pillar Two in **The global tax landscape**.

Read more in **Shell Responsible Tax Principles**.

Read more about tax incentives in **Shell's 2022 Tax Contribution Report**.

Low-tax jurisdictions

Low-tax jurisdictions, so-called tax havens, are typically considered to mean countries with significantly lower effective tax rates compared with the average rates offered by other countries. In some cases, the corporate income tax rate is zero. Governments have a sovereign right to determine tax matters in their countries and sometimes set low corporate income tax rates to attract investment from outside their borders.

Shell has a taxable presence in 99 jurisdictions, with different tax regimes and varying corporate income tax rates. When we are present in low-tax jurisdictions, we are there for commercial reasons, such as crude oil trading and retail sites. These reasons can also include the presence of companies that hold investments or perform other services we need such as pensions, finance and insurance. In line with the Shell Responsible Tax Principles, we do not use these jurisdictions to avoid tax on activities that take place elsewhere.

When we invest in a country, we consider factors which include access to local or regional markets, the stability of the political, regulatory and social environment, local infrastructure and workforce. We also consider the overall costs of operation and the attractiveness and stability of a country's fiscal regime. However, the investment must first meet our strategic, business or operational aims.

Reviewing entities in low-tax jurisdictions

Since 2021, a review of Shell-controlled and Shell-operated entities incorporated or present in low-tax jurisdictions has become an annual exercise undertaken by the country tax manager in each low-tax jurisdiction. The reviews are conducted against the Shell Responsible Tax Principles. The review forms part of our tax control framework and provides assurance that Group structures in low-tax jurisdictions continue to be there for commercial reasons. This exercise also identifies opportunities for liquidation and restructuring, for example in respect of new acquisitions or as the list of low-tax jurisdictions evolves.

Our reviews identify entities that are no longer active and can be liquidated as a matter of good corporate governance. We also identify entities that can be restructured and held or operated from another jurisdiction. In other cases, our reviews conclude that the entities could remain in low- or zero-tax jurisdictions because there is a commercial reason for being there.

As at the date of publication, we have liquidated 33 legal entities in low-tax jurisdictions since 2019, including in Bermuda and Saint Lucia, and we are in the process of liquidating 19 others.

New global minimum tax framework

The OECD's Pillar Two framework, which came into effect in January 2024, requires multinational companies to pay at least 15% tax on the profits they make in each jurisdiction where they operate. In response, governments of some low-tax jurisdictions are introducing minimum tax rates. We are participating in consultations with countries to support their implementation of the new tax rules.

As a result of Pillar Two, countries will be less able to use low tax rates to attract investment. Instead, tax competition between jurisdictions is likely to focus on other factors, such as the stability of the tax regime and attractiveness of the broader investment climate. When reviewing business opportunities in such jurisdictions, we will consider these factors in line with the Shell Responsible Tax Principles.

Read more in **Shell Responsible Tax Principles**.

Our tax data

This section provides a breakdown of our country-by-country reporting, including revenues, profit before tax and corporate income taxes paid.

Introduction to country-by-country reporting (CbCR)

In this report, we disclose our CbCR data for jurisdictions in which we have a taxable presence and where we report financial figures.

The Tax Contribution Report differs from our Payments to Governments Report which provides a consolidated overview of the payments to governments made by Shell plc and its subsidiary undertakings arising from upstream activities including exploration, development and extraction of minerals, oil and natural gas deposits. These payments include taxes, production entitlements, royalties, bonus payments, fees and infrastructure improvements. The Payments to Governments Report refers to taxes on the income, production or profits of companies, and excludes taxes levied on consumption, such as value added taxes, personal income taxes or sales taxes. Payments made through the operator of the venture, where Shell is not the operator, are not included. Where Shell is the operator, we report 100% share, if Shell is making the payment for the whole venture. Payments made by entities where Shell has joint control are excluded. Where made, these payments have been referenced under each applicable country.

The OECD developed and implemented CbCR in 2017 and all large multinational enterprises are required to file reports with tax authorities. The nature of our business varies and we can have more than one kind of activity wherever we are present. Under OECD rules, CbCR is prepared using aggregated financial data. It is therefore not always possible to draw conclusions about a single entity, business or venture.

This report shows aggregated country data for entities that are consolidated or proportionally consolidated in the Annual Report and Accounts 2023. In accordance with CbCR rules, the financial data of non-consolidated entities in a country – such as their profit before tax – are excluded from this report. However, where applicable, Shell's accumulated earnings in that country include data reported by a consolidated entity for its interest in a non-consolidated entity.

Shell uses International Financial Reporting Standards data and US dollars as the reporting currency in its CbCR. The main data source is the consolidated Group reporting system, but reliance is also placed on data from local accounting systems for specific items.

The OECD requires certain data to be included in CbCR:

- **Revenues:** Revenues are disclosed as a split between those from related parties and those from third parties. For CbCR, third parties would include non-consolidated joint ventures and associates for the purposes of our Annual Report and Accounts 2023. Third-party revenues include sales of products, interest income, dividend income and other income. Related-party revenues include transactions between consolidated Group entities. For example, related-party revenues arise if our Trading organisation buys oil or gas from our Upstream organisation and sells it to our Downstream organisation. Within one country or location, many of these related-party transactions may occur, as Shell entities buy and sell goods or provide and receive services, to or from each other. Shell includes all these transactions in its aggregated CbCR data. For example, feedstock could be sold to a refinery, refined and then processed further in a chemical plant before being traded by Shell. This can occur within one country or location. In this case, each of these sales between different entities would be counted as related-party revenues. These can represent large amounts.
- **Profit before tax:** Profit or loss before tax is reported in Shell's Consolidated Statement of Income. This is the profit or loss calculated using Group accounting policies. Local statutory accounts may need to comply with local accounting standards which may be different. The local statutory accounting profit or loss is the basis for the calculation of taxable profits in individual jurisdictions. Local tax laws are then applied to the profit or loss. Profit before tax shows the Group accounting result rather than the profits subject to tax after compliance with local tax laws. In accordance with CbCR rules, the financial data of non-consolidated entities in a country – such as their profit before tax – are excluded from this report. However, where applicable, Shell's accumulated earnings in that country include data reported by a consolidated entity for its interest in a non-consolidated entity.
- **Corporate income tax paid:** This comprises corporate income tax paid in 2023, as recorded in Shell's Consolidated Statement of Cash Flows, and includes accrued withholding taxes on dividend, interest and royalty payments to Shell entities. In some cases, this may include payments made in relation to previous years or future years as tax payments are often made in arrears or in advance. It does not include withholding taxes collected by Shell on dividends paid to shareholders. Nor does it include corporate income tax paid by non-consolidated joint ventures and associates.
- **Corporate income tax accrued:** This comprises the amount of corporate income tax for 2023, recorded as current-year tax in Shell's Consolidated Statement of Income, and includes withholding tax accrued. It does not include prior-year adjustments, deferred tax or provisions for uncertain tax liabilities.
- **Stated capital:** This information is sourced from local statutory accounts and is the amount of money invested in return for shares. The OECD rules require aggregated data, including for stated capital. This means that when a holding company invests in a subsidiary, which then invests in another subsidiary, all within the same country, each of those investments is counted and aggregated.
- **Accumulated earnings:** Accumulated earnings reflects the profits retained and not used for any other purpose, such as to pay dividends to shareholders. In accordance with CbCR rules, the financial data of non-consolidated entities in a country – such as their profit before tax – are excluded from this report. However, where applicable, Shell's accumulated earnings in that country include data reported by a consolidated entity for its interest in a non-consolidated entity.
- **Tangible assets:** The data reported in line with CbCR comprise property, plant and equipment, and inventories as at the closing balance sheet date on December 31, 2023.
- **Number of employees:** This is the average number of employees in the year, including permanent and temporary staff on long-term contracts. Some of our businesses are labour-intensive. Others, such as holding companies which hold shares in subsidiaries or joint ventures, are not.

Read more in **Payments to Governments Report 2023**.

Country reports

Australia

Employees
3,541

Third-party revenues **$4,093,498,480**	Total revenues **$16,690,963,799**	Corporate income tax paid **$1,399,473,001**	Stated capital **$64,563,458,619**	Tangible assets **$28,183,994,352**
Related-party revenues **$12,597,465,319**	Profit before tax **$2,571,188,598**	Corporate income tax accrued **$1,030,803,305**	Accumulated earnings **$(2,935,223,750)**	Other payments to governments **$519,756,418**

Shell's footprint

Shell began operations in Australia in 1901. Shell has invested heavily in its Australian portfolio, which today spans onshore and offshore natural gas and liquefied natural gas (LNG) exploration and development, wholesale trading, power retailing and energy solutions, gas and solar power generation, onshore wind development, battery storage, and carbon farming and abatement activities. In 2023, Shell sold its interests in the Browse offshore gas project in Western Australia and in ESCO Pacific, a renewables developer in Australia.

Shell in Australia comprises two corporate income tax groups with parent companies Shell Energy Holdings Australia Limited and QGC Upstream Holdings Pty Ltd.

Country financial analysis

The statutory corporate income tax rate in Australia is 30%. Shell's 2023 revenue was mainly derived from sales of LNG, condensate, liquefied petroleum gas, domestic gas and power. Lower prices in 2023 led to overall reduced revenues for the year. In 2023, Shell in Australia had higher taxable income compared to accounting profits, primarily resulting from asset impairments. Shell did not receive tax relief for these impairments. The corporate income tax paid figure for 2023 includes adjustments relating to previous years. Our Payments to Governments Report for 2023 shows that Shell also paid around $520 million in royalties, fees and infrastructure improvements.

Read more in **Payments to Governments Report 2023**.

Bahamas

Employees
44

Third-party revenues **$9,452,135,006**	Total revenues **$29,441,778,972**	Corporate income tax paid **–**	Stated capital **$200,000**	Tangible assets **$1,205,378,997**
Related-party revenues **$19,989,643,966**	Profit before tax **$1,595,186,574**	Corporate income tax accrued **–**	Accumulated earnings **$3,004,373,960**	Other payments to governments **–**

Shell's footprint

Shell has been present in The Bahamas since 2002. As of 2018, Shell's principal business in The Bahamas is Shell Western Supply and Trading Limited (SWST). SWST sources crude oil from West Africa and Latin America, and trades globally.

Country financial analysis

The Bahamas does not impose corporate income tax on international business companies operating in the country. However, international business companies pay indirect taxes and fees in The Bahamas.

Barbados

Employees
0

Third-party revenues **$0**	Total revenues **$0**	Corporate income tax paid **$0**	Stated capital **$601,162,338**	Tangible assets **$4,074,243**
Related-party revenues **$0**	Profit before tax **$(7,014,023)**	Corporate income tax accrued **$0**	Accumulated earnings **$(373,053,174)**	Other payments to governments –

Shell's footprint

Shell has been present in Barbados since 1982. Shell Trinidad and Tobago Resources SRL (a Barbados-incorporated entity) holds an interest in several production-sharing contracts in Trinidad and Tobago (see Trinidad and Tobago for more details). In addition, Shell owns a participating interest in exploration licences for two deep-water blocks off the south-east coast of Barbados.

Country financial analysis

The statutory corporate income tax rate in Barbados varies from 0% to 5.5%, depending on the type of business activity and level of income in the entity. Petroleum profits are taxed under a separate regime and subject to a profit tax of up to 30%. Profits from the operations of Shell Trinidad and Tobago Resources SRL in Trinidad and Tobago are not taxable in Barbados. The loss reported in 2023 relates to exploration activities.

Bermuda

Employees
3

Third-party revenues –	Total revenues **$29,052,686**	Corporate income tax paid –	Stated capital **$1,840,882,526**	Tangible assets –
Related-party revenues **$29,052,686**	Profit before tax **$36,508,690**	Corporate income tax accrued –	Accumulated earnings **$121,354,741**	Other payments to governments –

Shell's footprint

Shell has been present in Bermuda for more than 70 years with reinsurance and pension fund companies incorporated there. These companies perform activities, such as filing company accounts, managing pension investments and administration. We also have companies in Bermuda which have branches in Malaysia, Oman, Qatar and the UAE. This is because some countries do not allow foreign companies to establish corporate entities, but do allow operations and activities through branches of entities registered or incorporated elsewhere.

Country financial analysis

In 2023, Bermuda passed legislation to introduce a 15% corporate income tax which will apply to Bermuda businesses that are part of multinational enterprises. The corporate income tax will take effect on January 1, 2025.

Shell companies in Bermuda that have international activities through branches in other countries are subject to the applicable tax laws in the countries where those activities take place.

Brazil

Employees
878

Third-party revenues **$254,201,329**	Total revenues **$10,772,468,141**	Corporate income tax paid **$613,518,508**	Stated capital **$3,058,255,386**	Tangible assets **$25,893,455,342**
Related-party revenues **$10,518,266,812**	Profit before tax **$619,444,505**	Corporate income tax accrued **$742,266,621**	Accumulated earnings **$(7,159,168,155)**	Other payments to governments **$3,230,899,456**

Shell's footprint

Shell has been active in Brazil since 1913 and has upstream, downstream and renewables activities. Shell is one of the largest international investors in Brazil's deep-water oil fields. We have a 44% stake in Raízen, one of the world's largest producers and blenders of biofuels, producing around 3 billion litres per year.

Country financial analysis

The statutory corporate income tax rate in Brazil is 34%. In 2023, Shell paid $614 million in corporate income tax. Shell in Brazil's profit decreased in 2023 compared with 2022, in part as a result of lower energy prices. In 2023, Shell made use of a tax incentive in Brazil that allows companies to support culture and sport with up to 1% of their taxable income. As a result, Shell directed $16 million of its tax due to support the initiative. Our Payments to Governments Report for 2023 shows that Shell paid around $3.2 billion in production entitlements, royalties, bonuses and fees.

Read more in **Payments to Governments Report 2023**.

Canada

Employees
3,601

Third-party revenues **$15,533,467,120**	Total revenues **$31,684,037,291**	Corporate income tax paid **$362,120,394**	Stated capital **$53,766,915,374**	Tangible assets **$17,408,947,687**
Related-party revenues **$16,150,570,171**	Profit before tax **$(737,505,255)**	Corporate income tax accrued **$184,957,013**	Accumulated earnings **$(4,099,508,023)**	Other payments to governments **$81,710,696**

Shell's footprint

Shell has been operating in Canada since 1911. Shell Canada's downstream business is anchored in its Shell Energy and Chemicals Park in Scotford, Alberta. Scotford is a large refining and petrochemical facility that includes a bitumen upgrader, an oil refinery, two chemical plants and the Quest carbon capture and storage facility. Shell's Sarnia Manufacturing Centre in Ontario includes a refinery and chemical plant.

Shell also has trading and supply, aviation, sulphur and lubricants businesses and around 1,500 Shell-branded service stations across the country. In British Columbia, we produce natural gas at our Groundbirch asset. Shell also has a 40% interest in the LNG Canada joint venture, which is expected to start production in mid-2025.

Country financial analysis

The statutory corporate income tax rate for Shell in Canada was 24.3% in 2023. This is a combination of the federal tax rate of 15% and various provincial rates. The combined provincial rate is based on the annual allocation of salaries and revenue to each of the provinces in which Shell Canada does business. The difference between the statutory rate and actual taxes accrued or paid is because capital expenditures result in a deduction for tax depreciation several years in advance of the time at which revenue from production is earned. This means tax losses are generated early in a project, and can be used against the realisation of future revenues. Profits decreased as a result of lower energy prices and impairments. Our Payments to Governments Report for 2023 shows that Shell paid around $82 million in royalties and fees.

Read more in **Payments to Governments Report 2023**.

Cayman Islands

Employees
0

Third-party revenues **$0**	Total revenues **$1,431,548**	Corporate income tax paid **–**	Stated capital **$80,371,113**	Tangible assets **$0**
Related-party revenues **$1,431,548**	Profit before tax **$(17,557)**	Corporate income tax accrued **–**	Accumulated earnings **$(177,245,805)**	Other payments to governments **–**

Shell's footprint

Shell has holding companies in the Cayman Islands. Shell acquired BG Exploration and Production India Limited (BGEPIL) when it acquired BG Group in 2016. BGEPIL is incorporated in the Cayman Islands and has a branch in India. Income earned by BGEPIL's branch in India is subject to tax in India. BGEPIL's exploration and production activities in India ended in 2019 and it is now carrying out decommissioning activities.

Country financial analysis

The Cayman Islands does not apply a corporate income tax. The companies that remain incorporated in the Cayman Islands pay taxes where their activities take place. The revenues of $1.4 million relate primarily to interest earned on financial assets (interest income) in BGEPIL.

China

Employees
4,788

Third-party revenues **$3,789,896,529**	Total revenues **$5,530,037,529**	Corporate income tax paid **$29,376,924**	Stated capital **$1,495,372,596**	Tangible assets **$2,768,306,787**
Related-party revenues **$1,740,141,000**	Profit before tax **$128,568,382**	Corporate income tax accrued **$45,223,366**	Accumulated earnings **$1,247,881,340**	Other payments to governments **–**

Shell's footprint

Shell has been present in China for more than 100 years and is active in Integrated Gas, Downstream and Projects & Technology. Shell has strategic partnerships with the largest Chinese national oil companies, including China National Petroleum Corporation (CNPC), Sinopec and China National Offshore Oil Corporation (CNOOC). CNOOC and Shell Petrochemicals Company Limited is one of the largest petrochemical joint ventures in China. In addition, Shell operates a network of around 2,000 service stations and 25,000 public electric vehicle charge points in China.

Country financial analysis

The statutory corporate income tax rate in China is 25%. Our corporate income tax paid in 2023 was mainly in relation to income from our Downstream and Integrated Gas businesses. The accumulated earnings represent retained profits of downstream businesses, mainly lubricants and retail. The figures in the table reflect 26 companies, some of which are profit-making and some of which have recorded losses. The decrease in profit, compared with 2022, is due to lower margins and higher costs for the Downstream businesses.

Egypt

Employees
270

Third-party revenues **$406,671,279**	Total revenues **$640,640,960**	Corporate income tax paid **$67,773,336**	Stated capital **$1,275,544**	Tangible assets **$150,047,657**
Related-party revenues **$233,969,682**	Profit before tax **$171,777,509**	Corporate income tax accrued **$71,830,337**	Accumulated earnings **$100,506,140**	Other payments to governments **$1,692,706**

Shell's footprint

Shell has been present in Egypt since 1911 and is active in the exploration and production of oil and gas in the Nile Delta, the wider East Mediterranean and the Red Sea. In 2021, Shell completed the sale of its upstream assets in Egypt's Western Desert for a base consideration of $646 million and additional payments of up to $280 million between 2021 and 2024, contingent on the oil price and the results of further exploration. The transaction was tax exempt under Egyptian law. After the divestment, Shell remains a contractor for a number of offshore production-sharing contracts. Shell's downstream activities in Egypt include the blending and marketing of lubricants.

Country financial analysis

In 2023, Egypt's statutory corporate income tax rate was 22.5% and the corporate income tax rate for the exploration and production of hydrocarbons was 40.55%. The taxable income of each concession and legal entity is determined separately under Egyptian law. Consequently, the Egyptian tax base differs from the consolidated profit before tax reported. In 2023, we exported lower volumes of gas due to lower production. This led to a decrease in both revenues and profits for our upstream business. Our Payments to Governments Report for 2023 shows that Shell paid around $1.7 million in bonuses.

Read more in **Payments to Governments Report 2023**.

Germany

Employees
6,096

Third-party revenues **$27,012,200,893**	Total revenues **$43,589,002,876**	Corporate income tax paid **$133,537,311**	Stated capital **$1,495,229,570**	Tangible assets **$5,185,845,913**
Related-party revenues **$16,576,801,983**	Profit before tax **$565,516,334**	Corporate income tax accrued **$192,220,246**	Accumulated earnings **$(3,172,251,935)**	Other payments to governments **–**

Shell's footprint

Shell has been present in Germany since 1902, where we have refining and marketing activities and operate an extensive retail network. Shell in Germany supplies transport and heating fuels, petrochemicals, bitumen and lubricants. The businesses are grouped together under Deutsche Shell Holding GmbH. Research and development is also undertaken by the Shell Technology Centre in Hamburg. Shell sold its home energy businesses in Germany and the UK in November 2023.

Country financial analysis

Shell companies in Germany are subject to a corporate income tax rate of 32%. In 2022, following a mandatory EU Council regulation, the German government introduced a "solidarity contribution" as a form of windfall tax on energy companies following Russia's invasion of Ukraine and the resultant higher cost of energy. Despite lower energy prices in 2023, the solidarity contribution continued to apply.

In 2023, Shell in Germany made a profit before tax of $566 million, which was significantly lower than in 2022 as a result of lower gas prices. German tax law allows Shell to offset 60% of its yearly tax profits with tax losses carried forward and to pay a minimum tax on the remaining 40%. Shell in Germany continues to have carried-forward tax losses.

Read more in **Payments to Governments Report 2023**.

Iraq

Employees
165

Third-party revenues **$0**	Total revenues **$0**	Corporate income tax paid **$0**	Stated capital **$0**	Tangible assets **$129,033**
Related-party revenues **$0**	Profit before tax **$16,510,676**	Corporate income tax accrued **$0**	Accumulated earnings **$0**	Other payments to governments **–**

Shell's footprint

In 2013, Shell entered into the Basrah Gas Company (BGC, Shell interest 44%), a joint venture with Iraq's South Gas Company and Mitsubishi. BGC gathers and processes associated gas that would otherwise have been flared, supplying this to the government of Iraq for power generation. The Shell entity which is a shareholder in BGC is based in the Netherlands. Shell's share of dividends and accumulated earnings from BGC, which is an equity-accounted investment, is included in the country report for the Netherlands.

Country financial analysis

The statutory corporate income tax rate in Iraq is 15%. The profit before tax figure relates to a settlement agreement for outstanding invoice payments due to Shell. Shell has historically overpaid tax in Iraq and now qualifies for repayments, therefore no corporate income tax was paid in 2023.

Italy

Employees
334

Third-party revenues **$3,143,299,145**	Total revenues **$3,907,161,262**	Corporate income tax paid **$287,376,966**	Stated capital **$1,024,846,804**	Tangible assets **$1,186,781,373**
Related-party revenues **$763,862,117**	Profit before tax **$222,620,447**	Corporate income tax accrued **$65,018,995**	Accumulated earnings **$(1,874,526,099)**	Other payments to governments **$187,072,485**

Shell's footprint

Shell has been present in Italy since 1912. In 2023, Shell's upstream activities included interests in the Val d'Agri and Tempa Rossa oil fields in Basilicata. Shell's downstream operations include the production and sale of lubricants and the sale of natural gas and electricity. In 2023, Shell acquired EGO, one of Italy's largest operators of virtual power plants. Shell also has solar photovoltaic projects under development in Italy.

Country financial analysis

The statutory corporate income tax rate in Italy is 28%. In 2022, following a mandatory EU Council regulation, the Italian government introduced a "solidarity contribution" as a form of windfall tax on energy companies following Russia's invasion of Ukraine and the resultant higher cost of energy. The solidarity contribution was accrued in 2022 and paid in 2023.

In 2023, Shell's revenues decreased as a result of lower energy prices. Our Payments to Governments Report for 2023 shows that Shell paid around $187 million in royalties and fees.

Read more in **Payments to Governments Report 2023**.

Kazakhstan

Employees
243

Third-party revenues **$82,235,565**	Total revenues **$2,997,337,454**	Corporate income tax paid **$209,890,224**	Stated capital **$0**	Tangible assets **$9,195,769,160**
Related-party revenues **$2,915,101,889**	Profit before tax **$1,428,726,299**	Corporate income tax accrued **$235,941,495**	Accumulated earnings **$0**	Other payments to governments **–**

Shell's footprint

Shell has been present in Kazakhstan since 1993. We have interests in the Karachaganak and Kashagan projects (Shell interest 29.3% and 16.8% respectively), which generate revenues from oil and gas sales. We also have a minority interest in the Caspian Pipeline Consortium, which owns and operates an oil pipeline from the Caspian Sea to the Black Sea, across parts of Kazakhstan.

Country financial analysis

The statutory corporate income tax rate in Kazakhstan is 20%. There are different tax rates for certain production-sharing agreements and subsoil use contracts. The tax rate is 30% for Kashagan and 33.5% for Karachaganak. The Kashagan project began production and started to generate revenues in November 2016, but continued to report taxable losses in 2023. Shell's revenues rose in 2023 due to increased production at Kashagan. The corporate income tax paid figure relates primarily to profit generated from the Karachaganak project.

Malaysia

Employees
4,971

Third-party revenues **$8,769,514,489**	Total revenues **$10,727,867,419**	Corporate income tax paid **$423,146,925**	Stated capital **$954,539,113**	Tangible assets **$4,066,926,404**
Related-party revenues **$1,958,352,930**	Profit before tax **$1,055,422,013**	Corporate income tax accrued **$309,953,511**	Accumulated earnings **$2,032,696,947**	Other payments to governments **$3,300,160,033**

Shell's footprint

Shell has been present in Malaysia since 1891 and is active in the Upstream, Integrated Gas, Projects & Technology and Downstream businesses. Shell has 19 production-sharing contracts for oil and gas production off the coast of Sarawak and Sabah. Downstream operates around 1,000 retail sites and markets a range of fuel products including lubricants. Shell MDS (Malaysia) Sendirian Berhad converts natural gas into gas-to-liquids products such as high-quality waxes, speciality chemicals and drilling fluids, which are sold in more than 50 countries. Shell has a Business Operations Centre in Kuala Lumpur which provides support services to other Shell companies.

Country financial analysis

Shell pays petroleum income tax of 38% for upstream activities and corporate income tax of 24% for non-upstream activities. In 2023, our revenues decreased, mainly as a result of the divestment of our non-operated interest in the Baram Delta Operations production-sharing contract. Our Payments to Governments Report for 2023 shows that Shell paid around $3.3 billion in production entitlements and royalties.

Read more in **Payments to Governments Report 2023**.

Netherlands

Employees
8,980

Third-party revenues **$33,315,177,060**	Total revenues **$110,410,322,734**	Corporate income tax paid **$313,988,613**	Stated capital **$210,159,342,235**	Tangible assets **$12,678,174,568**
Related-party revenues **$77,095,145,674**	Profit before tax **$(17,262,624)**	Corporate income tax accrued **$352,031,878**	Accumulated earnings **$61,325,686,380**	Other payments to governments **–**

Shell's footprint

Shell has been present in the Netherlands for more than 100 years. Our activities include retail sites, fast-charging for electric vehicles, a charging network for heavy-duty road transport, an energy and chemicals park, an energy transition campus and a bioLNG refinery. We are also involved in the development of solar parks, wind farms and geothermal heat. Shell has a 50% interest in Nederlandse Aardolie Maatschappij B.V. (NAM), which produces oil and gas.

In 2023, the 759 MW offshore wind farm Hollandse Kust Noord, a joint venture between Shell and Eneco, became operational. The wind farm is intended to power Shell's Holland Hydrogen 1, one of Europe's largest renewable hydrogen projects, which is expected to become operational in 2025. Shell also opened its sixth and largest solar park in the Netherlands in 2023, which generates more than 70 MW of electricity.

Country financial analysis

The statutory corporate income tax rate in the Netherlands is 25.8%. As of 2023, Shell's share of non-consolidated entities, such as NAM, is no longer reported in the above figures, except in Accumulated earnings.

In 2023, Shell reported an overall loss before tax in the Netherlands of $17 million. The loss before tax figure includes all Shell entities in the Netherlands (except NAM and other joint ventures). The corporate income tax paid of $314 million and the corporate income tax accrued of $352 million relate mainly to foreign withholding taxes. These are taxes incurred on dividends, interest and service fees received by Shell companies in the Netherlands. These taxes are mainly paid to foreign governments.

Shell paid around $2 billion in corporate income taxes and royalties in the Netherlands through our 50% participation in NAM.

Nigeria

Employees
2,569

Third-party revenues **$1,396,442,894**	Total revenues **$3,858,439,168**	Corporate income tax paid **$649,030,659**	Stated capital **$1,564,579,199**	Tangible assets **$4,708,853,282**
Related-party revenues **$2,461,996,274**	Profit before tax **$951,562,764**	Corporate income tax accrued **$755,464,482**	Accumulated earnings **$2,711,393,328**	Other payments to governments **$4,341,662,795**

Shell's footprint

Shell has been present in Nigeria for more than 60 years. Our activities include oil and gas exploration and production. Four businesses are wholly owned by Shell: The Shell Petroleum Development Company of Nigeria Limited (SPDC) [A], which has a 30% participating interest in the SPDC joint venture (SPDC JV) and produces oil and gas in the Niger Delta and shallow offshore waters; Shell Nigeria Exploration and Production Company Limited (SNEPCo), which operates in the deep waters of the Gulf of Guinea; Shell Nigeria Gas Limited (SNG), which provides gas to Nigerian industrial and commercial customers; and Daybreak Power Energy Solutions Limited, which provides affordable, reliable and renewable power to businesses and consumers across Nigeria.

In addition, Shell Gas B.V. holds a 25.6% shareholding in Nigeria LNG Limited (NLNG), which produces and exports liquefied natural gas to Europe and other markets. All On Partnerships for Energy Access Limited by Guarantee (All On), a wholly owned not-for-profit company set up by Shell, aims to increase access to commercial energy products and services for communities, homes, farms and small businesses that are off the grid.

[A] In January 2024, Shell announced it had reached an agreement to sell SPDC to Renaissance, a consortium of five companies comprising four exploration and production companies based in Nigeria and an international energy group. Completion of the transaction is subject to approvals by the Federal Government of Nigeria and other conditions.

Country financial analysis

The statutory corporate income tax rate in Nigeria is 30%. The tax rate is 85% for onshore oil and gas operations and 50% for deep-water operations. Operational efficiencies led to an improvement in revenues in 2023 compared with 2022, despite the negative impact on production caused by continuing crude oil theft and asset vandalisation. Our Payments to Governments Report for 2023 shows that Shell paid around $4.3 billion in production entitlements, royalties and fees.

Read more in **Payments to Governments Report 2023**.

Norway

Employees
435

Third-party revenues **$334,303,704**	Total revenues **$4,589,895,443**	Corporate income tax paid **$1,772,588,323**	Stated capital **$59,248,540**	Tangible assets **$873,313,574**
Related-party revenues **$4,255,591,739**	Profit before tax **$2,167,329,239**	Corporate income tax accrued **$1,485,774,154**	Accumulated earnings **$1,260,328,603**	Other payments to governments **$2,054,523,850**

Shell's footprint

Shell has been present in Norway since 1912. The main activity of A/S Norske Shell is the exploration for and production of oil and gas on the Norwegian continental shelf. Shell is a partner in 19 offshore production licences, and the operator of seven of these. We have interests in two producing gas fields: Shell-operated Ormen Lange (Shell interest 17.8%) and Equinor-operated Troll (Shell interest 8.1%). Together, these two fields produce more than 40% of Norway's total gas exports. Additionally, we hold an interest in the Equinor-operated Irpa (Shell interest 10%) gas discovery under development. We operate two fields which are being decommissioned, Knarr and Gaupe, and are the technical service provider for the Nyhamna gas processing plant, operated by Gassco. Norske Shell is also a partner in the Northern Lights (Shell interest 33.3%) carbon transport and storage project, which is expected to receive first shipments in early 2025.

Country financial analysis

The statutory corporate income tax rate in Norway is 22%. In addition, there is a petroleum tax on the production and transport of petroleum from the Norwegian continental shelf, which was 71.8% in 2023. However, corporate income tax paid (at 22%) is deductible against this additional tax. The deductible portion means that the effective tax rate for the additional petroleum tax is 56%.

Taxes are paid in instalments, with half due within the year in which income arises and the other half and final assessment in the year thereafter. The tax paid figure in the table includes petroleum tax payments for 2022 and 2023. The reduction in revenues reflects the lower energy prices in 2023. Our Payments to Governments Report for 2023 shows that Shell paid around $2.1 billion in production entitlements and fees.

Read more in **Payments to Governments Report 2023**.

Oman

Employees
482

Third-party revenues **$1,456,711,280**	Total revenues **$10,188,872,116**	Corporate income tax paid **$3,590,493,779**	Stated capital **$101,944,408**	Tangible assets **$953,495,908**
Related-party revenues **$8,732,160,836**	Profit before tax **$4,506,634,669**	Corporate income tax accrued **$3,423,303,916**	Accumulated earnings **$40,326,496**	Other payments to governments **$504,663,549**

Shell's footprint

Shell has been present in Oman since 1937 and is active in exploration, production, trading and retail. Shell has a 34% interest in the Block 6 concession which accounts for around 60% of the country's crude oil production. Shell also has a 53% interest in the Block 10 concession (which produced first gas in January 2023) and material participating interests in three exploration blocks. Shell also has a 49% interest in Shell Oman Marketing Company SAOG (SOM), which provides services and sells a wide range of Shell automotive, aviation and marine products, including fuels, lubricants and greases. SOM has more than 200 Shell-branded retail sites in Oman. Sohar Solar Qabas (FZC) LLC represents Shell's investment in the solar energy sector in Oman. In addition, Shell holds a 30% interest in Oman LNG LLC, which operates two liquefied natural gas (LNG) trains and processes natural gas into LNG.

Country financial analysis

The statutory corporate income tax rate in Oman is 15%, unless individual concession arrangements with the government set higher tax rates for upstream projects. Our Payments to Governments Report for 2023 shows that Shell paid around $505 million in production entitlements and fees in addition to corporate income tax, which reflect payment-in-kind gas and condensate volumes in addition to concession licence fees.

Read more in **Payments to Governments Report 2023**.

Russia

Employees
18

Third-party revenues **$103,400**	Total revenues **$279,082**	Corporate income tax paid **$0**	Stated capital **$8,227,225**	Tangible assets **$43,920**
Related-party revenues **$175,682**	Profit before tax **$(30,319,224)**	Corporate income tax accrued **$0**	Accumulated earnings **$(41,721,595)**	Other payments to governments –

Shell's footprint

In the first quarter of 2022, following the invasion of Ukraine by Russia, Shell announced its intent to withdraw in a phased manner, aligned with government guidance, from its involvement in all Russian hydrocarbons, including crude oil, petroleum products, gas and liquefied natural gas. Shell's withdrawal from its Russian activities in 2022 and 2023 is described in the 2022 and 2023 Annual Report and Accounts and Form 20-F, including in the Notes to the Consolidated Financial Statements. We had 18 employees in Russia on average during the year and at year-end there were 13. Their role is to complete our withdrawal from the country.

Read more in **Annual Report and Accounts 2023**.

Saint Lucia

Employees
0

Third-party revenues **$0**	Total revenues **$103,848**	Corporate income tax paid **$0**	Stated capital **$303,681**	Tangible assets **$0**
Related-party revenues **$103,848**	Profit before tax **$(1,400,304)**	Corporate income tax accrued **$0**	Accumulated earnings **$(744,697,355)**	Other payments to governments –

Shell's footprint

Shell has been present in Saint Lucia since 2016 through investment holding companies for upstream and liquefied natural gas operations in the Caribbean. The holding companies were inherited as part of Shell's acquisition of BG Group in 2016. These entities had interests in companies doing business in Trinidad and Tobago. Following our review of these entities in 2021, we consolidated our operations in the region and simplified our holding structures. This included the liquidation of four Saint Lucian entities in that same year. In 2022, we began to liquidate our one remaining entity in Saint Lucia. This liquidation process was ongoing throughout 2023.

Country financial analysis

The statutory corporate income tax rate in Saint Lucia is 30%. Saint Lucia does not tax dividends on investments if they are paid from profits that have already been taxed in the country where the activities that generated the profits take place. As a result, Shell does not pay corporate income tax in Saint Lucia. Shell has no employees in the country and outsources its administrative activities. In 2023, the holding company earned revenue in the form of interest on financial assets. The loss before tax related mainly to accounting adjustments for foreign exchange transactions.

Singapore

Employees
3,568

Third-party revenues **$46,224,320,186**	Total revenues **$108,035,240,697**	Corporate income tax paid **$89,100,798**	Stated capital **$11,028,732,980**	Tangible assets **$8,825,209,542**
Related-party revenues **$61,810,920,511**	Profit before tax **$(30,775,947)**	Corporate income tax accrued **$54,409,494**	Accumulated earnings **$2,109,138,099**	Other payments to governments **–**

Shell's footprint

Shell has been present in Singapore since 1891. Shell's activities include refining and manufacturing petroleum and petrochemical products, lubricants and greases and the trading and supply of a range of energy products. Shell also operates a network of retail sites in Singapore, including charging for electric vehicles; owns and operates ships, tankers and cargo carriers; and acts as a liquefied natural gas marketing and trading business. It also has treasury operations and provides pension fund management and pension trustee services for Shell in Asia-Pacific. In 2023, Shell conducted a strategic review of its energy and chemical assets on Bukom and Jurong Island in Singapore. In May 2024, we agreed to sell the Shell Energy and Chemicals Park Singapore. At the time of publication of this report, the sale had not been completed.

Country financial analysis

The statutory corporate income tax rate in Singapore is 17%. Shell in Singapore generates significant revenues but also incurs substantial operational costs. In 2023, profit decreased as a result of lower sales volumes and margins across multiple product lines, as well as accounting impairments related to the Bukom and Jurong Island energy and chemical assets. Singapore allows current-year capital allowances on such investments and losses to be offset against the taxable profits of most entities. Corporate income tax accrued in one year is typically paid in the following year, therefore the corporate income tax paid figure of $89 million primarily arises on profits generated in 2022. Singapore has granted some Shell companies tax incentives based on their contribution to the local economy, including local employment, support for local suppliers and strategic partnerships with local industry participants.

Switzerland

Employees
127

Third-party revenues **$1,531,226,794**	Total revenues **$3,509,039,089**	Corporate income tax paid **$31,117,695**	Stated capital **$85,577,629**	Tangible assets **$352,636,377**
Related-party revenues **$1,977,812,295**	Profit before tax **$1,895,887,128**	Corporate income tax accrued **$61,920,470**	Accumulated earnings **$4,386,824,090**	Other payments to governments **–**

Shell's footprint

Shell has been active in Switzerland for more than 100 years. Shell's principal insurance company, Solen Versicherungen AG, is based in Switzerland where we have qualified insurance specialists to manage our insurance activities. We also perform financial, trademark management and licensing services. Shell in Switzerland markets fuels and operates a large network of retail sites. Shell's activities also include the production and export of lubricants (biodegradable and conventional), the global sale of biodegradable lubricants and the domestic sale of bitumen and aviation fuels. In 2023, Shell acquired evpass, which owns one of Switzerland's largest networks of electric vehicle charging stations.

Country financial analysis

In the canton of Zug, where Shell is based, the combined regional and federal tax rate was around 12% for 2023. The corporate income tax paid was lower in 2023 due to the offset of previous tax losses carried forward against taxable profits.

Trinidad and Tobago

Employees
408

Third-party revenues **$1,160,939,710**	Total revenues **$2,072,213,714**	Corporate income tax paid **$314,850,397**	Stated capital **$1,099,972,757**	Tangible assets **$1,026,338,636**
Related-party revenues **$911,274,004**	Profit before tax **$364,108,452**	Corporate income tax accrued **$293,880,108**	Accumulated earnings **$(280,098,585)**	Other payments to governments **$522,742,510**

Shell's footprint

Shell has been active in Trinidad and Tobago since 1913. Shell has exploration and production activities through operated and non-operated ventures, as well as natural gas pipelines and liquefied natural gas facilities. In 2023, construction began on the country's first utility-scale solar power plant, which Shell owns with partners.

Country financial analysis

The statutory corporate income tax rate in Trinidad and Tobago is 30%. The aggregate rate under the separate tax regime for companies with petroleum operations is 55%, or 35% for deep-water blocks. In Trinidad and Tobago, tax filings for companies operating under a production-sharing contract (PSC) are assessed according to the individual legal entity and asset block. In general, losses in one PSC may not be offset against profits elsewhere. The decrease in revenues and tax paid in 2023 was the result of lower energy prices in 2023 compared with 2022. Our Payments to Governments Report for 2023 shows that Shell paid around $523 million in production entitlements, royalties and fees.

Read more in **Payments to Governments Report 2023**.

United Arab Emirates

Employees
374

Third-party revenues **$8,002,497,991**	Total revenues **$28,983,186,158**	Corporate income tax paid **$365,510,912**	Stated capital **$758,000,000**	Tangible assets **$1,187,037,256**
Related-party revenues **$20,980,688,167**	Profit before tax **$1,173,153,936**	Corporate income tax accrued **$251,075,021**	Accumulated earnings **$2,471,042,013**	Other payments to governments **–**

Shell's footprint

Shell has been active in the UAE since 1939. Shell's businesses were originally set up as branches of foreign entities. Upstream is represented by Shell Abu Dhabi B.V., which holds an interest in a non-operated venture whose revenues are taxed on the basis of a concession agreement with the UAE government. Trading is represented by Shell International Trading Middle East Limited FZE (SITME), which is registered in Jebel Ali Free Zone. SITME carries out liquefied natural gas (LNG) trading activities. All other Shell business is represented by Shell Markets Middle East Limited FZE (SMME). SMME is a regional hub for Shell and provides specialised services to Shell entities in the Middle East. It sells, markets and distributes aviation and marine fuels, as well as lubricants, chemicals and related products.

Country financial analysis

The UAE taxes revenues from petroleum operations at 55% and additional petroleum taxes may also be due based on individual agreements with the government. In 2023, the UAE also introduced a corporate income tax rate of 9%, which is applicable to Shell's income from downstream operations from January 2024. In 2023, revenues and profits decreased as a result of lower energy prices. The taxes paid by Shell, reflected in the table, relate mainly to upstream activities.

United Kingdom

Employees
7,094

Third-party revenues **$46,552,644,262**	Total revenues **$132,059,660,845**	Corporate income tax paid **$1,450,575,970**	Stated capital **$315,267,248,173**	Tangible assets **$13,343,909,271**
Related-party revenues **$85,507,016,583**	Profit before tax **$6,468,824,592**	Corporate income tax accrued **$1,405,701,426**	Accumulated earnings **$105,565,777,212**	Other payments to governments **$9,357,525**

Shell's footprint

Shell has had a significant presence in the UK for more than 125 years and is one of the biggest oil and gas producers in the North Sea. Our gas plants, pipeline systems and import terminals help supply more than 20% of the UK's gas. We operate a network of more than 1,000 Shell-branded service stations and run one of the UK's largest electric vehicle public charging networks, providing access to more than 36,000 charge points. We have projects and technology teams in Aberdeen and London that support the delivery of major projects around the world. There is also a Group treasury team in London that provides central cash management and other financial services. Shell sold its home energy businesses in Germany and the UK in November 2023.

Country financial analysis

The corporate income tax rate in the UK depends on the activity. For upstream UK continental shelf activities, the corporate income tax rate is 40% plus the Energy Profits Levy windfall tax at 35% for 2023. For all other activities in the UK, the average corporate income tax rate was 23.5% in 2023. Of the corporate income tax paid during 2023, $462 million related to the Energy Profits Levy.

Shell also received tax refunds related to decommissioning costs incurred. Decommissioning is a cost incurred as part of the life cycle of the field and is tax deductible. For late-life assets, these costs can generate net tax losses that offset profits made and taxes paid in previous years. As a result, tax that has effectively been overpaid is refunded. Our Payments to Governments Report for 2023 shows that Shell paid around $9.4 million in fees.

Read more in **Payments to Governments Report 2023**.

United States of America

Employees
20,049

Third-party revenues **$72,919,031,573**	Total revenues **$153,723,357,809**	Corporate income tax paid **$71,486,965**	Stated capital **$325,663,905,420**	Tangible assets **$54,977,385,435**
Related-party revenues **$80,804,326,236**	Profit before tax **$(197,914,518)**	Corporate income tax accrued **$100,337,824**	Accumulated earnings **$2,190,764,852**	Other payments to governments **$1,250,680,592**

Shell's footprint

Shell has been present in the USA for more than 100 years and has activities in all 50 states. Shell's primary exploration and production area is the Gulf of Mexico. We have a refinery in Louisiana and chemical facilities in Pennsylvania, Louisiana and Texas. Shell Trading (US) Company trades crude oil, refined products, low-carbon fuels, chemical feedstocks, natural gas, liquefied natural gas, power, environmental products, biofuels and freight. Shell Energy North America (US), L.P. consistently ranks as one of North America's top three gas and power marketers, buying and selling 5,000 trillion British thermal units annually and managing 17 gigawatts of power generation of which 36% is from renewable sources. There are around 12,000 Shell-branded service stations and some 2,000 Jiffy Lube car maintenance centres in the USA. Shell is also investing in renewable and new energy solutions.

Country financial analysis

The federal statutory corporate income tax rate in the USA is 21%. The corporate income tax paid figure in 2023 includes taxes paid to both the US federal and state governments which may relate to more than one year. Operating losses incurred in previous years and available tax credits were offset against earnings, which resulted in a lower corporate income tax paid figure. The decrease in revenues and profits in 2023 was largely due to lower oil and gas prices. Our Payments to Governments Report for 2023 shows that Shell paid around $1.3 billion in royalties and fees.

Read more in **Payments to Governments Report 2023**.

Our tax data by jurisdiction

Jurisdiction

	Revenues									
	Third-party revenues ($)	Related-party revenues ($)	Total revenues ($)	Profit before tax ($)	Tax paid ($)	Tax accrued ($)	Stated capital ($)	Accumulated earnings ($)	Tangible assets ($)	Number of employees
Albania	6,079	638,013	644,092	(31,503,484)	0	0	0	0	473,684,447	74
Algeria	19,957	115,238	135,195	(125,274)	0	0	0	0	0	0
Argentina	843,244,222	262,364,125	1,105,608,347	46,538,727	1,747,327	0	2,556,418,136	(900,404,343)	2,782,230,643	214
Australia	4,093,498,480	12,597,465,319	16,690,963,799	2,571,188,598	1,399,473,001	1,030,803,305	64,563,458,619	(2,935,223,750)	28,183,994,352	3,541
Austria	1,290,325,110	78,750,731	1,369,075,840	8,788,027	3,263,277	62,083	85,447,621	501,231,762	248,400,435	91
Bahamas	9,452,135,006	19,989,643,966	29,441,778,972	1,595,186,574	0	0	200,000	3,004,373,960	1,205,378,997	44
Barbados	0	0	0	(7,014,023)	0	0	601,162,338	(373,053,174)	4,074,243	0
Belgium	1,263,387,377	386,680,625	1,650,068,002	(4,227,229)	13,380,318	15,194,054	104,865,867	15,611,696	347,196,994	355
Bermuda	0	29,052,686	29,052,686	36,508,690	0	0	1,840,882,526	121,354,741	0	3
Bolivia	101,254,394	3,058,419	104,312,813	(94,452,511)	0	0	55,746,566	(2,095,394)	117,325,141	20
Brazil	254,201,329	10,518,266,812	10,772,468,141	619,444,505	613,518,508	742,266,621	3,058,255,386	(7,159,168,155)	25,893,455,342	878
Brunei	249,881,881	10,425,073	260,306,954	68,026,540	73,804,507	37,691,961	334,004,948	26,214,039	189,853,764	5
Bulgaria	274,215,754	6,720,934	280,936,688	8,954,651	279,120	895,429	40,048,011	1,937,641	109,276,972	68
Cambodia	2,366,306	0	2,366,306	2,365,425	782,306	0	0	0	0	0
Canada	15,533,467,120	16,150,570,171	31,684,037,291	(737,505,255)	362,120,394	184,957,013	53,766,915,374	(4,099,508,023)	17,408,947,687	3,601
Cayman Islands	0	1,431,548	1,431,548	(17,557)	0	0	80,371,113	(177,245,805)	0	0
Chile	22,328,826	17,332,248	39,661,074	4,967,211	0	0	2,010,000	6,135,420	0	0
China	3,789,896,529	1,740,141,000	5,530,037,529	128,568,382	29,376,924	45,223,366	1,495,372,596	1,247,881,340	2,768,306,787	4,788
Colombia	14,523,811	2,146,620	16,670,431	(42,282,323)	4,552,495	0	37,563,221	(85,400,467)	192,972,490	5
Cyprus	10,962,408	1,124,123	12,086,531	(467,615)	1,650,515	1,644,361	0	0	214,868,139	0
Czech Republic	665,696,904	15,010,798	680,707,702	(2,155,962)	438,086	(408,613)	108,998,458	17,537,746	186,760,445	85
Denmark	247,204,442	238,337,980	485,542,422	(95,251,912)	1,168,255	48,580	24,651,346	(103,254,969)	477,103,096	529
Dominican Republic	1,290	115,604	116,894	284,342	0	0	0	(4,443,795)	0	0
Egypt	406,671,279	233,969,682	640,640,960	171,777,509	67,773,336	71,830,337	1,275,544	100,506,140	150,047,657	270
El Salvador	0	0	0	0	0	0	53,000	(53,000)	0	0
Finland	241,239,178	1,057,642	242,296,820	(134,573)	0	(74,026)	11,743,119	6,306,886	10,050,651	3
France	2,763,923,521	522,616,021	3,286,539,542	(18,856,810)	13,852,068	3,893,196	605,508,254	571,429,707	615,983,171	557
Germany	27,012,200,893	16,576,801,983	43,589,002,876	565,516,334	133,537,311	192,220,246	1,495,229,570	(3,172,251,935)	5,185,845,913	6,096
Ghana	7,611,615	76,595,119	84,206,734	1,016,595	3,008	0	1,110,784	989,304	4,865,658	20
Gibraltar	2,755,970	2,198,548	4,954,518	143,359	0	17,920	0	0	0	0
Guam	0	651,440	651,440	610,268	0	0	43,200,000	(22,910,660)	0	0
Hong Kong	1,464,526,676	185,272,415	1,649,799,091	60,828,434	30,498,905	10,139,826	255,832,111	403,461,748	655,035,315	151
Hungary	780,150,428	12,111,701	792,262,129	8,328,884	589,690	686,959	18,649,469	(58,136,230)	166,735,305	94

Jurisdiction

	Revenues									
	Third-party revenues ($)	Related-party revenues ($)	Total revenues ($)	Profit before tax ($)	Tax paid ($)	Tax accrued ($)	Stated capital ($)	Accumulated earnings ($)	Tangible assets ($)	Number of employees
India	1,606,440,926	2,024,166,769	3,630,607,695	309,848,364	53,707,089	81,736,016	1,649,814,117	564,777,740	2,589,756,256	12,790
Indonesia	1,238,537,600	280,001,866	1,518,539,466	348,132,357	(2,395,331)	11,205,438	1,041,611,542	(175,873,643)	715,153,681	525
Iraq	0	0	0	16,510,676	0	0	0	0	129,033	165
Ireland	500,722	324,221	824,943	300,165	0	241	1,197,711	(12,541,016)	0	0
Isle of Man	0	0	0	213,151	0	55	11,590,605	(8,755,115)	0	0
Italy	3,143,299,145	763,862,117	3,907,161,262	222,620,447	287,376,966	65,018,995	1,024,846,804	(1,874,526,099)	1,186,781,373	334
Japan	751,160,451	201,442,510	952,602,961	17,760,170	(2,955,801)	6,837,622	16,602,657	39,765,427	206,701,437	206
Jordan	27,645	0	27,645	(1,713,927)	0	0	0	0	0	2
Kazakhstan	82,235,565	2,915,101,889	2,997,337,454	1,428,726,299	209,890,224	235,941,495	0	0	9,195,769,160	243
Kuwait	302,612,116	25,163,071	327,775,187	200,185,535	18,622,169	24,308,558	0	0	0	145
Libya	3,410	0	3,410	(182,205)	0	0	0	0	1	1
Luxembourg	263,764,264	1,208,592	264,972,856	(10,202,376)	279,418	89,282	27,096,064	27,768,223	112,323,224	12
Macau	61,105,971	0	61,105,971	13,986,309	1,079,324	1,676,527	373,520	8,806,870	4,649,472	1
Malaysia	8,769,514,489	1,958,352,930	10,727,867,419	1,055,422,013	423,146,925	309,953,511	954,539,113	2,032,696,947	4,066,926,404	4,971
Mauritania	0	0	0	(117,758,275)	0	0	0	0	0	1
Mauritius	487,819	24,506,838	24,994,657	(52,957,136)	860,300	1,776,889	638,382,388	29,708,941	0	6
Mexico	1,275,116,001	328,048,569	1,603,164,570	(483,813,427)	305,763	879,278	1,929,501,724	(1,766,828,737)	274,503,790	454
Morocco	6,246	0	6,246	(94,289)	0	0	0	0	0	0
Mozambique	0	0	0	(259,390)	0	0	0	0	0	0
Myanmar	0	0	0	(335,835)	0	0	0	0	0	0
Namibia	1,271,646	113,181	1,384,827	(91,855,544)	2,194	(4,064)	0	0	311,935,096	6
Netherlands	33,315,177,060	77,095,145,674	110,410,322,734	(17,262,624)	313,988,613	352,031,878	210,159,342,235	61,325,686,380	12,678,174,568	8,980
New Zealand	0	2,732,877	2,732,877	2,535,113	56	0	3,432,348,715	573,100,905	12	0
Nigeria	1,396,442,894	2,461,996,274	3,858,439,168	951,562,764	649,030,659	755,464,482	1,564,579,199	2,711,393,328	4,708,853,282	2,569
Norway	334,303,704	4,255,591,739	4,589,895,443	2,167,329,239	1,772,588,323	1,485,774,154	59,248,540	1,260,328,603	873,313,574	435
Oman	1,456,711,280	8,732,160,836	10,188,872,116	4,506,634,669	3,590,493,779	3,423,303,916	101,944,408	40,326,496	953,495,908	482
Pakistan	1,279,069,891	1,205,188	1,280,275,079	(74,790,766)	11,255,732	7,528,595	63,077,902	(48,846,270)	0	378
Palau	0	1,220,730	1,220,730	850,312	0	0	10,368,298	9,872,099	0	0
Panama	0	0	0	0	0	0	0	(1,799,668)	0	0
Peru	31,714,217	5,128,165	36,842,382	1,580,692	306,211	0	8,000,387	962,561	8,847,788	10
Philippines	3,333,492,263	246,666,861	3,580,159,124	9,970,652	42,011,272	6,533,610	436,761,656	(238,828,438)	1,197,820,790	5,071
Poland	1,795,594,959	483,646,385	2,279,241,344	(32,915,525)	9,707,422	(4,894,078)	419,444,310	(31,410,070)	712,148,476	5,608
Puerto Rico	0	429,519	429,519	103,061	0	500	32,605,000	(28,414,446)	0	0
Romania	170,400	5,562,837	5,733,237	(445,278)	118,084	130,002	1,767,508	(589,787)	14,331	73
Russia	103,400	175,682	279,082	(30,319,224)	0	0	8,227,225	(41,721,595)	43,920	18
Saint Lucia	0	103,848	103,848	(1,400,304)	0	0	303,681	(744,697,355)	0	0

Jurisdiction

	Revenues									
	Third-party revenues ($)	Related-party revenues ($)	Total revenues ($)	Profit before tax ($)	Tax paid ($)	Tax accrued ($)	Stated capital ($)	Accumulated earnings ($)	Tangible assets ($)	Number of employees
Sao Tome and Principe	82,679	660,471	743,150	(48,738,419)	0	0	0	0	36,298,199	0
Saudi Arabia	0	3,038,930	3,038,930	0	40,792	0	265,887	0	240,047	9
Senegal	180	0	180	(293,919)	0	0	119,172	(293,919)	3,414,117	5
Singapore	46,224,320,186	61,810,920,511	108,035,240,697	(30,775,947)	89,100,798	54,409,494	11,028,732,980	2,109,138,099	8,825,209,542	3,568
Slovakia	448,540,160	3,429,380	451,969,540	10,682,951	1,594,822	2,241,543	19,211,752	3,839,729	155,827,929	41
Slovenia	123,379,834	6,193,730	129,573,564	2,429,051	241,453	742,267	2,516,927	27,550,904	61,885,509	25
South Africa	4,156,709,058	211,658,755	4,368,367,813	(73,005,424)	607,603	108,890	155,959,863	438,439,787	903,836,191	546
South Korea	249,225,459	66,440,157	315,665,616	(11,032,563)	8,578,694	10,194,524	40,188,059	17,714,629	53,461,722	144
Spain	691,865,472	218,615,665	910,481,137	4,074,799	2,819,672	1,900,430	5,368,140	(1,224,932,495)	99,551,537	261
Suriname	611,688	0	611,688	(27,147,448)	0	0	0	0	61,660,934	1
Sweden	225,685,255	2,337,490	228,022,745	4,038,287	0	1,064,948	22,129,278	5,274,624	8,978,655	5
Switzerland	1,531,226,794	1,977,812,295	3,509,039,089	1,895,887,128	31,117,695	61,920,470	85,577,629	4,386,824,090	352,636,377	127
Syria	0	0	0	(235,158)	0	0	0	0	0	0
Taiwan	12	2,101,253	2,101,265	186,318	43,735	26,201	813,392	420,254	3,828	6
Tanzania	0	5,000	5,000	(6,171,347)	0	0	42,845	(26,405)	347,880,731	14
Thailand	2,853,847,052	95,813,142	2,949,660,194	89,895,635	19,810,271	20,114,095	13,680,343	33,204,322	1,014,057,307	453
Togo	99,500	0	99,500	(26,470)	2,567	2,347	1,626	(28,817)	975,426	0
Trinidad and Tobago	1,160,939,710	911,274,004	2,072,213,714	364,108,452	314,850,397	293,880,108	1,099,972,757	(280,098,585)	1,026,338,636	408
Tunisia	49,774,685	19,237,540	69,012,225	17,752,207	9,537,343	11,090,051	518,759,277	(371,000)	0	21
Turkey	6,678,503,251	807,225,789	7,485,729,040	72,891,576	34,981,497	29,551,539	127,076,599	372,465,953	878,322,277	584
Ukraine	11,937	0	11,937	2,609	0	1,265	687,876	1,178,017	0	0
United Arab Emirates	8,002,497,991	20,980,688,167	28,983,186,158	1,173,153,936	365,510,912	251,075,021	758,000,000	2,471,042,013	1,187,037,256	374
United Kingdom	46,552,644,262	85,507,016,583	132,059,660,845	6,468,824,592	1,450,575,970	1,405,701,426	315,267,248,173	105,565,777,212	13,343,909,271	7,094
United States of America	72,919,031,573	80,804,326,236	153,723,357,809	(197,914,518)	71,486,965	100,337,824	325,663,905,420	2,190,764,852	54,977,385,435	20,049
Uruguay	1,023,837	924,134	1,947,971	(11,385,740)	5,301	5,644	16,701,984	80,618,136	1,796	1
Venezuela	917,539	3,375,011	4,292,550	(5,152,726)	3,372,063	3,370,047	823,554,222	(931,890,406)	495,372	5
Vietnam	68,030,509	302,271	68,332,780	3,564,839	1,382,852	934,721	14,022,836	29,526,465	16,121,697	82

Definitions

Accumulated earnings
Accumulated earnings reflects the profits retained and not used for any other purpose, such as to pay dividends to shareholders. Where a consolidated entity has an interest in a non-consolidated entity, the accumulated earnings will include data reported by that consolidated entity for its interest in the non-consolidated entity.

Advance tax agreements
These are formal or informal rulings and clearances which tax authorities provide when there are complex transactions, unclear regulations or substantial amounts involved. These agreements reduce uncertainty and should always be in line with the letter and spirit of the law.

Appropriate substance
Appropriate substance means that there should be an adequate number of employees, with suitable qualifications to perform their jobs, and appropriate physical presence in the relevant jurisdiction. Many businesses will for good reason outsource some of their activities to third-party service providers, but the core income-generating activities would not.

Arm's length principle
This valuation principle is commonly applied to commercial and financial transactions between related companies. It says that transactions should be valued as if they had been carried out between unrelated parties, each acting in its own best interests.

Artificial arrangements
These are transactions or activities which are undertaken without a core commercial purpose.

Base erosion
A country's tax base, which is the amount the government can raise in taxes, may be eroded by some companies engaging in profit shifting. As a result of perceived abuses by some, the OECD launched the base erosion and profit shifting project to protect members against base erosion.

Base erosion and profit shifting
The OECD project to tackle artificial base erosion and profit shifting (BEPS). Under the guidance and legislation introduced to support the BEPS project, companies are taxed "where their economic activities take place and value is created".

Bonuses
Payments for bonuses usually paid upon signing an agreement or a contract, or when a commercial discovery is declared, or production has commenced or production has reached a milestone.

Branch
A branch is an office or business presence in a location other than where the corporate entity is established.

Capital projects
These are long-term, capital-intensive investment projects with a purpose to build upon, add to or improve a capital asset. Capital projects are defined by their relatively large scale and cost, and require considerable planning and resources.

Commercial reasons or commercial considerations
Commercial reasons or commercial considerations refer to activities undertaken with a view to making a profit. An entity's presence in a country should be the result of commercial activities and it should have the appropriate substance to perform those activities.

Consumption taxes
A tax due on the purchase of goods and services. Typically, this is a percentage of the sales price of the item or service. It is an indirect tax as it is levied and administered by the retailers or service providers, but it is borne or paid by the individual purchasing the item. The companies that charge the tax have to administer the collection and payment on behalf of the government.

Co-operative compliance
This can vary between countries but in essence means that taxpayers and tax authorities have open and proactive discussions on matters that may impact a taxpayer's tax return and seek to resolve any areas of interpretation.

Corporate income tax
This is a direct tax imposed on companies' profits. It is sometimes levied at a national level but can also be levied on a state or local basis.

Corporate income tax accrued
This is the amount of corporate income tax for 2023 recorded as current-year tax in Shell's Consolidated Statement of Income. This also includes withholding tax accrued. It does not include prior-year adjustments, deferred tax or provisions for uncertain tax liabilities.

Corporate income tax paid
This comprises corporate income tax paid in 2023, as recorded in Shell's Consolidated Statement of Cash Flows, and includes accrued withholding taxes on dividend, interest and royalty payments to Shell entities. In some cases, this may include payments made in relation to previous years or future years as tax payments are often made in arrears or in advance. It does not include withholding taxes collected by Shell on dividends paid to shareholders. Nor does it include corporate income tax paid by non-consolidated joint ventures and associates.

Country
In this report, country refers to locations, jurisdictions or territories which have their own tax regimes.

Country-by-country reporting (CbCR)
Country-by-country reporting was introduced for all large multinational enterprises (MNE) as part of the OECD BEPS project. The report should disclose aggregate data on income, profit, taxes paid and economic activity among tax jurisdictions in which the MNE operates. The report is filed with the main tax authority (typically the tax authority in the country in which the MNE has its head office) which can share it with tax authorities in other countries.

Customs duties
A tax imposed on goods as they either leave or enter a country. Customs duties are also in addition to other indirect taxes such as excise, value-added tax (VAT) or goods and services tax. It is therefore possible to have goods which are subject to excise duty, customs duty and VAT.

Dividend
After payment of costs and taxes, a company may choose to make a dividend payment to its shareholders as a return on their investment in the company. After payment of dividends, any remaining surplus is termed "retained earnings" and is available for reinvestment in the business.

Double taxation
This arises where the same income is taxed twice by two or more different tax jurisdictions.

Effective tax rate
This is the ratio of tax compared with the profits in the financial statements.

Employee taxes
These include employee income taxes, employee social security contributions and similar payments. They also include employee taxes collected in joint ventures where Shell is responsible for managing the payroll of the joint venture.

Employer taxes
These are employment-related taxes borne by Shell in respect of its role as an employer and include employer social security contributions and similar payments. They also include employer taxes borne by Shell's joint-venture partners where Shell is responsible for managing the payroll of the joint venture.

Employment taxes
These are wage taxes and may include social security contributions.

Environmental taxes
Environmental taxes are taxes and duties levied on energy products (including vehicle fuels); motor vehicles and transport services; and on the supply, use or consumption of goods and services that are considered to be harmful to the environment, as well as management of waste, noise, water, land, soil, forests, biodiversity, wildlife and fish stocks.

Excise duties
Excise duties are taxes that are imposed on specific goods or services such as fuel. They are typically charged at the point of manufacture, importation or sale, or when the goods are removed from a warehouse. Excise taxes are in addition to other forms of indirect tax, such as customs duties and valued-added tax and typically form part of the cost of the product.

Extractive Industries Transparency Initiative (EITI)
EITI is a global standard for the good governance of resources like oil and gas. EITI requires disclosure of information, such as publication of data showing how much money governments receive from resource extraction.

Fees
Fees and other sums paid as consideration for acquiring a licence for gaining access to an area where extractive activities are performed. Administrative government fees that are not specifically related to the extractive sector, or to access to extractive resources, are excluded from this report. Also excluded are payments made in return for services provided by a government.

Final investment decision
The final decision to invest in a capital project.

Fiscal policy
A government's approach to taxes and spending. The policy will vary depending on different electoral parties, governing systems and between countries.

Goods and services tax
A goods and services tax is a value-added tax levied on most goods and services sold for domestic consumption. The tax is paid by consumers, but it is remitted to the government by the businesses selling the goods and services.

Holding company
The principal purpose of this type of company is to hold and manage investments in other companies or joint ventures. Holding companies differ from operating companies, for example they need less staff, but they still have commercial value as a way to manage all the different investments within a group.

Indirect taxes
Taxes raised on goods and services rather than income and profits. Examples include value-added tax, sales tax, excise duties, stamp duty, services tax, registration duty and transaction tax.

Intellectual property
Intangible property that is the result of creativity. This can include patents, trademarks and copyrights.

International Compliance Assurance Programme (ICAP)
ICAP is a voluntary risk assessment and assurance programme for open and co-operative engagement between multinational enterprises and tax administrations in jurisdictions where the enterprises have activities.

Jurisdiction
Throughout this report, jurisdiction is used as the primary descriptor for a geographical area. Jurisdiction may also refer to countries, locations, or territories which have their own tax regimes.

Low-tax or zero-tax rate jurisdiction
See Tax haven.

Multinational enterprise or corporation
A multinational enterprise or multinational corporation is a company or group of companies with business establishments in two or more countries.

Non-recoverable VAT
A business can typically reclaim the value-added tax (VAT) charged on its purchases against the VAT it charges others on sales that it makes. The government therefore should receive VAT from the end consumer and not at each stage of the supply chain. However, a business may have non-recoverable VAT costs, where offset is not available or permitted.

Number of employees
This is the average number of employees in the year, including permanent and temporary staff on long-term contracts. Some of our businesses are labour-intensive. Others, such as holding companies which hold shares in subsidiaries or joint ventures, are not.

Organisation for Economic Co-operation and Development (OECD)
The OECD is an intergovernmental economic organisation with 38 member countries, founded in 1961 to stimulate economic progress and world trade.

Other payments to governments
These correspond to Upstream-related payments included in our Report on Payments to Governments. They comprise royalties, production entitlements, bonuses and fees.

Prepayment
Corporate income tax payment regimes differ. Many tax regimes require payments to be made in instalments. These payments may be due before the final tax liability is known or agreed.

Production entitlements
This is the host government's share of production. It includes the government's share as a sovereign entity or through its participation as an equity or interest holder in projects within its home country.

Production-sharing contracts or concessions
A production-sharing contract is a contractual arrangement between the holders of a resource, typically a country's government, and a resource extraction company, concerning how much oil or gas each party would receive. The company bears the mineral and financial risk of the initiative. It explores, develops and, if successful, manages production. Costs are recovered through the sale of oil or gas and what is left over is split depending on the terms of the contract.

Profit before tax
Profit or loss before tax is reported as Income before taxation in Shell's Consolidated Statement of Income. This is the profit or loss calculated using Group accounting policies. Local statutory accounts may need to comply with local accounting standards which may be different. The local statutory accounting profit or loss is the basis for the calculation of taxable profits in individual jurisdictions. Local tax laws are then applied to the profit or loss. Profit before tax shows the Group accounting result rather than the profits subject to tax after compliance with local tax laws. In accordance with CbCR rules, the financial data of non-consolidated entities in a country – such as their profit before tax – are excluded from this report. However, where applicable, Shell's accumulated earnings in that country include data reported by a consolidated entity for its interest in a non-consolidated entity.

Profit shifting
This is the term used to describe artificial arrangements whereby companies move profits from one jurisdiction to another jurisdiction in order to minimise tax payments.

Revenue agency
See tax authority.

Revenues
Revenues are disclosed as a split between those from related parties and those from third parties. For CbCR, third parties would include non-consolidated joint ventures and associates for the purposes of our Annual Report and Accounts 2023. Third-party revenues include sales of products, interest income, dividend income and other income. Related-party revenues include transactions between consolidated Group entities. For example, related-party revenues arise if our Trading organisation buys oil or gas from our Upstream organisation and sells it to our Downstream organisation. Within one country or location, many of these related-party transactions may occur, as Shell entities buy and sell goods, or provide and receive services, to or from each other. Shell includes all these transactions in its aggregated CbCR data. For example, feedstock could be sold to a refinery, refined and then processed further in a chemical plant before being traded by Shell. This can occur within one country or location. In this case, each of these sales between different entities would be counted as related-party revenues. These can represent large amounts.

Royalties
Royalties are generally payments due for the use of an asset. Mineral royalties are payments to governments or other owners for the rights to extract oil and gas resources, typically at a set percentage of revenue less any deductions that may be taken. See Trademark royalties.

Sales taxes
See Consumption taxes.

Stated capital
This information is sourced from local statutory accounts and is the amount of money invested in return for shares. The OECD rules require aggregated data, including for stated capital. This means that when a holding company invests in a subsidiary, which then invests in another subsidiary, all within the same country, each of those investments is counted and aggregated.

Statutory tax rate
This is the tax rate imposed by law in a country.

Tangible assets
The data reported in line with CbCR comprise property, plant and equipment and inventories as at the closing balance sheet date on December 31, 2023.

Tax accrued
The amount of corporate income tax for 2023 recorded as current-year tax in Shell's Consolidated Statement of Income. This also includes withholding tax accrued. It does not include prior-year adjustments, deferred tax or provisions for uncertain tax liabilities.

Tax authority
Also known as a revenue agency, a tax authority is the body responsible for administering the tax laws of a country, region or local authority.

Tax borne
Tax that represents a cost to Shell and impacts its financial results. This includes tax paid (see Introduction to country-by-country reporting) as well as non-corporate taxes, such as employer social security contributions.

Tax charge
The aggregate of current tax and deferred tax included in the determination of profit or loss for the period in our Annual Report and Accounts.

Tax collected
Tax that Shell does not directly incur but collects from its customers and employees on behalf of governments. This includes indirect taxes such as value-added tax and goods and services tax, as well as employee income tax and social security contributions.

Tax haven
Typically, this is considered to mean a country offering significantly lower tax rates or other tax features compared with the average rates or features offered by other countries.

Tax incentives
There is no common definition of a tax incentive. Shell defines tax incentives as fiscal measures designed by governments to stimulate investment and encourage growth, or a change of behaviour, by providing more favourable tax treatment to some activities or sectors. Incentives can include accelerated tax relief for capital expenditure on infrastructure, exemptions from certain taxes where government economic targets (for example employment targets) are met, or a favourable tax treatment of costs related to research and development activities for certain technologies.

Tax paid
This includes corporate income tax paid in 2023. In some cases, it may include payments made in relation to previous years or future years, as tax payments are often made in arrears or in advance. It also includes accrued withholding taxes on dividend, interest and royalty payments to Shell entities. It does not include withholding taxes collected by Shell on dividends paid to shareholders.

Taxable presence
Taxable presence refers to when a company, for reasons such as incorporation or activities in a jurisdiction, is subject to taxation in that jurisdiction.

The B Team
The B Team is a not-for-profit initiative aimed at ensuring that business becomes a driving force for social, environmental and economic benefit. Shell is a founding member of The B Team Responsible Tax Working Group but is not a member of the overall B Team initiative. Through The B Team, Shell and other companies have been able to give a voice to their views on fair taxation. The B Team Responsible Tax Principles, which Shell has helped to develop, reflect the views of leading companies and civil society organisations on a responsible approach to tax.

Total employee costs
Total employee costs include remuneration, pension and share costs.

Trademark royalties
Payments for the right to use trademarks. Trademarks are a legally registered name, word, symbol or design which identifies the goods or services of a business or company.

Trade tariffs
A tax on imports or exports between sovereign states. See Customs duties.

Transfer pricing
This refers to the setting of the price for goods and services sold between related entities within a group. Transfer pricing should be based on the arm's length principle, which means that profits are allocated to the countries where the relevant economic activity takes place and cannot be artificially taken somewhere else.

Value-added tax (VAT)
VAT is a specific type of turnover tax levied at each stage of the production and distribution process. Although VAT is ultimately levied on the consumer when they purchase goods or services, liability for VAT is on the supplier of those goods or services. See Non-recoverable VAT.

Withholding taxes
A withholding tax is an income tax to be paid to the government by the payer of the income rather than by the recipient of the income. The tax is thus withheld or deducted from the income due to the recipient. Withholding taxes usually apply to royalties, interest or dividends.

Cautionary note

The companies in which Shell plc directly and indirectly owns investments are separate legal entities. In this report "Shell", "Shell Group" and "Group" are sometimes used for convenience where references are made to Shell plc and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to 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 report refer to entities over which Shell plc either directly or indirectly has control. The term "joint venture", "joint operations", "joint arrangements", and "associates" may also be used to refer to a commercial arrangement in which Shell has a direct or indirect ownership interest with one or more parties. The term "Shell interest" is used for convenience to indicate the direct and/or indirect ownership interest held by Shell in an entity or unincorporated joint arrangement, after exclusion of all third-party interest.

Forward-looking statements

This report contains forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995) concerning the financial condition, results of operations and businesses of Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Shell to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as "aim"; "ambition"; "anticipate"; "believe; "commit"; "commitment"; "could"; "estimate"; "expect"; "goals"; "intend"; "may"; "milestones"; "objectives"; "outlook"; "plan"; "probably"; "project"; "risks"; "schedule"; "seek"; "should"; "target"; "will"; "would" and similar terms and phrases. There are a number of factors that could affect the future operations of Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this report, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell's products; (c) currency fluctuations; (d) drilling and production results; (e) reserves estimates; (f) loss of market share and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, judicial, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; (m) risks associated with the impact of pandemics, such as the COVID-19 (coronavirus) outbreak, regional conflicts, such as the Russia–Ukraine war, and a significant cyber-security breach; and (n) changes in trading conditions. No assurance is provided that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this report are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Additional risk factors that may affect future results are contained in Shell plc's Form 20-F for the year ended December 31, 2023 (available at www.shell.com/investors/news-and-filings/sec-filings.html and www.sec.gov). These risk factors also expressly qualify all forward-looking statements contained in this report and should be considered by the reader. Each forward-looking statement speaks only as of the date of this report, November 21, 2024. Neither Shell plc nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this report.

Shell's Net Carbon Intensity

Also, in this report we may refer to Shell's "Net Carbon Intensity" (NCI), 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's NCI also includes the emissions associated with the production and use of energy products produced by others which Shell purchases for resale. Shell only controls its own emissions. The use of the terms Shell's "Net Carbon Intensity" or NCI are for convenience only and not intended to suggest these emissions are those of Shell plc or its subsidiaries.

Shell's net-zero emissions target

Shell's operating plan, outlook and budgets are forecasted for a ten year period and are updated every year. They reflect the current economic environment and what we can reasonably expect to see over the next ten years. Accordingly, they reflect our Scope 1, Scope 2 and NCI targets over the next ten years. However, Shell's operating plans cannot reflect our 2050 net-zero emissions target, as this target is currently outside our planning period. In the future, as society moves towards net-zero emissions, we expect Shell's operating plans to reflect this movement. However, if society is not net zero in 2050, as of today, there would be significant risk that Shell may not meet this target.

Forward-looking non-GAAP measures

This report may contain certain forward-looking non-GAAP measures such as cash capital expenditure and divestments. We are unable to provide a reconciliation of these forward-looking non-GAAP measures to the most comparable GAAP financial measures because certain information needed to reconcile those non-GAAP measures to the most comparable GAAP financial measures is dependent on future events some of which are outside the control of Shell, such as oil and gas prices, interest rates and exchange rates. Moreover, estimating such GAAP measures with the required precision necessary to provide a meaningful reconciliation is extremely difficult and could not be accomplished without unreasonable effort. Non-GAAP measures in respect of future periods which cannot be reconciled to the most comparable GAAP financial measure are calculated in a manner which is consistent with the accounting policies applied in Shell plc's consolidated financial statements.

The contents of websites referred to in this report do not form part of this report.

We may have used certain terms, such as resources, in this report that the United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. Investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575, available on the SEC website www.sec.gov.

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All our reports are available online at
www.shell.com/annual-publications

- Comprehensive financial information on our activities throughout 2023
- Detailed information on Shell's taxes
- Report on our progress in contributing to sustainable development
- Energy Transition Strategy 2024