

THE VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS: OVERVIEW OF IMPLEMENTATION BY SHELL IN 2021

Introduction

1. Since their development in 2000, companies in the Shell Group¹ have actively implemented the Voluntary Principles on Security and Human Rights (VPSHR, or VPs), which guide companies in assessing human rights risks when working with public and private security. Security staff and contractors have been trained in the VPs and we have incorporated them into our core security-related processes and contracts.
2. In 2021, implementation of the VPs continued across prioritised Shell companies. Practical implementation included: conducting and updating VPSHR risk assessments; briefing key internal and external stakeholders on human rights risks; delivering VPSHR training to staff and contractors; and ensuring that we monitored for any incidents, allegations or grievances related to our security operations. This report summarises our overall approach and key activities, with country-specific examples.

Commitment

3. As a participant in the Voluntary Principles Initiative (VPI) and a member of IPIECA, Shell is actively engaged in the ongoing global dialogue around business and human rights. Respect for human rights is fundamental to Shell's core values of honesty, integrity and respect for people, and Shell's General Business Principles include an explicit commitment to human rights: to *"respect the human rights of our employees"* and to *"support fundamental human rights in line with the legitimate role of business"*. Shell's Code of Conduct and Supplier Principles also state that, *"conducting our activities in a manner that respects human rights as set out in the UN Universal Declaration of Human Rights and the core conventions of the International Labour Organization supports our license to operate"*. Furthermore, human rights are at the core of Shell's newly launched Powering Progress Strategy, whereby it seeks to Power Lives by respecting human rights in all parts of its business.

¹ Shell plc and the companies in which it directly or indirectly owns investments are separate and distinct entities. The collective expressions 'Shell' and 'Shell Group' may be used for convenience where reference is made in general to those companies. Likewise, the words 'we', 'us' and 'our' are used in some places to refer to the companies of the Shell Group in general. These expressions are also used where no useful purpose is served by identifying any particular company or companies.

4. Shell is an active member of the Voluntary Principles Initiative (VPI) and regularly engages with members of all three pillars (government, corporate and NGO) in an effort to share experience and best practice. We attend regular meetings and presentations within the VPI and have played an active role in various country implementation and thematic working groups within the initiative in 2021, such as the conflict working group. As part of this working group, we are helping develop a conflict analysis tool for corporate practitioners working in fragile and conflict-affected contexts.
5. Our implementation of the VPs forms part of our wider approach to human rights and to conducting responsible and sustainable business. For insight into Shell's work in this area, please refer to our Sustainability Report.

Policies, Procedures and Related Activities

6. The Shell General Business Principles require our employees and contractors to respect the human rights of fellow workers and communities where we operate. Shell's human rights approach focuses on four areas - communities, labour, supply chain and security – with Corporate Security represented on Shell's Human Rights Working Group (HRWG), which co-ordinates our overall approach.
7. Requirements for the implementation of the VPs are included in the Security Standards and Security Manual section of Shell's Health, Safety, Security, and Environment & Social Performance (HSSE & SP) Control Framework. This is the key guideline that sets our HSSE&SP approach and standards.
8. In line with Shell's Security Standards, security risk management is conducted in accordance with applicable national legal requirements and internationally recognised standards, including the VPs. Compliance with the VPs and the Use of Force is reviewed regularly through audits and business assurance processes. The internal assurance process includes the completion of an annual questionnaire for VPSHR priority countries, derived from the VPI's Performance Indicators.
9. Shell's Corporate Security team provides functional support on the VPs by developing policies, processes, guidance and training. In addition, it provides advice and support to the various companies to implement the VPSHR in priority countries, including support in risk assessments, risk mitigation, training, briefings, audits and self-assessments.
10. In 2021, country level VPSHR risk assessments were completed or updated for our priority countries (these countries are identified based on set threat assessment criteria). These country-level VPSHR risk assessments were completed using a risk assessment template

derived from the VPI's Implementation Guidance Tool (IGT), designed to help companies, their employees and contractors to implement VPSHR.

11. The VPs continue to be a critical element of Shell's contracts with security providers, which have VPSHR and Use of Force clauses included as standard. These clauses include the expectation that private security companies and their subcontractors and agents apply the VPs in their operations, co-operate fully in investigations, investigate any infractions promptly and apply remedial actions.
12. Shell operates an incident management system through which HSSE & SP incidents, including VPSHR incidents, can be reported. Shell's Corporate Relations teams also manage community feedback mechanisms to ensure that concerns, grievances or questions can be raised.
13. Awareness of the basic principles of the VPs and the risk profile at country or region level is a key requirement for the successful implementation of the VPs. Training is offered through the following platforms to improve awareness:
 - Shell Open University training module on VPSHR and Human Rights
 - Regional workshops
 - Train the trainer sessions
 - Awareness briefings for security providers

Country Implementation

14. Progress was made on the in-country implementation of the Voluntary Principles throughout the Shell Group. Below are summaries of activities carried out by Shell companies in some of the VPSHR priority countries.

Nigeria

15. The Shell Companies in Nigeria ('SCiN') have their main operations located in the Niger Delta. Government Security Agencies (GSA) provide security for many facilities/activities; Shell also employs unarmed private security contractors. Staff of the various SCiN devote time and resources to ensuring that the VPs continue to be a key focus area.
16. Implementation of the VPs in Nigeria included the following steps:
 - The VPSHR risk assessment was reviewed and updated in 2021.

- VPSHR training for GSA was arranged at deployment and during quarterly refresher briefings. VPSHR trainings have recently included implications of the COVID-19 pandemic on VPSHR and civil-military relations. Discussions included response to illnesses at site, restrictions of movement, patrol procedures and evacuation in a VPSHR compliant manner.
- High-level engagements were conducted with the Department of Defence, Nigeria Police Force, and Department of State Services to discuss VPSHR standards and use of force requirements.
- VPSHR training for company personnel took place online due to the COVID-19 pandemic. This included scenario-based trainings based on the experience of field personnel who interacted directly with GSA as well as open mic sessions at the end of each training.
- SCiN continued to engage with stakeholders in civil society through quarterly Nigeria Working Group (NWG) meetings, where it reviewed yearly work plans and advocacy for the working group.
- VPSHR induction and refresher briefs are undertaken for private security guards who are employees of the SCiN private security providers, with sign-off sheets kept on record.
- VPSHR legal clauses are included in private security contracts, and all public security providers are briefed on VPSHR and Use of force (UOF), including health and safety requirements. Periodic refreshers are provided and a zero tolerance for non-compliance is maintained.

Iraq

17. Shell's operations in Iraq centre on the Basrah Gas Company (BGC), a joint venture with the Iraqi government. Security is provided through a combination of armed government forces (the Oil Protection Force or OPF) as well as private security guarding, which is also armed.

18. Implementation of the VPs in Iraq included the following steps:

- The Iraq VPSHR risk assessment was reviewed and updated in 2021.
- BGC had regular VPSHR engagements with relevant company personnel, including training on the guiding principles of VPSHR, the basic principles for the use of force, as well as practical exercises after which a certificate was issued. The Corporate Relations teams conducted regular meetings with community representatives and engaged with local civil society organisations.
- Close relationships were maintained with the OPF; engagements were held on an almost daily basis to discuss day-to-day operations. More formal meetings were held with the OPF Unit Commander on a fortnightly basis, and with the Commanding General every quarter.

- Engagements were held at the highest governmental levels in a multi-ministerial capacity. When required, our stance on VPSHR was reiterated and expanded.
- OPF deployed in support of Shell field operations were monitored and assessed for compliance through on the ground mentorship and training delivered by Corporate Security's Capability & Development Team. We monitored and reported on public security forces more broadly through our Intelligence and Assessment Team.
- Private Security personnel continued to be trained on VPSHR as part of their contractual obligations, with input as appropriate from the Shell security team.
- Private security providers were screened at the pre-qualification stage for a number of criteria, including any VPHSR violation records; the effectiveness of their VPSHR training; internal VPSHR monitoring; VPSHR implementation audit reports; use of force and rules of engagement policies; security training records; and weapon handling.
- VPSHR clauses were included on contractor obligations to conduct their activities strictly in accordance with the relevant provisions of VPSHR, including on audits, investigation of allegations and payments to the Iraqi Security Forces.

Lessons learned

19. The following were some of the broader lessons learned through the course of implementation in 2021:

- The replacement of commanders across operated sites and the short notice relocation and replacement of battalions for training represent a challenge in reducing the risk of human rights infractions.
- The simplification of VPSHR training materials and the introduction of scenarios based practical training sessions have proven most effective to ensure that security forces better understand potential VPSHR violations.
- If there is an incident, adequate time should be allowed for the local law enforcement/military commanders to go through their system to reach the correct outcome. Undue pressure for a quick resolution creates pushback in the short term and results in less influence in the longer term.
- Greater host government commitment to the VPI would greatly improve awareness of human rights, especially in countries where knowledge and understanding of human rights among public security forces is low.