

# ROYAL DUTCH SHELL PLC

## SAFETY, ENVIRONMENT AND SUSTAINABILITY COMMITTEE

### TERMS OF REFERENCE

#### PURPOSE

The Safety, Environment and Sustainability Committee (the “Committee”) assists the Board of Directors of Royal Dutch Shell plc (the “Board”) in reviewing the practices and performance of the Shell Group of Companies (the “Group”), primarily with respect to Safety, Environment including Climate Change, and Sustainability.

#### DUTIES

The Committee shall:

- Review the practices and performance of the Group relating to Safety, including in particular regarding the safe condition and responsible operation of the Group’s assets;
- Review the practices and performance of the Group relating to Environment, including in particular regarding environmental protection and Greenhouse Gas (“GHG”) emissions;
- Review major incidents that impact the Group’s Safety and Environmental performance;
- Review progress towards meeting the Group’s ambitions regarding its Net Carbon Footprint, Climate Change and the Energy Transition underway;
- Endorse the Group’s annual Health, Security, Safety, Environment and Social Performance (“HSSE&SP”) Assurance plan; review execution of the HSSE&SP Assurance plan and audit outcomes; and review relevant findings from the Group’s broader Internal Audit programme;
- Assess the Group’s overall Sustainability performance and provide input to the Group’s annual reporting and disclosures regarding Sustainability;
- Review how the Group addresses other major issues of public concern that could affect the Group’s reputation and licence to operate. Examples include plastic waste and the ethical conduct and culture of the Group, in particular in relation to Group activities in higher risk countries, which the Committee will review in liaison with the Audit Committee;
- Review and consider external stakeholder perspectives in relation to the Group’s business;
- Advise the Remuneration Committee on metrics relating to Sustainable Development and Energy Transition.

#### Other functions

The Committee shall perform further duties at the request of the Board.

## **Limitations inherent in the Committee's role**

It is not the duty of the Committee to plan or conduct audits, this being the role of management. Neither is it the duty of the Committee to establish the management of the safe and environmentally responsible operation of the Group's assets, this being the role of the Executive Committee. Nor is it the duty of the Committee to establish the appropriate level of the Group's exposure to risk, this being the role of the Board.

## **ORGANISATION OF THE COMMITTEE**

### **Membership and independence**

The Committee shall be composed of at least three independent Non-Executive Directors. Committee members shall be appointed by the Board, at the recommendation of the Nomination and Succession Committee, taking into account the views of the Chair of the Committee (the "Committee Chair").

Appointments of each Committee member shall be for a period of up to three years, which may be extended for up to two further three-year periods, provided the Committee member remains independent. The Board shall also appoint one Committee member to be the Committee Chair, at the recommendation of the Nomination and Succession Committee.

### **Alternate arrangements**

If a Committee member is unable to act due to absence, illness, or any other cause, the Committee Chair, or in their absence the Board, may appoint another Non-Executive Director to serve as an alternate Committee member. In the absence of the Committee Chair, the remaining members present shall elect one of the members present to chair the meeting.

### **Quorum**

The quorum necessary for the transaction of business shall be two Committee members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise any and all of the authorities, powers and discretions vested in or exercisable by the Committee.

### **Authority and support**

The Board has established the Committee with the authorities necessary to perform the duties set out in these Terms of Reference. The Committee, within the scope of its assigned purpose and duties, may seek any information it requires from employees, management, and external parties.

The Committee may engage advisers or otherwise obtain independent legal or other professional services it requires, at the expense of the Company. The Board will provide the Committee with sufficient resources to undertake its duties.

In consultation with the Chair of the Board and the Committee Chair, the Chief Executive Officer will assign a member of the Executive Committee to support the Committee.

In consultation with the Committee Chair, the Company Secretary shall be responsible for the designation of a secretary to the Committee (the "Committee Secretary").

## **Meetings**

The Committee shall meet as frequently as required, as determined by the Committee Chair, and at least five times a year.

Only the Committee Chair and members shall participate in Committee meetings. The Chair of the Board and Chief Executive Officer have a standing invitation to attend Committee meetings. Any Non-Executive Director who is not a member of the Committee is entitled to attend Committee meetings. At the invitation of the Committee Chair others, including Executive Committee members, may also attend Committee meetings.

The Committee shall regularly visit Group facilities at different locations around the world, focusing on issues within the Committee's mandate as described in these Terms of Reference. During these visits the Committee shall typically meet with local staff and stakeholders including non-government organisations.

The Committee shall meet regularly with the Executive Vice President Safety & Environment. Periodically, the Committee shall meet with other senior employees including the Chief Ethics & Compliance Officer, the Executive Vice President External Relations and the Chief Internal Auditor. If the Committee so desires, it shall meet with these and other employees in a separate session without management being present.

The Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

Meetings of the Committee shall be arranged by the Committee Secretary, who shall inform Committee members and other attendees (as appropriate) in advance of each scheduled meeting, together with an agenda and supporting papers. The Committee Secretary shall ensure that the agenda and supporting papers as required by the Committee are received in a timely manner to enable full and proper consideration of Committee matters.

The Committee Secretary shall record minutes of the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance. The Committee Secretary shall promptly circulate draft meeting minutes to the Committee Chair for review and subsequently to all members of the Committee. Minutes shall be approved at the next meeting of the Committee and tabled as soon as practicable thereafter at a meeting of the Board, for information.

## **Committee performance**

The Committee shall annually evaluate how it has discharged its responsibilities and the overall performance of the Committee. The Committee shall report the results of its evaluation to the Board. The Committee shall annually review these Terms of Reference and recommend updates as necessary, for the approval of the Board.

## **Annual General Meeting**

The Committee Chair shall respond to any questions regarding the Committee's activities at the Annual General Meeting.