



# Shell's approach to Human Rights



POWERING  
**LIVES**



## Our vision

Human rights are fundamental to Shell's core values of honesty, integrity and respect for people. We want to make a positive impact on society, contributing to a more diverse and inclusive world.

Shell is committed to respecting human rights as set out in the UN Universal Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. Our approach is informed by the UN Guiding Principles on Business and Human Rights.



**Ben van Beurden**  
Chief Executive Officer

### **Shell supports the following voluntary codes:**

- United Nations' Universal Declaration of Human Rights
- United Nations Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- United Nations Global Compact 10 Principles
- International Labour Organization Declaration on Fundamental Principles and Rights at Work
- Joint Industry human rights supply chain engagement
- International Finance Corporation's Environmental and Social Performance Standards
- Building Responsibly Principles
- United Nations Standards of Conduct for Business
- Voluntary Principles on Security and Human Rights

# Our commitments

## Our workforce:

We respect our employees' and contractors' rights by working in line with the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the UN Global Compact. We respect the principles of freedom of association, the right to collective bargaining, non-discrimination and equal opportunity, along with adequate work conditions, adequate remuneration and the elimination of forced and child labour.

## Modern slavery:

Shell is opposed to all forms of modern slavery. We set clear expectations to contractors and suppliers not to use forced, prison or compulsory labour and no payment of recruitment fees by workers. We expect contractors and suppliers to respect freedom of association and collective bargaining; to provide a safe, secure and healthy workplace; and the provision of wages and benefits that meet or exceed the national legal standards. Our contractors and suppliers should provide workers with whistleblowing mechanisms where grievances related to the above topics can be logged confidentially.

## Communities:

We manage the social impacts including potential human rights impacts of our business activities carefully, working to enhance the benefits to local communities, and to mitigate negative impacts. Listening and responding to community concerns is an important part of our approach to providing access to remedy.

## Security:

Shell strives to keep staff and facilities safe while respecting the human rights and [security of local communities](#). We carefully assess security threats and risks to our operations and work with governments and partners to mitigate negative consequences. We have implemented the [Voluntary Principles on Security and Human Rights](#) since their development in 2000. Shell avoids the use of armed

security with the exception of where there is a requirement under local laws or in countries where the threats are most severe.

## Indigenous Peoples - FPIC:

Our operations in certain parts of the world affect Indigenous Peoples who hold specific rights for the protection of their cultures, traditional ways of life and special connections to lands and waters. In support of the UN Declaration on the Rights of Indigenous Peoples, our approach is to continue seeking the support and agreement of Indigenous Peoples potentially affected by our projects. We recognise the principle of free, prior and informed consent (FPIC) as interpreted by the International Finance Corporation Performance Standards as a safeguard for Indigenous Peoples' rights.

## Civic space and human rights defenders:

Freedom of expression, of association, and peaceful assembly are human rights. Protection of these rights contribute to a well-functioning democratic society. Shell does not interfere or inhibit the peaceful, lawful and safe activities of human rights defenders to exercise these rights even if these should be linked to issues related to our business operations. Shell will not contribute to or support retaliation, threats, intimidation or attacks against those who raise human rights-related concerns in relation to its operations.

## Equality and non-discrimination:

As stated in our [Code of Conduct](#), at Shell, we offer equal opportunities to everyone. Our human resources policies and standards help us establish fair labour practices and a positive work environment. We want to contribute to a more diverse and inclusive world. To achieve this we must ensure all people are treated fairly, irrespective of their race, gender, ethnicity, age, physical ability, religion, sexual orientation, or other status.

## Our commitments (cont'd)

### Worker welfare

Our ambition is to respect and promote the rights and welfare of our employees and contractors. We know that when people are cared for, they perform at their best.

Shell supports the Building Responsibly Principles. We have recently incorporated these into our management system (HSSE&SP Control Framework) and in 2021 we will start implementing these principles on a risk-based approach across our operations and contracted activities.

Companies in the Shell Group operate in many different countries and regions, each with different levels of risk related to Worker Welfare. Where necessary and on a risk-basis, we will assess the contractors' capability to manage worker welfare and add requirements into high risk contracts - which include the requirement to develop Worker Welfare management plans. These terms establish clear, minimum expectations for labour rights, including no discrimination, no forced, trafficked and child labour, ethical recruitment, freedom to change employment, access to documentation, wage and benefit agreements are respected, worker representation, access to grievance mechanisms and healthy, safe and habitable living and working conditions. We empower the voice of the worker to express their concerns. Using a risk-based approach we will verify implementation of management plans through for example audits and site visits.

We want to drive the inclusion of Worker Welfare in industry standards, guidance and recommended practices, in order to raise the bar and drive consistency across the industry. We do this through our participation in organisations such as Building Responsibly, the UN Global Compact, the International Association of Oil and Gas Producers (IOGP) and IPIECA.

We know that as we drive for higher standards and consistency, we may identify examples where our expectations are not met. We want to be transparent about our progress as well as the challenges we face in our operations and supply chain.

### How are Human Rights governed at Shell ?

- Shell has a cross-functional Human Rights Working Group (HRWG) to advise and support the implementation of our approach to human rights. This group has representatives from all our focus areas, various experts from across the organisation, and includes Business for Social Responsibility (BSR) as an external advisor. Throughout the year the working group discusses key developments, manages potential risks and improvement opportunities.
- The Human Rights Steering Committee is composed of senior executives and provides steer and support to the HRWG. The Steering Committee meet at a minimum every quarter to discuss priority issues.
- The Board of Directors of Royal Dutch Shell plc oversees Shell's culture and ethical standards. The Safety, Environment and Sustainability Committee (SESCO) - a standing committee of the Board - reviews the practices and performance of Shell, primarily with respect to safety, environment including climate change, and broader sustainability which includes human rights. The Audit Committee (AC) - another standing committee of the Board - reviews the effectiveness of Shell's compliance programme, including compliance with the Code of Conduct which includes Shell's responsibility to respect human rights.

## How we work:

We have an integrated approach to human rights that is informed by the UN Guiding Principles, and is embedded into our policies, enterprise risk management frameworks and processes. Human rights due diligence is embedded into our ways of working – which are applicable to all employees and contractors.

### Our management framework

Human rights are embedded into the [Shell General Business Principles \(SGBPs\)](#). We continually work to safeguard human rights in all aspects of doing business and have embedded human rights in our General Business Principles, Code of Conduct and Shell Supplier Principles. The Shell Supplier Principles include specific labour and human rights expectations for contractors and suppliers.

All Shell employees, contractors, and those working in joint ventures that we operate, are expected to understand and work in line with the SGBPs. We encourage suppliers and our partners in joint ventures that we do not operate, to apply equivalent principles.

The Shell Code of Conduct explains how employees, contractors and anyone else acting on behalf of Shell must behave to live up to our business principles. Shell provides mandatory training and regularly reminds employees and contractors about the importance of both the SGBPs and the Code of Conduct. We also expect Shell's contractors and suppliers to understand and meet our robust requirements. We provide Human Rights awareness training, which is available to all staff and mandated for selected staff working in higher-risk focus areas. In addition, we deliver targeted training in the higher-risk focus areas on relevant topics such as the Voluntary Principles on Security and Human Rights as well as on Cultural Heritage, Indigenous Peoples and Involuntary Resettlement.

The HSSE & SP CF is made up of a series of mandatory manuals, which are in line with the Shell Commitment and Policy on HSSE&SP and the Shell Code

of Conduct. They are supported by guidance documents and complemented by assurance protocols. The Control Framework applies to every Shell entity, including all employees and contract staff, and to Shell-operated ventures. It defines standards and accountabilities at each level of the organisation and sets out the procedures and processes they are required to follow. We require that all significant HSSE & SP risks associated with our business activities are assessed and managed to as low as reasonably practicable.

We expect joint ventures not operated by Shell to apply standards and principles similar to our own. We support these joint ventures in their implementation of our HSSE & SP CF, or of a similar framework, and offer to review the effectiveness of their implementation. Even if such a review is not carried out, we periodically evaluate HSSE & SP risks faced by the ventures which we do not operate. If one of these joint ventures does not meet our expectations, we work to put remedial action plans in place, in agreement with our partners.

### Our focus areas

We focus on four areas where respect for human rights is particularly critical to the way we operate and where we have identified the risks are highest for potential impacts on human rights: labour rights, communities, supply chains and security.

**Supply chains:** The [Shell Supplier Principles](#) include specific labour and human rights expectations for contractors and suppliers. We recognise the role of counterparty due diligence in bringing our commitments to life. In our supply chains, all direct suppliers undergo pre-contract screening. This includes screening against public allegation for human rights abuses and evidence of slavery.

Contractors and suppliers deemed to be at higher risk from labour rights issues are engaged to undertake a detailed assessment of their management system prior to the award of a contract. This assessment includes a declaration of their

own process to assess and manage labour rights risks with their own suppliers. For certain contracted services in higher risk locations, we include a contractual obligation requiring contractors to develop a worker welfare plan that includes, among others, ethical recruitment practices and no use of forced labour.

The results of supplier assessments are summarised in a rating depending on the number and significance of gaps between our requirements and the supplier's policies or performance. We will investigate allegations of practices running contrary to the Supplier Principles that are raised with us. Practices running contrary to the Supplier Principles may result in suppliers being required to develop corrective action plans backed up by on-site audits. In addition, contracts may be terminated with immediate effect if suppliers breach Shell General Business Principles.

Through our Sustainability Report, we report the percentage of countries in which we operate where we have procedures in place to prevent child labour and forced labour.

**Communities:** Our projects and operations can negatively impact the communities where we operate. By managing our impacts responsibly, we also seek to prevent social impacts from escalating.

We manage the impacts we may have in line with the International Finance Corporation's Performance Standards and the UN Guiding Principles on Business and Human Rights.

We are committed to respecting our neighbours and to contribute to the societies in which we operate. We conduct impact assessments for every major project and consider the economic, social, environmental and health opportunities and risks. This helps us to manage and reduce impacts on the environment and on communities throughout the lifetime of the project. We engage with communities and other stakeholders as part of our impact assessment process to share

information, consider suggestions and discuss possible ways to address their concerns.

Engaging with communities is an important part of our approach to managing human rights and providing access to remedy. Shell's community liaison officers act as a bridge between the local community and the project or asset. By working with local communities, we are able to jointly identify solutions and opportunities.

We have community feedback mechanisms at our operations and projects to receive, track and respond to questions and complaints from community members. This enables us to capture and resolve concerns quickly in a transparent way, and to track our performance.

Shell subject matter experts support our project and asset teams in areas such as human rights, Indigenous Peoples, cultural heritage, and resettlement.

- **Land acquisition and resettlement:** We occasionally require temporary or permanent access to areas of land or sea where people are living and/or working. Where resettlement is unavoidable, we work with local communities to help them resettle and maintain, or improve, their standard of living in accordance with international standards for resettlement<sup>1</sup>. Resettlement planning starts at the earliest stages of a project. In cases where there is only economic displacement, we support impacted people to establish alternative livelihoods.
- **Indigenous Peoples:** In line with the SGBPs, and in support of the UN Declaration on the Rights of Indigenous Peoples, our approach is to continue seeking the support and agreement of Indigenous Peoples potentially affected by our projects. We do this through mutually agreed, transparent and culturally appropriate consultation and impact management processes. It requires open dialogue, good faith negotiations, and, where appropriate, the development of agreements that address the needs of Indigenous Peoples.

<sup>1</sup>IFC Performance Standard 5

■ **Cultural heritage:** Cultural heritage refers to places of archaeological, historical, cultural, artistic and religious significance. It also includes unique environmental features, cultural knowledge and traditional lifestyles that should be preserved. Our Cultural Heritage requirements are aligned with international standards and aim to provide inputs to site selection in new projects in order to avoid or minimise the impact to cultural heritage. We also develop Chance Find Procedures (CFP) to deal with previously unknown heritage resources that may be discovered during project activities and train relevant staff and contractors on CFPs to give them the ability to halt work where required.

### **Security:**

We work to maintain the safety, security and human rights of our employees, contract staff and local communities where we work.

Since their development in 2000, companies in Shell have actively implemented the Voluntary Principles (VP) on Security and Human Rights (VPSHR) that guide companies in assessing human rights risks when working with public and private security organisations.

VPSHR guidance and templates are used to carry out annual risk and threat assessments which forms part of our HSSE & SP Control Framework. Criteria we assess include the human rights records of security forces in country, and previous incidents and allegations. Assessments are completed with input from experts from different expertise areas across the company. Once risks have been assessed we develop plans to mitigate the identified risk.

We include VPSHR clauses in our private security contracts and raise the principles in engagements with public security forces. Security staff and contractors are trained in the VPSHRs and we incorporate them into our core security-related processes.

In countries where we rely on public security forces, we work with governments, civil society, industry and partners to safeguard assets and provide a secure working environment for employees and contractors. Shell only uses armed security in countries where the threats are most severe or if it is a requirement under local laws.

We report on the progress of implementation of the VPSHR every year on our website, and within the VP initiative.

### **Labour rights:**

We strive to maintain a healthy employee and industrial relations environment in which dialogue between management and our employees, both directly and, where appropriate, through employee representative bodies, is embedded in our work practices.

Through a range of formal and informal channels, management engages with our employees on a regular basis. The Shell People Survey is one of the principal tools used to measure employee engagement, motivation, affiliation and commitment to Shell.

Shell will not tolerate harassment, nor action, conduct or behaviour which is humiliating, intimidating or hostile. Feedback, criticism and challenge must always be delivered in an appropriate and respectful manner. We carry out sessions for managers on harassment awareness and prevention to help ensure people in their team feel comfortable speaking up. When a complaint is raised, it is taken seriously and addressed appropriately.

We promote reporting of views about our processes and practices. In addition to local channels, the Shell Global Helpline enables our people and third parties to report potential breaches of the Shell General Business Principles and Shell Code of Conduct, confidentially and anonymously, in a variety of languages.

# How we provide Access to Remedy

Where we have potentially caused or contributed to adverse impacts, we provide and facilitate access to remedy through our Community Feedback Mechanisms and the Shell Global Helpline, or cooperate in good faith through other legitimate remedy mechanisms. Shell does not require individuals or communities to permanently waive their legal right to bring a claim through a judicial process as a precondition of raising a grievance through a Shell grievance mechanism, nor will Shell otherwise take extrajudicial measures to obstruct state-based judicial processes. We also have contractual requirements to high-risk contracts to provide adequate channels in accordance with our Worker Welfare ambition.

## **Community Feedback Mechanisms:**

Engaging with communities is an important part of our approach to managing human rights and providing access to remedy. The community feedback mechanisms implemented in our major operations and projects allow us to receive, track and respond to questions and complaints from community members. Our online Community Feedback Tool provides staff working within communities with real-time information around issues for a quick resolution. We have assessed our community feedback mechanism against the access to remedy criteria of the UN Guiding Principles on Business and Human Rights and have made improvements helping to ensure we treat community feedback consistently across our operations, respect anonymity and allow communities to pursue other options if they disagree with the outcome of the process. Complaints are reported on annually in our Sustainability Report.

## **Global Helpline**

Shell employees, contract staff in Shell and third parties with whom Shell has a business relationship (such as customers, suppliers, agents) can report concerns and any potential breaches of the Code of Conduct confidentially and anonymously through our Global Helpline, which is operated by an independent provider and available in 14 languages, 24 hours a day, every day. Shell has specialists who investigate concerns or allegations of a Code of Conduct breach or the Shell General Business Principles. If a violation is confirmed, the local operating company will decide on action to be taken, including contract termination or dismissal. We maintain a stringent no-retaliation policy in order to protect any person making a good faith allegation. Annual outcomes are reported in our Sustainability Report. [Access the Global Helpline.](#)

## **Access to remedy available to workers by our contractors:**

In line with our Worker Welfare commitment and Building Responsibly Principles we contractually require high labour risk contractors to provide grievance mechanisms and access to remedy. We promote resolution through non-judicial remediation. If we become aware of concerns pertaining to one of our suppliers, we will raise this as part of supplier performance management. We support our business partners in the remediation of adverse impacts through their own grievance management processes.

# Community feedback mechanism process

## 1. Receipt of feedback

Feedback and complaints may be submitted on a named or anonymous basis. Anonymous submissions will be acted upon in the same manner as named submissions to the extent reasonably possible.

Every feedback received is treated with respect and confidentiality. Anyone who submits their feedback is protected from retaliation or intimidation.

Feedback may be submitted through various channels including via Shell staff of established centres, mail/email, formal engagement sessions, phone, email, social media, or by other means via government agencies or local authorities.

## 2. Acknowledgement

Once feedback has been received, a Shell team member will contact the community stakeholder to acknowledge receipt of the feedback and where feasible to discuss the course of action.

*This will usually happen within 48 hours if contact details are complete.*

## 3. Investigation

Further investigation via engagement and onsite visits and continuous engagements may take place to assess and explore options for the resolution of the feedback.

The feasible course of action will be discussed and agreed with the community stakeholder before implementation.

## 4. Options for resolution

The proposed resolution will be shared with the community stakeholder.

In case they are not agreeable, they may avail of other options or locally acceptable resolution mechanisms outside of the CFM.

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