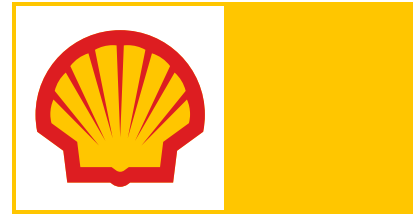


Corporate Political Engagement



Our approach

The nature of Shell's business means we have direct and indirect interactions with governments, regulators, policymakers and other political stakeholders. These interactions range from the practical requirements of obtaining new permits so that our business can operate safely and in line with regulations, to broad public policy discussions.

Responsible engagement between the private sector and political stakeholders is an important part of effective policymaking. We employ many scientists and other experts, and we are often asked by governments, international organisations, non-governmental organisations, industry associations and wider society to share our views.

Our approach to corporate political engagement is guided by the Shell General Business Principles,¹ which outline our approach to political activities. This corporate political engagement statement is based on Transparency International UK's principles for corporate political engagement transparency² and provides details of our approach in four main areas:

- 1. Internal governance**
- 2. Political contributions**
- 3. Responsible lobbying**
- 4. Recruitment and secondments**

Shell General Business Principles

Principle 4 – Political activities

A) Of companies

Shell companies act in a socially responsible manner within the laws of the countries in which we operate in pursuit of our legitimate commercial objectives.

Shell companies do not make payments to political parties, organisations or their representatives. Shell companies do not take part in party politics. However, when dealing with governments, Shell companies have the right and the responsibility to make our position known on any matters, which affect us, our employees, our customers, our shareholders or local communities in a manner, which is in accordance with our values and the Business Principles.

B) Of employees

Where individuals wish to engage in activities in the community, including standing for election to public office, they will be given the opportunity to do so where this is appropriate in the light of local circumstances.

Policy principles for political engagement

1. Internal governance

Shell's core values – honesty, integrity and respect for people – underpin everything we do. The Shell General Business Principles, Code of Conduct and Ethics and Compliance Manual help everyone at Shell act in line with these values and comply with relevant laws and regulations.³

How we engage with political stakeholders is outlined in the Shell General Business Principles in Principle 4 – Political activities (see page 1). All Shell staff, and people working in joint ventures we operate, are expected to understand and behave in line with the Shell General Business Principles.⁴ We promote the application of the Shell General Business Principles, or equivalent principles, in our relationships with contractors and suppliers, and joint ventures that we do not operate.

The Shell General Business Principles are approved by the Board of Shell plc. The application of the principles is underpinned by a comprehensive set of assurance procedures, which are designed to ensure that our employees understand the principles and confirm that they act in accordance with them. Shell's Code of Conduct, Ethics and Compliance Manual and anti-bribery and corruption training provide guidance for employees on how they should comply with the Shell General Business Principles, including on political activities.

Our Corporate Relations department has responsibility for political engagement. Other parts of our organisation may also engage with political stakeholders with guidance from Corporate Relations. In each country where we operate, we have a Country Chair or equivalent representative who is accountable for overseeing all interactions with the government in that country, and for overseeing compliance with local laws on political engagement. All expenditure related to political engagement must be approved in line with Shell's internal governance controls.⁵

Shell sometimes employs external consultants to support our political engagement activities, for example to monitor political developments and, in some cases, to engage government officials on our behalf. These external consultants can only represent Shell to government officials with approval from a senior Shell executive.

Our Ethics and Compliance Manual requires that any engagement of a third party dealing with government officials as part of their work for Shell is subject to rigorous due diligence. All third parties who work for Shell are also required to maintain adequate written policies and procedures to comply with anti-bribery and corruption laws or, alternatively, adhere to the Shell General Business Principles and Code of Conduct.

2. Political contributions

Shell companies do not make payments to political parties, organisations or their representatives.⁶ Shell employees, suppliers or contractors acting on behalf of Shell must not use Shell funds or resources, either directly or indirectly, to help fund political campaigns, political parties, political candidates, or anyone associated with them.⁷ Political payments or in-kind contributions must never be made by or on behalf of Shell companies or by industry associations with Shell funds.⁸

In the USA, Shell USA, Inc. administers the non-partisan Shell USA, Inc. Employees' Political Awareness Committee (SEPAC), a political action committee (PAC) registered with the US Federal Election Commission.⁹ Eligible employees may make voluntary personal contributions to SEPAC. All employees' contributions comply with federal and state law and are publicly reported in accordance with US election laws. Shell USA, Inc. does not exercise control over SEPAC's funding decisions.

3. Responsible lobbying

Transparency International UK defines lobbying as "any direct or indirect communication with public officials, political decision-makers or representatives for the purposes of influencing public decision-making and carried out by or on behalf of any organised group."¹⁰ Our principles for responsible lobbying apply to all Shell staff (see below).

We believe that our expertise can help shape robust policy, legislation and regulation. Shell engages governments, regulators and policymakers directly and indirectly, for example through industry associations or advocacy coalitions.

We advocate on public policy issues in line with the Shell General Business Principles and based on our advocacy priorities, which are aligned with our business strategy across lines of business and geographies.¹¹ Shell senior executives approve our advocacy priorities each year.

We publish information about our key public policy positions and advocacy on our website: www.shell.com/advocacy.

All Shell staff and people working in joint ventures we operate are required to comply with all applicable laws and regulations of the countries in which we operate, including on lobbying.¹² For example, in the European Union (EU) and the USA, we report our costs relating to lobbying 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.¹³

We have published our principles for participation in industry associations which govern the way we manage our relationships with industry associations.¹⁴ We have also published information about some of our memberships of industry associations on our website.¹⁵

Our principles for responsible lobbying

- **Integrity:** We are committed to ethical behaviour, integrity and responsibility in political engagement.
- **Legitimacy:** We are committed to complying with all applicable laws and regulations of the countries in which we operate. Our political activities support our strategy.¹⁶
- **Accountability and oversight:** The Shell plc Board sets the Shell General Business Principles that guide all Shell activities including political engagement.
- **Consistency:** We carry out political engagement activities consistent with our values and the Shell General Business Principles.
- **Transparency:** Our corporate political engagement statement provides transparency about our approach.

4. Recruitment and secondments

We recognise that the recruitment or secondment of individuals between government bodies and business could raise concerns about conflicts of interest. If such movements across sectors are not managed carefully, they have the potential to damage public trust in holders of public office and the decisions they take. They could also have implications for Shell's own reputation.

Transparency International UK describes the term "revolving door" in the context of political activity as "the movement of individuals between positions of public office and jobs in the private sector, in either direction."¹⁷

Government bodies often have requirements relating to recruitment and secondment of individuals to third parties. Shell's Ethics and Compliance Manual sets out our requirements for the recruitment and secondment of individuals to or from third parties,¹⁸ including government bodies:

- **Recruitment:** At an early stage in the recruitment of any individual either as an employee or intern, Shell recruiters must determine whether the candidate is a government official, former government official, or related to a government official. If they are, the recruiter must inform the hiring manager, and the hiring manager must seek advice from the relevant Shell Ethics and Compliance Officer. Ethics and compliance risk mitigation measures may include restrictions on engagement with former colleagues and controls relating to the use of information gained during their previous employment. Any successful applicant who has a potential, actual or perceived conflict of interest must make a declaration in the Shell Code of Conduct Register when they start their employment. They must also record any mitigations agreed with their line manager, in consultation with the Shell Ethics and Compliance Office.

- **Secondments:** Before arranging any proposed secondment of individuals between Shell and a third party (or where Shell assists in the secondment of individuals between third parties), any potential ethics and compliance risks associated with the proposed secondment must be identified. Appropriate controls must also be implemented to mitigate any risks identified and comply with applicable laws.

If the individual is a government official, former government official or immediate family member or close known associate of a government official, the Shell Ethics and Compliance Office must give prior approval to the secondment. The Shell Ethics and Compliance Office must also approve secondments where the third party is a government entity or an organisation that is controlled by a government entity. Before a secondment begins, Shell and the third party must sign a legal agreement documenting the terms and conditions of the transfer and complete a non-disclosure agreement.

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- 1 Shell General Business Principles: <https://www.shell.com/who-we-are/our-values.html>
 - 2 Transparency International UK's Open Business - Principles and guidance for anti-corruption corporate transparency, 2020: https://www.transparency.org.uk/sites/default/files/pdf/publications/TIUK_OpenBusiness_WEB4.pdf
 - 3 Shell General Business Principles: <https://www.shell.com/who-we-are/our-values.html>
 - 4 Shell General Business Principles: <https://www.shell.com/who-we-are/our-values.html>
 - 5 Shell's Manual of Authorities describes who in Shell has the authority to approve expenditure, including for political engagement, according to the type of payment and designated thresholds for approval. Note that Shell companies do not make payments to political parties, organisations or their representatives.
 - 6 Shell General Business Principles: <https://www.shell.com/who-we-are/our-values.html>
 - 7 Shell Code of Conduct (section 5.5 Political Activity and Payments): <https://www.shell.com/who-we-are/our-values.html>
 - 8 Shell Ethics and Compliance Manual (section ABC/AML/Tax Evasion: Following the rules on political payments): <https://www.shell.com/who-we-are/our-values.html>
 - 9 All donations to SEPAC and contributions to candidates are filed with the Federal Election Commission. To view these, go to www.fec.gov/data and enter Committee ID: C00039503.
 - 10 Source: Transparency International UK's Lifting the Lid on Lobbying: The hidden exercise of power and influence in the UK, 2015. Quoted in Transparency International - UK Wise Counsel or Dark Arts, 2015: <https://www.transparency.org.uk/publications/wise-counsel-or-dark-arts-principles-and-guidance-for-responsible-corporate-political-engagement>
 - 11 Shell's strategy: <https://www.shell.com/what-we-do/our-approach.html>
 - 12 Shell General Business Principles: <https://www.shell.com/who-we-are/our-values.html>
 - 13 In the USA, Shell's reported expenses related to lobbying practices can be accessed at <http://disclosures.house.gov/> using the search criteria: House ID "316890000". In the EU, Shell's reported "Estimated annual costs related to activities covered by the register" in the EU Transparency Register can be accessed at: <https://transparency-register.europa.eu/> by searching the REG number: 05032108616-26.
 - 14 <https://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/our-work-with-industry-associations.html>
 - 15 <https://www.shell.com/sustainability/transparency-and-sustainability-reporting/advocacy-and-political-activity/our-work-with-industry-associations.html>
 - 16 <https://www.shell.com/what-we-do/our-approach.html>
 - 17 Transparency International UK's Open Business - Principles and guidance for anti-corruption corporate transparency, 2020: https://www.transparency.org.uk/sites/default/files/pdf/publications/TIUK_OpenBusiness_WEB4.pdf
 - 18 Shell Ethics & Compliance Manual (see General Requirements - Transfer of individuals to or from third parties (including secondments)): <https://www.shell.com/who-we-are/our-values.html>

Cautionary Note

The companies in which Shell plc directly and indirectly owns investments are separate legal entities. In this Corporate Political Engagement Statement “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 Corporate Political Engagement Statement 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 Corporate Political Engagement Statement 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 Corporate Political Engagement Statement, 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 cybersecurity 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 Corporate Political Engagement Statement 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 Corporate Political Engagement Statement and should be considered by the reader. Each forward-looking statement speaks only as of the date of this Corporate Political Engagement Statement, July 16, 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 Corporate Political Engagement Statement.

Shell’s Net Carbon Intensity

Also, in this Corporate Political Engagement Statement 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 Corporate Political Engagement Statement 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 Corporate Political Engagement Statement do not form part of this Corporate Political Engagement Statement.

We may have used certain terms, such as resources, in this Corporate Political Engagement Statement 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.