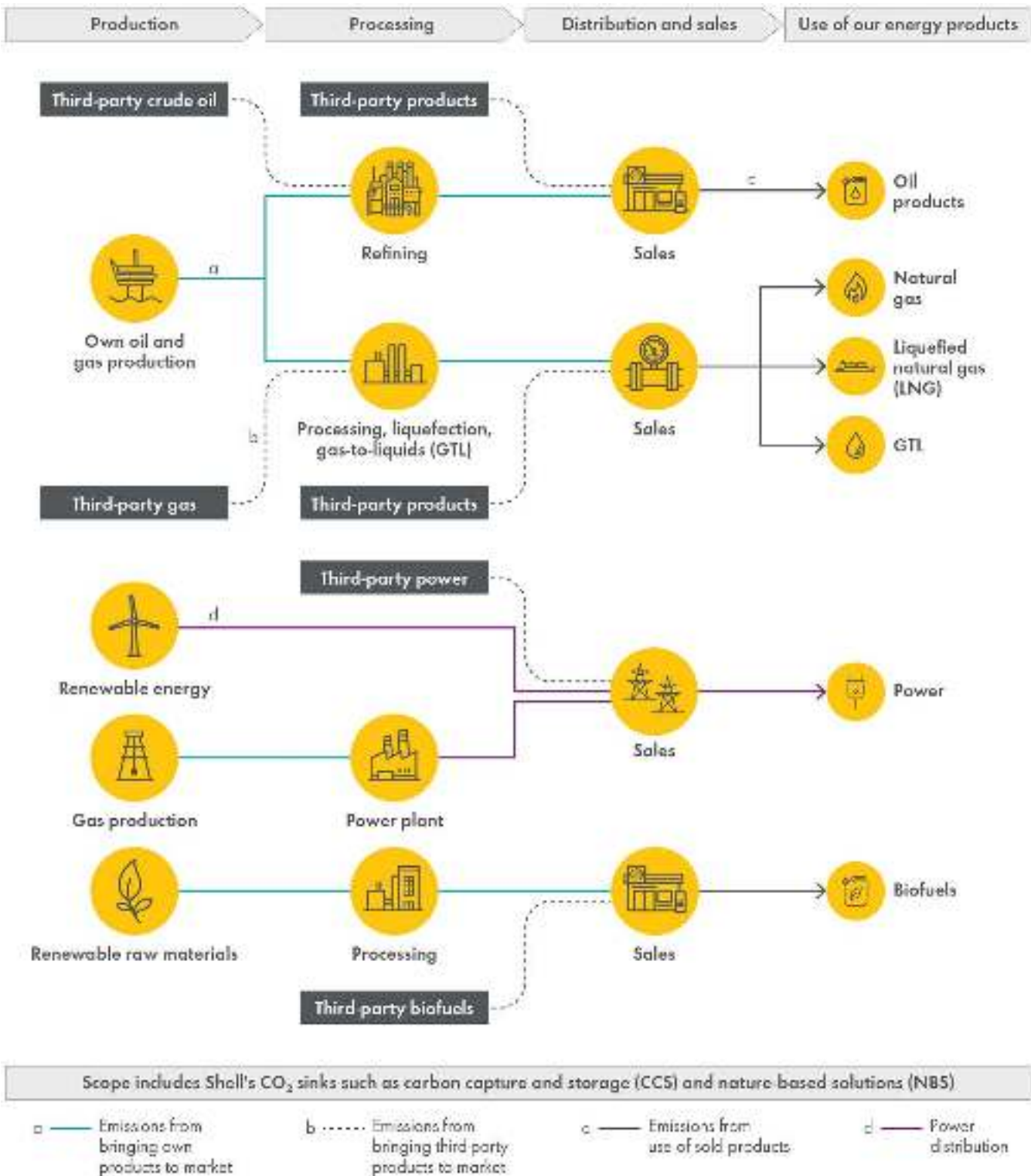


Scope of NCI



Basis of preparation – absolute Scope 1, 2 and 3 emissions

We follow the GHG Protocol's Corporate Accounting and Reporting Standard, which defines three scopes of GHG emissions:

- Scope 1: direct GHG emissions from sources under Shell's operational control.
- Scope 2: indirect GHG emissions from the generation of purchased energy consumed by Shell assets under operational control.
- Scope 3: other indirect GHG emissions, including emissions associated with the use of energy products sold by Shell.

GHG emissions comprise CO₂, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride, with CO₂ and methane being the most significant contributors.

Scope 1 and 2 emissions

Our GHG inventory is prepared in line with the requirements outlined in the ISO 14064-1:2018 Specification with Guidance at the Organizational Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals and the GHG Protocol's Corporate Accounting and Reporting Standard.

In line with external standards, we aggregate GHG emissions into tonnes of CO₂ equivalent by applying global warming potential (GWP) factors to non-CO₂ GHGs. With effect from 2023, these factors are taken from the IPCC's Fifth Assessment Report (AR5) over a 100-year time period, as required by the UK Government GHG Conversion Factors for Company Reporting. GHG emissions are aggregated and consolidated from emission source. All operated assets are included in our GHG inventory.

Scope 1 emissions

All significant sources were included in our Scope 1 inventory. Sources included comprise:

- combustion of carbon-containing fuels in stationary equipment (e.g. boilers and gas turbines) for energy generation;
- combustion of carbon-containing fuels in mobile equipment (e.g. trucks, vessels and mobile rigs);
- flares;
- venting and emissions from industrial processes (e.g. hydrogen plants and catalytic cracking units); and
- fugitive emissions, including piping and equipment leaks and non-routine events.

Our Scope 1 emissions follow the GHG Protocol guidance. As a result, the following are not included in our reported Scope 1 emissions:

- CO₂ emissions from biogenic sources such as biofuels or biomass (however methane and nitrous oxide emissions from biogenic sources are included);
- captured CO₂ that was subsequently sold or otherwise transferred to third parties;
- CO₂ captured and sequestered using CCS technologies; and
- carbon credits.

Scope 2 emissions

All significant sources were included in our Scope 2 inventory. Sources included comprise indirect emissions from purchased and consumed electricity, steam and heat. We did not identify any assets with imported cooling or compressed air used for energy purposes.

Scope 2 emissions are calculated using the market- and location-based methods separately as defined by the GHG Protocol Scope 2 Guidance. Scope 2 emissions are presented on a gross basis.

Carbon credits

Our target to halve total Scope 1 and 2 GHG emissions by 2030 has been set on a net basis, including emissions offset by carbon credits.

In 2024, carbon credits were used for compliance with the requirements of the Australian Safeguard Mechanism, resulting in an offset of 0.1 million tonnes CO₂e related to Scope 1 emissions under our operational control.

Baseline and restatement policy

We measure our total combined Scope 1 and 2 GHG emissions performance compared with a 2016 baseline, on a net basis. The 2016 baseline may be recalculated if an acquisition or a divestment has an impact of more than 10% on total Scope 1 and 2 emissions. There was no such event in 2024.

Scope 3 emissions

This Report provides Scope 3 emissions associated with our energy product sales. Emissions were consolidated using the equity boundary approach. Under this approach, we reported the Shell share of emissions from energy products sold, including those sourced from third parties.

Emissions from Scope 3 categories 1, 3, 9 and 11, related to the sale of energy products, are the most significant categories for Shell. Emissions from the use of our energy products (Category 11) form the largest component of our indirect Scope 3 emissions. As we sell more products than we produce or refine ourselves, the emissions associated with the products we purchase from third parties are also material, as reported under Category 1 for hydrocarbon products such as oil products, gas and LNG, and Category 3 for power. Although quantitatively less significant, emissions reported under Category 9 are significant to Shell for consistency with the boundaries of our net carbon intensity measure. Other Scope 3 categories have been assessed to be quantitatively and qualitatively insignificant.

Consistent with our revisions of NCI historical data, we revised Scope 3 emissions under Categories 1, 9 and 11, as applicable, for years 2016, 2022 and 2023 in this Report. There was no change to previously published Scope 3 emissions Category 11 Oil products. See "NCI baseline and restatement policy" on page 98 for details.

The calculation of Scope 3 Category 11 emissions uses energy product sales volumes data, disclosed in this Report where relevant. These sales volumes exclude certain contracts held for trading purposes and reported net rather than gross. Business-specific methodologies have been applied to net volumes of oil products, pipeline gas and power. Paper trades that do not result in physical product delivery are excluded. Retail sales volumes from markets where Shell operates under trademark licensing agreements are not included in the sales volumes reported by Shell and are therefore excluded from Scope 3 emissions.

Scope 3, Category 1: purchased goods and services

This category includes well-to-tank emissions from purchased third-party unfinished and finished energy products excluding electricity (which is reported separately under Category 3: fuel and energy-related activities and not included in Scope 1 or Scope 2). Emissions from purchased non-energy products are not included.

Emissions in this category are estimated using well-to-tank emission factors for crude oil, natural gas, refined oil products (such as gasoline, and diesel), LNG and biofuels. Because the emission factors include transport, we do not estimate emissions from the transport of purchased third-party products separately.

In 2024, Category 1 emissions were revised for the following years:

- 2016: from 172 million tonnes CO₂e to 179 million tonnes CO₂e
- 2020: from 147 million tonnes CO₂e to 150 million tonnes CO₂e
- 2021: from 147 million tonnes CO₂e to 142 million tonnes CO₂e
- 2022: from 144 million tonnes CO₂e to 136 million tonnes CO₂e
- 2023: from 154 million tonnes CO₂e to 130 million tonnes CO₂e

Scope 3, Category 3: fuel and energy-related activities (not included in Scope 1 and 2)

This category includes well-to-wire emissions from purchased third-party electricity sold by Shell, calculated using a market-based method. Emissions are not adjusted for any potential double-counting of sold natural gas that may have been used for generating this electricity.

This category does not include:

- indirect emissions from the generation of imported energy (steam, heat or electricity consumed by our assets). These emissions are reported separately as Scope 2 emissions; and
- well-to-tank emissions from purchased electricity, steam and heat consumed by our assets (i.e. Scope 3 emissions from the extraction, refining and transport of primary fuels before their use in the generation of electricity or steam).

Following the NCI restatement in 2024, Scope 3, Category 3 emissions remained unchanged at:

- For 2016 at 89 million tonnes CO₂e
- For 2020 at 103 million tonnes CO₂e
- For 2021 at 136 million tonnes CO₂e
- For 2022 at 115 million tonnes CO₂e
- For 2023 at 112 million tonnes CO₂e

Scope 3, Category 9: downstream transport and distribution

This category includes estimated emissions from the transport and distribution of energy products produced or refined by Shell. It does not include the emissions associated with transporting third-party products, which are included in Scope 3, Category 1. To avoid double counting across emission scopes, emissions from transport activities which are already included in our Scope 1 and 2 equity emissions are excluded from this category.

In 2024, Category 9 emissions were revised for the year 2022, from 5 million tonnes CO₂e to 3 million tonnes CO₂e. Scope 3 Category 9 emissions remained unchanged for 2021 (at 6 million tonnes CO₂e) and for 2023 (at 3 million tonnes CO₂e). An estimate of Scope 3 Category 9 was not performed for 2016 and 2020.

Scope 3, Category 11: use of sold products

This category includes estimated emissions from the use of sold energy products, such as LNG, GTL, pipeline gas, refined oil products and biofuels. These emissions relate to products manufactured and sold by Shell and third-party products sold by Shell.

This category does not include non-energy products that may have been combusted during use (for example, lubricants).

In 2024, Category 11 emissions were revised for the following years:

- 2016: from 1,284 million tonnes CO₂e to 1,252 million tonnes CO₂e
- 2020: from 1,054 million tonnes CO₂e to 1,028 million tonnes CO₂e
- 2021: from 1,010 million tonnes CO₂e to 963 million tonnes CO₂e
- 2022: from 910 million tonnes CO₂e to 909 million tonnes CO₂e

For 2023, Scope 3 Category 11 remained unchanged at 878 million tonnes CO₂e.

Revisions did not impact Category 11 emissions from the use of oil products.

Biogenic emissions

CO₂ emissions from biogenic sources related to the combustion of sold biofuels are estimated but, in line with GHG Protocol guidance and ISO 14064-1:2018, not included in Scope 3, Category 11. Methane and nitrous oxide emissions from biogenic sources are included in Scope 3, Category 11.

It is assumed that the presence of biogenic emissions associated with other Scope 3 categories is negligible at present.

Customer emissions from the use of our oil products

Our ambition to reduce customer emissions from the use of our oil products is a subset of Scope 3, Category 11 emissions, focusing on the use of refined oil products.

We measure these emission reductions compared with a 2021 baseline. The 2021 baseline may be recalculated in the event of a revision of our sales of oil products, or in the event of other changes to emissions factors subject to a 2% cumulative threshold.

Metrics and targets in respect of climate-related environmental risks

We monitor physical risk exposures, whether climate-related or not, water use, emissions to air and water, biodiversity, and waste generated from our operations. Where relevant, we may manage our environmental performance by establishing specific targets. See 'Respecting nature' on page 111 for more information.

See "Respecting nature" on pages 109-113.

Targets used by Shell to manage climate-related risks and opportunities and performance against targets

Our response to the energy transition risk focuses on decarbonising our value chain. This section sets out our climate targets which are focused on reducing our NCI and our absolute emissions, as presented on pages 102-103. Shell's material climate-related risks and opportunities are set out in the "Climate-related risks and opportunities identified by Shell over the short, medium and long term" section on pages 80-84.

We have set intensity targets and absolute targets and an ambition over the short, medium and long term to track our performance over time (as summarised below). The targets are forward-looking targets based on management's current expectations and certain material assumptions and, accordingly, involve risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied herein.

We believe our total net absolute emissions peaked in 2018 at 1.7 gigatonnes of carbon dioxide equivalent (GtCO₂e).

Our net-zero target includes emissions from our operations, as well as from the end use of all the energy products we sell. We are seeking to reduce emissions from our own operations, including the production of oil and gas. More than 90% of the total emissions we include within our NCI boundary are indirect emissions associated with third-party products and end-use emissions of energy products we sell, so we are also working with our customers to support them in transitioning to low-carbon products and services.

In October 2021, in support of our 2050 net-zero emissions target, we set a target to reduce Scope 1 and 2 absolute emissions from assets and activities under our operational control (including divestments) by 50% by 2030 compared with the 2016 baseline, on a net basis.

We aim to maintain methane emissions intensity for operated oil and gas assets below 0.2% and achieve near-zero methane emissions by 2030. We were aiming to eliminate routine flaring from our upstream-operated assets by 2025 [A] and Shell has delivered this target.

[A] This target was subject to the completion of the sale of The Shell Petroleum Development Company of Nigeria Limited (SPDC). With effect from January 1, 2025, SPDC ceased routine flaring. As detailed elsewhere in this report, on March 13, 2025, Shell completed the sale of SPDC to Renaissance.

In March 2024, we set revised targets to reduce the NCI of the energy products we sell in 2024 by 9-13% by 2025, 15-20% by 2030 and 100% by 2050. In recognition of the uncertainty in the pace of change in the energy transition, we retired our 2035 target of a 45% reduction in NCI.

The NCI metric measures the pace of transition by tracking our progress in reducing the overall carbon intensity of the energy products sold by Shell. NCI measures emissions associated with each unit of energy we sell, compared with a 2016 baseline. It reflects changes in sales of oil and gas products, and changes in sales of low- and zero-carbon products – such as biofuels and renewable electricity. Unlike Scope 1 and 2 emissions, reducing the NCI of the products we sell requires action by both Shell and our customers, with the support of governments and policymakers to create the right conditions for change.

In March 2024, we set an ambition to reduce customer emissions from the use of our oil products (Scope 3, Category 11) by 15-20% by 2030 compared with 2021 [B]. This level of ambition is in line with the EU's climate goals in the transport sector, among the most progressive in the world. Achieving this ambition will mean reducing sales of oil products, such as gasoline and diesel, as we support customers as they move to electric mobility and lower-carbon fuels.

[B] Customer emissions from the use of our oil products (Scope 3, Category 11) were 517 million tonnes carbon dioxide equivalent (CO₂e) in 2023 and 569 million tonnes CO₂e in 2021.

In the short and medium term, we have set climate targets for emissions that we are able to control, namely our Scope 1 and 2 emissions, methane emissions and flaring. We have also set climate targets and an ambition for emissions that are outside our control. These include our ambition to reduce the Scope 3, Category 11 customer emissions from the use of our oil products, and our target to reduce the net carbon intensity of all the energy products we sell.

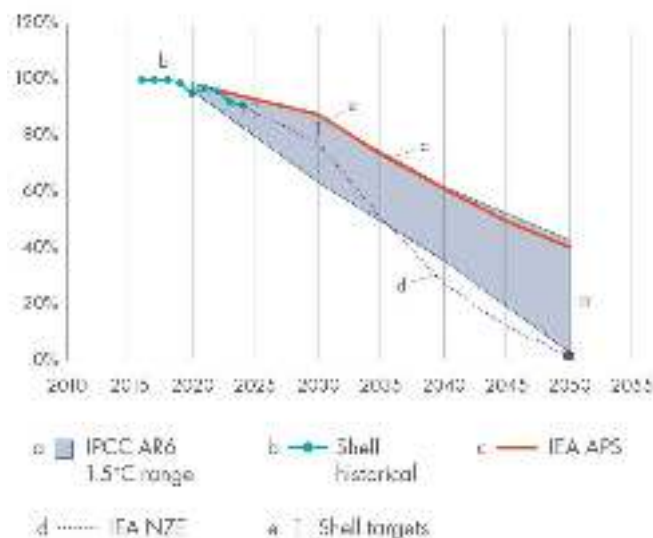
Setting targets for NCI

Shell's target is to become a net-zero emissions energy business by 2050. We also have short-, medium- and long-term targets to reduce the carbon intensity of the energy products we sell, measured using our NCI metric. We believe these targets are aligned with the more ambitious goal of the Paris Agreement, which is to limit the rise in global average temperature this century to 1.5°C above pre-industrial levels. There is no established standard for aligning an energy supplier's decarbonisation targets within the 1.5°C temperature goal of the Paris Agreement. For this reason, we have defined our NCI target using 1.5°C scenarios developed for the IPCC's AR6.

We start with the complete set of 1.5°C scenarios and then exclude scenarios which are too reliant on carbon removals or use of bioenergy before removing outliers. We then calculate an emissions intensity for each scenario which is comparable to our own NCI. Finally, we produce a 1.5°C pathway based on the reductions in emissions intensity over time. We have chosen to use a range instead of any individual scenario to better reflect the uncertainty of the energy transition.

We believe that using this pathway to set our targets demonstrates that they are aligned with the more ambitious 1.5°C goal of the Paris Agreement. This is illustrated in the chart below. We also believe that the pace of change will vary around the world by region and by sector, taking into consideration the time needed for energy users to invest in large-scale equipment and the energy infrastructure changes needed for Shell to deliver more low- and zero-carbon energy.

Shell's Paris-aligned targets



Progress towards our Scope 1 and 2 target

The chart below shows our progress since 2016 in reducing our Scope 1 and 2 emissions and gives an indication of how we expect to achieve our target in 2030. The actions we take to achieve our target will depend on the evolution of our asset portfolio and the continued development of technologies which reduce carbon emissions. We expect that, on a net portfolio basis, reductions predominantly from abatement projects including carbon capture and storage and electrification, may outweigh increases in our Scope 1 and 2 emissions from new investments between 2025 and 2030. Our investments in producing low-carbon energy will increase our Scope 1 and 2 emissions, while reducing the NCI of the products we sell. Subsequent reductions in our emissions are reflected in the mechanisms outlined below and reflect an expected path to meeting our target by 2030.

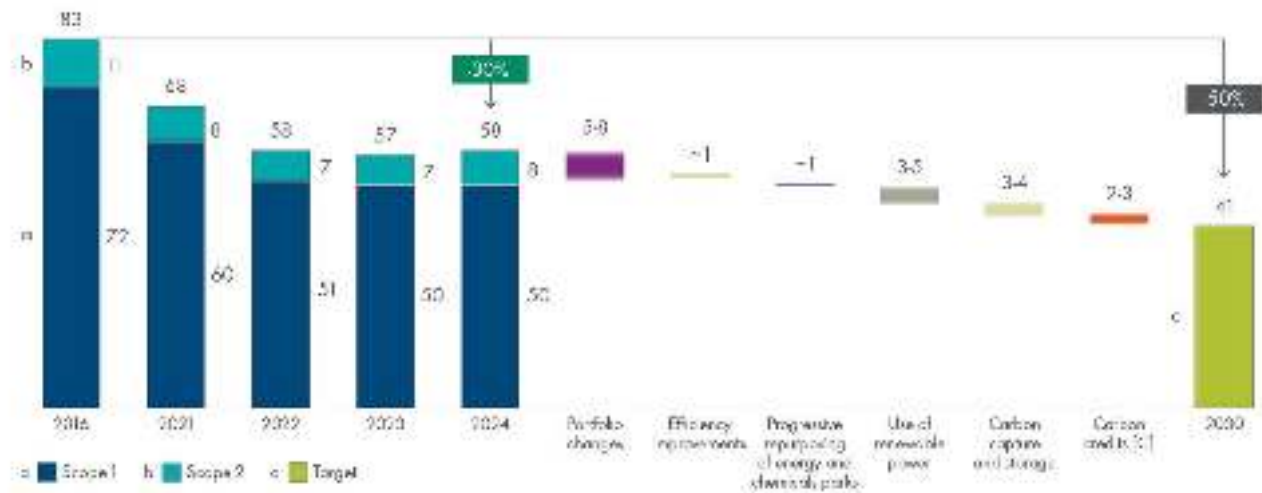
To decarbonise our operations, we are focusing on:

- making portfolio changes such as acquisitions and investments in low-carbon intensity projects, decommissioning plants, divesting assets, while sustaining our oil production with increasingly lower carbon intensity;
- progressing the repurposing of our energy and chemicals parks;
- improving the energy efficiency of our operations;
- using more renewable electricity to power our operations; and
- developing CCS for some of our facilities.

If required, we may choose to use high-quality carbon credits to offset any remaining emissions from our operations, in line with the carbon mitigation hierarchy of avoid, reduce and compensate.

Working to reduce our absolute Scope 1 and 2 emissions

Scope 1 and 2 emissions in million tonnes of CO₂e [A],[B]



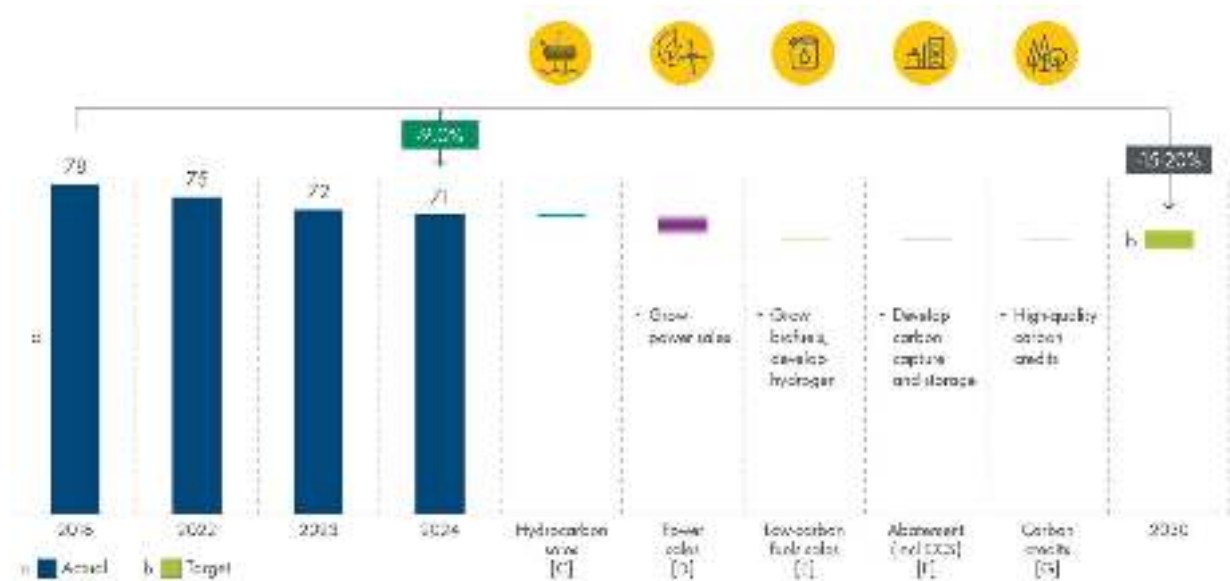
[A] The 2016 baseline may be recalculated if an acquisition or a divestment has an impact of more than 10% on total Scope 1 and 2 emissions. There was no such event in 2024.
[B] Operational control boundary and presented on a net basis (i.e. inclusive of any use of carbon credits).
[C] Including compliance and voluntary carbon credits as required.

Progress towards our NCI target

Unlike Scope 1 and 2 emissions, reducing the NCI of the products we sell requires action by both Shell and our customers, with the support of governments and policymakers to create the right conditions for change. The biggest driver for reducing our NCI is increasing the sales of and demand for low-carbon energy. The chart below illustrates how changes in the volume of products and services we sell could result in NCI reductions towards 2030. The change in our sales of these products and services will also reflect the development and adoption of new technologies and infrastructure, and the adoption of public policies designed to encourage the energy transition.

Working to reduce our NCI

NCI in gCO₂e/MJ [A], [B]



[A] Grams of carbon dioxide equivalent per megajoule.
[B] In 2024, we revised the 2016 baseline NCI value from 79gCO₂e/MJ (g) to 78g. The 2022 and 2023 values were respectively revised from 76g to 75g and from 74g to 72g.
[C] Hydrocarbon sales reflect the effect of lower sales of oil products, and higher sales of natural gas. Emissions associated with gas are lower than those of oil products.
[D] Power sales show the expected growth of our integrated power business and increasing sales of renewable power.
[E] Sales of low-carbon fuels reflect higher sales of biofuels and hydrogen, which are low- and zero-carbon products.
[F] CCS reduces carbon emissions by capturing them at source.
[G] High-quality carbon credits such as nature-based solutions can be used to offset remaining carbon emissions, particularly in hard-to-abate sectors such as aviation and industries including cement and steel.

Linking Shell's emissions targets to remuneration

We have established remuneration structures to support us in reducing our operational emissions and to support customers in reducing their emissions. The majority of employees participate in the annual bonus scheme which is linked to the Group scorecard. From 2025, the Long-Term Incentive Plan (LTIP) is referred to as the Performance Share Awards (PSA) and no further Performance Share Plan (PSP) awards will be made. Our annual bonus scorecard and PSA include "Shell's journey in the energy transition" performance metrics, which are designed to ensure that remuneration is aligned with Shell's Operating Plan and longer-term strategic ambitions.

PSA will be awarded to Executive Directors and around 120 senior executives. Circa 12,000 employees will receive PSA and/or Restricted Share Awards (RSA), which are time-based, based on seniority.

See "Directors' Remuneration Report" on pages 188-190.

Energy transition performance condition and the vesting of the 2022 LTIP and PSP awards

The following performance outcomes for the energy transition performance condition were considered in the vesting assessment of the 2022 LTIP and PSP awards, covering the performance cycle 2022-2024:

2022 LTIP energy transition performance condition: outcome

	Outcome
Net carbon intensity (NCI)	Performance indicator met
Growing the power business	Performance indicator met
Growing new lower-carbon product offerings	Performance indicator partially met
Develop emissions sinks	Performance indicator partially met

In addition to the above, a number of broader indicators of Shell's progress in the energy transition were considered. Overall, it was determined that the energy transition measure (accounting for 20% of the LTIP award and 10% of the PSP award) should vest at 130% of the target. See "Long-term Incentive Plan vesting: 2022 LTIP - 2022 LTIP energy transition performance conditions outcome" on pages 197-199 for more information.

See "Annual Report on Remuneration" on pages 191-207.

Energy transition performance condition in the 2024 LTIP and PSP awards

For LTIP and PSP awards granted in 2024, the energy transition performance condition had a weighting of 25% in the LTIP and 12.5% in the PSP. Determination of the extent to which awards will vest will be based on its holistic assessment of progress towards reducing emissions from our operations and supporting customers to reduce their emissions.

Energy transition performance condition for 2025 PSA

For the 2025 PSA, the "Shell's journey in the energy transition" performance condition retains the same weighting and performance assessment framework as for 2024. The determination of the extent to which awards will vest will be based on an holistic assessment of progress towards reducing emissions from our operations and supporting our customers to reduce their emissions. This will be based on climate-related targets for our own operations of:

- halving Scope 1 and 2 emissions by 2030 under operational control on a net basis (2016 baseline);
- eliminating routine flaring from upstream operations by 2025 [A]; and

- maintaining methane emissions intensity below 0.2% and achieving near-zero methane emissions by 2030 [B].

[A] This target was subject to the completion of the sale of The Shell Petroleum Development Company of Nigeria Limited (SPDC). With effect from January 1, 2025, SPDC ceased routine flaring. As detailed elsewhere in this report, on March 13, 2025, Shell completed the sale of SPDC to Renaissance.

[B] On an intensity basis.

It will also take into account progress in developments that support the energy transition to 2030 and beyond, such as the development of our Power business (including renewables), lower-carbon LNG, biofuels, electric vehicle charging, hydrogen and CCS.

Additionally, progress towards achieving a 15-20% reduction in NCI by 2030 (2016 baseline) and a 15-20% reduction in customer emissions from the use of our oil products by 2030 (2021 baseline) [C], as well as Shell's wider performance in helping to accelerate the energy transition, such as by demonstrating leadership and advocacy in standard-setting, alongside any other factors considered material will be taken into account.

[C] This ambition was set in March 2024. Customer emissions from the use of our oil products (Scope 3, Category 11) were 517 million tonnes CO₂e in 2023 and 569 million tonnes CO₂e in 2021.

See "Annual Report on Remuneration" on page 206 for more information on the proposed performance framework.

Energy transition targets in the annual bonus scorecard

Delivering on our net-zero emissions target is a part of the annual bonus scorecard, which helps determine annual performance bonus outcomes for senior management and the majority of Shell's employees.

The energy transition progress measures are shown in the table below.

2024 scorecard: Shell's journey in the energy transition

		2024 Target	2024 Performance	2024 Status
LNG volumes [A]	million tonnes per annum	28.7	29.1	Above target
Reducing operational emissions	thousand tonnes of CO ₂	700	1,028	Outstanding [B]
Supporting customer decarbonisation	Number of EV charge points	70,000	72,800	Above target

[A] Equity liquefaction.

[B] Above the maximum target

Our score for LNG volumes in 2024 was above target, reflecting strong operational performance. This was driven mainly by volume increases in Australia and the Atlantic region, partly offset by feedgas constraints in Nigeria and Egypt.

The 2024 outcome for operational emissions reductions was outstanding with 1,028 thousand tonnes of GHG emissions reductions from abatement, renewable energy and permanent shutdowns or conversions ("right-sizing"). This was driven by catalyst improvements in Pearl, Forcados Yokri Gas Project in Nigeria and optimisation of liquefaction control system in QGC.

We have continued to grow our network of electric vehicle charge points, exceeding our 2024 target. In 2024, we added around 19,000 charge points, which brings the total number to around 73,000.

There is no change to the energy transition measure in our annual bonus scorecard for 2025.

See "Annual Report on Remuneration" on page 195.

Assurance of GHG emissions measures**Independent assurance report to the directors of Shell plc on Greenhouse Gas Emissions**

We have been engaged by Shell plc ("Shell") to perform a 'limited assurance engagement', as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the accompanying GHG statement to be included within the "Our Journey to Net Zero" section within Shell's Annual Report & Accounts for the year ended 31 December 2024 (the "Report"), comprising of the following, hereafter the "Subject Matter". All Subject Matter relates to the year ended 31 December 2024 unless stated otherwise.

Scope 1 & 2 Greenhouse Gas Emissions ("GHG Subject Matter")

- Scope 1 & 2 Greenhouse Gas Emissions (Operational Control Boundary)

Net Carbon Intensity related KPI's ("NCI Subject Matter")

- Net Carbon Intensity
- Scope 3, Categories 1, 3, 9, 11 Greenhouse Gas Emissions (Equity Boundary)
- Revised Net Carbon Intensity for the years ended 31 December 2016 through 31 December 2023 (inclusive)
- Revised Scope 3, Categories 1, 3, 9, 11 Greenhouse Gas Emissions (Equity Boundary) for the years ended 31 December 2016, 31 December 2020 through 31 December 2023 (inclusive)

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Comparative information included in the Report has not been part of our limited assurance engagement other than KPI's set out within the Subject Matter. Consequently, we do not provide any assurance on the comparative information and thereto related disclosures in the Report. Our conclusion is not modified in respect of this matter.

Criteria applied by Shell

In preparing the GHG Subject Matter, Shell applied its internal performance monitoring and reporting requirements that incorporates ISO 14064-01 (2018) and the Greenhouse Gas Protocol (the "GHG Criteria").

In preparing the NCI Subject Matter, Shell applied the Shell Net Carbon Footprint: Methodology (the "NCI Criteria"). The NCI Criteria can be accessed on [shell.com](https://www.shell.com).

GHG and NCI Criteria were designed for the preparation of the Report. As a result, the Subject Matter information may not be suitable for another purpose.

Shell's responsibilities

Shell's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the GHG statement, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

Our engagement was conducted in accordance with the International Standard for Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410') and the International Standard for Assurance Engagements other than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)'), and the terms of reference for this engagement as agreed with Shell on August 8, 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance review.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems. The Greenhouse Gas quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other relevant procedures. Our procedures included:

- Making inquiries of the specialists responsible for managing the Subject Matter to obtain an understanding of the relevant reporting processes and control framework
- Obtaining an understanding of the Subject Matter and Criteria and considering the reasonableness of the methodology and associated assumptions
- Re-performing the underlying calculations applied in the Subject Matter
- Performing analytical review procedures over the Subject Matter
- Examining the disclosures within the Report for the appropriate presentation of the Subject Matter, including the discussion of limitations and assumptions relating to the data presented

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the year ended 31 December 2024, in order for it to be in accordance with the Criteria.

Restricted use

We disclaim any assumption of responsibility for any reliance on this assurance report or its conclusions to any other persons, or for any purpose other than that for which it was prepared. Accordingly, we accept no liability whatsoever, whether in contract, tort or otherwise, to any third party for any consequences of the use or misuse of this assurance report or its conclusions.

/s/Ernst & Young LLP

Ernst & Young LLP

March 25, 2025
1 More London Place
London
SE1 2AF

Other regulatory disclosures

GHG emissions and energy consumption data - information provided in accordance with UK regulations

Data in this section are consolidated using the operational control approach. Under this approach, we account for 100% of the GHG emissions and energy consumption in respect of activities where we are the operator, irrespective of our ownership percentage.

Reporting on this operational control basis differs from that applied for financial reporting purposes in the "Consolidated Financial Statements".

See "Basis of preparation – absolute Scope 1, 2 and 3 emissions" on pages 100-101.

GHG emissions in million tonnes of CO₂ equivalent

(operational control boundary)	2024	2023	2022
Total global direct (Scope 1) [A]	50	50	51
UK including offshore area [B]	1.6	1.7	1.7
Market-based			
Total global energy indirect (Scope 2) [C]	8	7	7
UK including offshore area	—	—	—
Location-based			
Total global energy indirect (Scope 2) [D]	8	8	8
UK including offshore area	0.04	0.04	0.04
Shell GHG intensity in tonnes per tonne			
Shell GHG intensity [E]	0.27	0.27	0.27

- [A] Emissions from the combustion of fuels and the operation of our facilities globally, calculated using global warming potential (GWP) factors from the IPCC's Fifth Assessment Report.
- [B] Emissions from the combustion of fuels and the operation of our facilities in the UK and its offshore area, calculated using GWP factors from the IPCC's Fifth Assessment Report.
- [C] Emissions from the purchase of electricity, heat, steam and cooling for our own use globally, calculated using a market-based method as defined by the GHG Protocol Corporate Accounting and Reporting Standard.
- [D] Emissions from the purchase of electricity, heat, steam and cooling for our own use globally, calculated using a location-based method as defined by the GHG Protocol Corporate Accounting and Reporting Standard.
- [E] In tonnes of total Scope 1 and Scope 2 gross emissions per tonne of crude oil and feedstocks processed and petrochemicals produced in downstream manufacturing and, oil and gas available for sale, LNG and GTL production in Integrated Gas and Upstream.

Data inputs used in the calculation of Shell's GHG intensity are as follows:

Inputs used for calculating Shell's GHG emissions intensity

(operational control boundary)	2024	2023	2022
A Scope 1 emissions (gross) [A]	50	50	51
B Scope 2 emissions (gross) [A]	8	7	7
C=A+B Total Scope 1 and 2 GHG emissions (gross) [A]	58	57	58
D Total oil and gas production available for sale [B]	114	111	111
E Refinery crude and feedstock processed [B]	60	62	63
F Chemicals total production [B]	25	21	23
G LNG production [B]	12	10	9
H GTL production [B]	6	6	6
I=D+E+F+G+H Total Upstream, Integrated Gas and Downstream activity [B]	217	210	212
J=C/I Shell GHG intensity [C]	0.27	0.27	0.27

[A] In million tonnes CO₂ equivalent.

[B] In million metric tonnes of production. The production data in this table (operational control basis) are not directly comparable with the production data reported elsewhere in this Report (reflecting the sum of production financial control and share of joint ventures and associates).

[C] In tonnes of CO₂ equivalent per tonne of production.

Energy use in our operations

The energy consumption data provided below comprises own energy, generated and consumed by our facilities, and energy purchased (electricity, steam and heat) by our facilities for our use.

Energy consumption data reflects primary (thermal) energy (including the energy content of fuels used to generate electricity, steam, heat, mechanical energy). This includes energy from renewable and non-renewable sources.

Own energy generated is calculated by multiplying the volumes of fuels consumed for energy purposes by their respective lower heating values. Own energy generated that is exported to third-party assets or to the power grid is excluded.

Thermal energy for purchased and consumed electricity is calculated using actual electricity purchased multiplied by country-specific electricity generation efficiency factors (from IEA statistics).

Thermal energy for purchased and consumed steam or heat is calculated from actual steam or heat purchased multiplied by a supplier-specific conversion efficiency, or a generic efficiency factor where supplier-specific data are not available.

Our energy consumption increased from 205 billion kilowatt-hours (kWh) in 2023 to 212 billion kWh in 2024, in line with the increase in our Scope 2 GHG emissions. Around 1% of the energy we used in 2024 for our operations came from renewable sources.

Energy consumption in billion kilowatt-hours

	2024	2023	2022
Own energy generated and consumed			
Total energy generated and consumed	179	174	177
UK including offshore area	6.2	6.1	6.1
Purchased and consumed energy			
Total purchased and consumed energy	33	31	32
UK including offshore area	0.2	0.2	0.2
Energy consumption			
Total energy consumed	212	205	209
UK including offshore area	6.4	6.3	6.3

In 2024, we implemented a variety of measures to reduce the energy use and increase the energy efficiency of our operations.

Examples of some of the principal measures taken in 2024 to reduce energy use and improve efficiency (with estimated total savings of around 1,233 million kWh in 2024) are:

- At our Rheinland site in Germany: replacement of liquid fuel fired boilers with gas fired boilers.
- At our QGC site in Australia: implementation of advanced process control for liquefaction at the QGC Midstream LNG facility and a reduction in required hydraulic power motor speed at well sites.
- At our Prelude site in Australia: optimisation of process resulting in reduced steam consumption and flaring and reduced fuel gas use.
- At our GTL asset in Qatar: reduction of minimum flow of fuel gas to the cogeneration system, allowing fuel gas to be used in other furnaces replacing natural gas usage.
- At our Sarawak Shell Berhad assets in Malaysia: upgrading a gas turbine air intake filter to a high efficiency particulate air (HEPA) filter.
- At our upstream operations in the UK: flare optimisation, which resulted in less fuel gas that needed to be mixed with flare gas to make it combustible.
- At our Gulf of America Mars site: savings of fuel gas combustion as a result of operating the gas compression system with only one field gas compressor.
- At our Gulf of America Perdido site: reduction of the electrical power demand through reduction of production separation pressure.

Examples of some of the principal measures that were taken in 2023 are listed below (with estimated total savings of around 999 million kWh in 2023):

- At our Geismar site in the USA: idling the furnace when not required.
- At our Rheinland site in Germany: optimising the amount of steam required depending on use and load.
- At our Sarnia site in Canada: replacing an existing reaction furnace with a new high-intensity burner.
- At our Scotford complex in Canada: optimisation which enables a reduction in electricity and excess hydrogen vented to flare.
- At our Prelude site in Australia: optimisation of the process and operating conditions to reduce flaring.
- At our Pearl site in Qatar: reducing steam generation requirements via steam balance optimisation.
- At our GTL asset in Malaysia: optimising fuel flows to the boiler unit.
- At our UK Upstream operations: reducing compression power requirements between our Shearwater platform and St Fergus gas terminal.
- At our Gulf of America operations in the USA: optimising power generation between platform and rig and upgrading existing equipment.
- At our Sarawak Shell Berhad assets in Malaysia: optimising the use of gas turbine generators from four to three units.

EU Taxonomy Regulation

The EU Taxonomy Regulation is a classification system for determining when an economic activity can be considered environmentally sustainable according to EU standards. It aims to encourage investment in a low-carbon economy by creating common definitions of sustainability and mandatory disclosures to help investors make informed decisions. In anticipation of the transposition by the Netherlands of the EU Corporate Sustainability Reporting Directive (CSRD) into national law, a key development for Shell in 2024 has been the voluntary implementation of the CSRD and the accompanying European Sustainability Reporting Standards (ESRS). This means Shell plc will come fully into scope of the EU Taxonomy Regulation upon the transposition of the CSRD by the Netherlands into law. The CSRD extends the EU Taxonomy Regulation's reporting obligation to third-country issuers that are listed on European exchanges.

See "EU Taxonomy disclosure" on pages 377-390.



Respecting nature

We seek to protect the environment, increase our reuse and recycling, make a positive contribution to biodiversity and use water and other resources efficiently.



We seek to protect the environment, increase our reuse and recycling, make a positive contribution to biodiversity and use water and other resources efficiently. Our activities can impact nature through discharges and emissions to the environment, and through changes to the use of land and water.

In 2024, we have:

- continued to embed our respect for nature into our activities, standards and business processes;
- expanded our data reporting capabilities to help meet regulatory requirements;
- continued to build employees' awareness, knowledge and skills to deepen their understanding of respecting nature; and
- continued to meet our commitments to reduce fresh-water consumption in water-stressed areas and to use packaging for our products that is designed to be reusable or recyclable.

Our approach is underpinned by the Shell Commitment and Policy on Health, Security, Safety, the Environment and Social Performance (HSSE & SP), and our Safety, Environment and Asset Management (SEAM) Standards, which are part of the Shell Performance Framework.

We require our operated assets to be certified to an independent and internationally recognised standard for environmental management systems, such as ISO 14001 or equivalent, if they have significant environmental risks.

We report data in this section on a 100% basis for companies and joint ventures in which Shell is the operator, unless stated otherwise.

See "Our approach to sustainability" on page 130.

Biodiversity and ecosystems

We aim to manage the impact of our activities on the environment and to make a positive contribution to biodiversity in our operations.

- **Forest habitats:** We are replanting forests and working to achieve net-zero deforestation from new activities while maintaining biodiversity and conservation value.
- **Critical habitats:** Our new projects in areas rich in biodiversity, known as critical habitats, are designed to achieve a net positive impact on biodiversity.
- **World Heritage Sites:** Since 2003, we do not explore for, or develop, oil and gas resources in natural and mixed World Heritage Sites.

When planning a project, our standards require us to assess the potential impact of projects on biodiversity and communities as part of our impact assessment process. We then apply the mitigation hierarchy, a decision-making framework that involves a sequence of four key actions: avoid, minimise, restore and offset.

Achieving a positive impact on biodiversity can take many years because complex ecosystems need time to develop after conservation efforts. We believe it is important to involve communities in conservation projects, so we often work in collaboration with local organisations.



Photo: Reforestation programme, Canada, 2024.

Forest habitats

Deforestation occurs when forests are converted to non-forest uses. We apply the definition of forest used by the UN's Food and Agriculture Organization (FAO). Our commitment to net-zero deforestation commenced in 2022.

Our aim is to avoid deforestation, in line with the mitigation hierarchy. Where avoidance is not achievable, we require our assets, projects and businesses to develop and implement reforestation plans. These plans include measures designed to achieve net-zero deforestation, while maintaining biodiversity and conservation value. We work with partners and stakeholders to develop robust and credible plans unique to each reforestation project.

There is typically a time lag between the deforestation of an area and the start of the replanting process, which can range from months to years. As a result, there is often a difference in the number of hectares deforested and the number of hectares replanted within a single year.

In 2024, around 214 hectares were deforested as a result of our activities. This occurred largely in Australia, Canada and Nigeria where we are preparing for or implementing reforestation programmes in line with local plans. We reforested 64 hectares in 2024 in Canada.

Critical habitats

Critical habitats are specific areas of high biodiversity value in which receptors are particularly sensitive to development.

When undertaking a project in a critical habitat, we aim to go beyond compensating for a residual adverse impact to deliver an overall conservation gain to or net positive impact on biodiversity.

If a project is located in a critical habitat, we develop and implement a biodiversity action plan. This sets out the actions needed to follow the mitigation hierarchy and includes measures to achieve a net positive impact on biodiversity.

At the end of 2024, 62 new projects for which the final investment decision had been taken after February 2021 were located in critical habitats. Of these, 61 have a biodiversity action plan in place to work towards a net positive impact.

Examples of activities in development or under way in 2024 include:

- in partnership with a local university, we are executing an ecological restoration programme on Browse Island, Australia, to help eradicate invasive alien species, improve reef health and promote the return of breeding seabirds to enhance regional resilience;
- on Príncipe Island, São Tomé and Príncipe, we helped implement a turtle conservation programme in partnership with a local conservation organisation; and
- in partnership with the Marine Alliance for Science and Technology for Scotland (MASTS), and its member institutions, including Scottish government stakeholders, we helped to set up a multi-year research programme to gain insights into the ecology of skates and sharks in Scottish waters to help develop effective conservation strategies.



Photo: Turtle conservation, São Tomé and Príncipe, 2024.

Resource use and circular economy

We aim to use water and other resources efficiently, and to increase our reuse and recycling.

- **Waste and circularity:** Our businesses are deepening their efforts to better understand the types of waste we generate and identify options to increase circular approaches.
- **Water:** We are implementing water stewardship principles across our businesses and developing water stewardship management plans. This includes focusing on the sustainable management of fresh water resources, particularly in water-stressed areas.
- **Packaging:** We have a priority to increase the amount of recycled plastic in Shell-branded packaging to 30% by 2030, based on the reference year of 2022, and to ensure that the packaging we use for our products is reusable or recyclable by design. These priorities apply to Shell-branded Mobility and Lubricants products.

Waste and circularity

In 2024, we introduced a new requirement within our SEAM Standards for our assets, projects or businesses to develop strategies to identify circularity-related risks and opportunities. Through this, we aim to encourage the development of fit-for-purpose objectives and strategies based on the principles of rethink, refuse, reduce, reuse, recycle and repair.

Since 2021, we have completed 26 detailed assessments across our businesses to better understand the types of waste we generate and identify options to increase circular approaches. Using these results, our assets are improving local waste management practices by prioritising waste prevention, reuse and recycling over energy recovery and disposal.

Key developments related to waste and circularity in 2024 include:

- at the Pearl gas-to-liquids facility in Qatar, we have diverted waste to local cement kilns for use as clinker in cement production, thereby reducing use of raw materials and the amount of waste sent to landfill;
- our Gulf of America operations are finding ways to reduce disposal of unused chemicals, for example, by testing and treating them so that they can be returned to the supplier for reuse; and
- at our Brazos wind farm upgrade in Texas, we sent decommissioned turbine blades to be recycled for use as a component in construction materials.

We are working to reduce waste and increase circularity in those parts of our business where it is possible to do so. In 2024, we concluded our aim for zero waste is technically unfeasible. We continue to improve waste and circularity plans at the asset level to drive fit-for-purpose waste reduction and optimise local circular economies.

In 2024, we disposed of 1,933 thousand tonnes of waste, compared with 2,251 thousand tonnes in 2023.

Water

We require our assets, projects or businesses to manage sourcing, use, treatment and disposal of water based on recognised water stewardship principles and to implement this through a water stewardship management plan. These plans help us to move away from a traditional inside-out approach focusing on our impact on the environment to an outside-in approach that considers how we impact, and are impacted by, the environment. They also help us to reduce consumption in water-stressed areas.

Since 2021, we have conducted water stewardship assessments at 18 assets across different businesses and regions, with a priority on operations in areas of high water stress and those that use significant quantities of fresh water. The insights gained from these assessments have moved us towards a more holistic stewardship approach. This goes beyond only focusing on water use to also considering factors such as water footprint, regional water stress, water quality, catchments, governance and stakeholder engagement. Building on these efforts, our Mobility and US Midstream businesses developed water stewardship plans in 2024.

In 2021, we set a voluntary commitment to reduce our consumption of fresh water by 15% by 2025 compared with 2018 levels in areas where there is high fresh-water stress. We achieved this commitment ahead of time in 2022. In 2024, our consumption of fresh water in areas of high water stress was 16 million cubic metres compared with 25 million cubic metres in the base year of 2018, a 36% reduction over the period.

Discharges to water

We track pollutants in water returned to the environment from the day-to-day running of our facilities (referred to as "discharges to surface water"). We work to minimise these discharges according to local regulatory requirements and our SEAM Standards.

Plastics

Shell supports the need for improved circularity of the global plastics market. We encourage reduction, reuse and recycling of plastics and are a founding member of the Alliance to End Plastic Waste, which helps governments to assess and improve waste collection and waste management. We are working with partners across the plastic waste value chain, such as the waste management industry and pyrolysis oil producers, to encourage the development of a more circular value chain.

Since 2019, Shell has been processing pyrolysis oil made from mixed plastic waste at the Shell Norco Energy and Chemicals Park in the USA. In 2024, we began production at our new pyrolysis oil upgrader at the Shell Chemicals Park Moerdijk in the Netherlands. The upgrader improves the quality of pyrolysis oil, a liquid made from hard-to-recycle plastic waste, and turns it into chemical feedstock. The plant has the capacity to process up to 50,000 tonnes of pyrolysis oil per year.

Packaging

Shell has a priority to increase the amount of recycled plastic in Shell-branded packaging to 30% by 2030 based on the reference year of 2022 and to use packaging for our products that is reusable or recyclable by design. These priorities apply to Shell-branded Mobility and Lubricants products.

- Packaging classified as reusable or recyclable: In 2024, we continued to meet our priority to use packaging for our products that is reusable or recyclable by design. We maintained 99% total Shell-branded product packaging classified as reusable or recyclable in our Lubricants business and achieved 92% in our Mobility business, compared with 79% in the base year of 2022.
- Recycled plastic content in packaging: By the end of 2024, we had achieved a level of 17% recycled plastic content by weight in Shell-branded plastic packaging compared with 10% in the base year of 2022.

Air quality

We follow the most stringent of either the SEAM Standards or local regulations to manage airborne pollutants in our operations, including emissions of nitrogen oxides (NO_x), sulphur oxides (SO_x) and volatile organic compounds (VOCs).

There are often synergies to be achieved between greenhouse gas improvement opportunities and reducing emissions of other air pollutants. For example, operational efficiencies that reduce site power generation can also reduce emissions of VOCs, SO_x and NO_x. In 2024, we continued to implement leak detection and repair programmes to reduce emissions of volatile organic compounds, with a focus on sources exceeding 100 tonnes per year.

We are developing a range of choices for customers to help people and companies reduce their transport emissions. This includes building our electric vehicle charging business. For heavy-duty road transport, LNG as a fuel and GTL fuel and motor oils help reduce sulphur emissions, particulates and nitrogen oxide compared with oil-based products.

Our key metrics in 2024 include:

- SO_x emissions in 2024 decreased to 21 thousand tonnes, compared with 31 thousand tonnes in 2023.
- NO_x emissions in 2024 increased to 92 thousand tonnes compared with 88 thousand tonnes in 2023.
- VOC emissions in 2024 were 32 thousand tonnes compared with 32 thousand tonnes in 2023 (restated from 36 thousand tonnes following a review of the performance data).

See "Our journey to net zero" on page 76.

Spills

Our assets are designed to avoid discharges to soil or groundwater. However, spills can occur due to operational failure, accidents, unusual corrosion, or theft and sabotage. Large spills of crude oil, oil products and chemicals can harm the environment. They can also result in major clean-up costs, fines and other damages. Spills can affect our licence to operate and harm our reputation.

Spill prevention and response

Our policies on asset integrity and process safety are in place to prevent losses of containment from happening. We design, operate and maintain our facilities with the intention of preventing spills, by identifying potential hazards and implementing controls that can prevent them from occurring. This is integral to our Goal Zero ambition of doing no harm to people and to have no leaks across our operations. If a spill or a leak occurs, we use barriers that operate independently of each other to reduce the likelihood of a release becoming catastrophic. Such barriers are designed so that, if the failure of one occurs, it does not lead to the failure of others. Our policies on soil and groundwater are designed to manage the potential health and environmental impacts should spills occur.

Our business units are responsible for organising and executing spill responses in line with the SEAM Standards and relevant legal and regulatory requirements. Our assets have spill response plans, based on worst-case spill scenarios, should an incident occur. We also continue to be involved in industry groups to improve well-containment capabilities. These include the Marine Well Containment Company in the Gulf of America and Oil Spill Response Limited, a global industry group. For oil spills, we have a global response network that enables us to deal more effectively with oil spills, supplementing local response capability.

See "Safety" on page 123.

In 2024, there were 69 operational spills of more than 100 kilograms compared with 71 in 2023 (restated from 70 operational spills of more than 100 kilograms following a review of the performance data). The volume of operational spills of oil and oil products in 2024 was 1.23 thousand tonnes, compared with 0.37 thousand tonnes in 2023. The increase in operational spill volumes is partly attributable to a spill that occurred during severe weather in the Gulf of America, as well as incidents in Singapore, Canada and Nigeria.

Spills in Nigeria

SPDC JV - Nigeria: operational spills

In 2024, The Shell Petroleum Development Company of Nigeria Limited (SPDC) [A], as operator of the SPDC joint venture (SPDC JV, Shell interest 30%), reported 20 operational spill incidents of more than 100 kilograms of crude oil, compared with 9 reported in 2023. The increase in the number of operational spill incidents was largely because of a rise in cases of failure due to factory defects in a locally manufactured clamp used in pipeline repairs following the removal of illegal connections. The company that manufactured the clamps has recalled the affected batch, and SPDC has commenced the replacement of the clamps.

In 2024, the volume of operational spills of oil and oil products was 0.37 thousand tonnes compared with 0.005 thousand tonnes reported in 2023. The majority (89%) of the 2024 volume relates to two significant incidents, one onshore on the Trans Niger Pipeline and the other offshore at a terminal loading buoy.

[A] Unless otherwise stated, all activities reported for or as relating to The Shell Petroleum Development Company of Nigeria Limited (SPDC) in this section should be understood as SPDC acting as the operator of the SPDC joint venture (SPDC JV). SPDC, as the corporate entity, owns 30% of the joint venture.

SPDC JV has an ongoing work programme to appraise, maintain and replace key sections of pipelines and flow lines to reduce the number of operational spills.

On March 13, 2025, Shell completed the sale of SPDC to Renaissance. By preserving the full range of SPDC's operating capabilities, the transaction has been designed to ensure that the company can continue to perform its role as operator and to meet its share of commitments within the joint venture, including those relating to health, safety, security and environment.

See "Upstream" on page 43.

SPDC JV - Nigeria: spills caused by crude theft and sabotage

In 2024, about 81% of crude oil spill incidents of more than 100 kilograms from SPDC JV facilities were caused by the illegal activities of third parties. In 2024, the volume of crude oil spills of more than 100 kilograms caused by crude theft and sabotage was 2.0 thousand tonnes (84 incidents), compared with 1.4 thousand tonnes (139 incidents) in 2023. The decrease in the number of incidents in 2024 shows an increased effectiveness of anti-theft protection mechanisms.

Prevention

In 2024, SPDC JV continued on-ground surveillance of its areas of operation, including its pipeline network, to mitigate third-party interference and ensure that spills are detected and responded to as quickly as possible.

Regular surveillance flights and drones are used to inspect the most vulnerable segments of the pipeline network, monitor security and identify any new spills or illegal activity. SPDC JV continued to install and improve anti-theft protection mechanisms for key infrastructure, such as wellheads and manifolds. These include protective measures such as cages, anti-theft nuts and improved CCTV and networking capabilities. These measures continue to help deter theft and improve response.

SPDC JV continued to work with the government security agencies in 2024 to maintain surveillance and address illegal activities of third parties, primarily along the SPDC JV pipelines and their operational areas.

Response and remediation

Regardless of the cause, SPDC JV cleans up and remediates areas affected by spills originating from its facilities. Clean-up activities include bio-remediation which stimulates micro-organisms that naturally break down and use carbon-rich oil, effectively removing it. Once clean-up and soil remediation operations are completed, the work is inspected and, if satisfactory, approved and certified by the Nigerian regulators. In the event of operational spills, SPDC JV also pays compensation to affected people and communities.

SPDC JV works with a range of stakeholders in the Niger Delta to monitor biodiversity recovery at remediated sites and to build greater trust in spill response and clean-up processes.

The clean-up programme established following the 2011 United Nations Environment Programme (UNEP) report on Ogoniland is executed by the Hydrocarbon Pollution Remediation Project (HYPREP), an agency of the Nigerian government. Completion of remediation under this programme is verified and certified by the National Oil Spill Detection and Response Agency (NOSDRA). HYPREP has reported progress of the execution of its programme during 2024 with clean-up efforts for 18 sites continuing, and remediation plans being developed for the remaining 15 sites. SPDC has fully funded its share of the HYPREP programme.

In 2015, SPDC JV and the Bodo community in Ogoniland signed a memorandum of understanding, granting the remediation team access to begin cleaning up areas affected by two operational spills that occurred in 2008. Phase 1 of an agreed three-phase clean-up and remediation programme, which involved removal of oil from shoreline surfaces and mud flatbeds, was completed in 2018. In 2024, SPDC JV remediated soil and sediments in an additional 106 hectares, bringing Phase 2 to 99% completion. SPDC JV also planted about 1.7 million mangrove seedlings in 2024 as part of Phase 3, achieving 85% of the project's revegetation goal, up from 17% in 2023. SPDC JV is seeking certification of remediated areas from NOSDRA.

SPDC JV continues to raise awareness of and counter the negative effects of crude oil theft and illegal oil refining.



Powering lives

We power lives through our products and activities, and by supporting an inclusive society.



Shell strives to make a positive impact on people around the world and this includes providing the energy people need, contributing to local economies and communities, championing inclusion and respecting human rights.

We help ensure energy security in our key markets and invest in businesses that supply energy access in emerging markets. Through our social investments, we also provide funds, expertise and resources to increase energy access outside of our commercial business. The supply of affordable and secure energy is crucial for addressing global challenges, including those related to poverty and inequality.

Our activities contribute to economies and communities around the world through job creation, spending on goods and services, and through the payment of taxes and royalties to governments. Across more than 70 countries, we employ thousands of people and provide them with opportunities to develop their careers.

As we transform into a net-zero emissions energy business, we work with governments and society to support positive economic and social impacts of the transition on our workforce, communities, suppliers and customers.

Our core values of honesty, integrity and respect for people underpin everything we do. We aim to become one of the world's most diverse and inclusive organisations, a place where everyone feels valued, respected and has a strong sense of belonging.

The importance of respecting people also extends to our suppliers. Shell's Supplier Principles outline our expectations for business integrity, health, safety, security, labour and human rights, and environmental and social performance.

Many of our operations are located close to communities and we aim to be a good neighbour. This includes strong community engagement, managing the negative social impacts of our operations and delivering a range of benefits through jobs, local business opportunities and social investment programmes. This engagement enables us to identify and manage impacts from our activities and provide access to remedy.

Our people

Our people are essential to our purpose of powering progress together. They are key to delivering our strategy and we believe in helping them to develop their skills.

All metrics throughout this section exclude employees in portfolio companies [A], except for the metrics reflecting total employee number by gender and region, percentage of women employees, and certain mandatory training courses.

[A] Portfolio companies are non-integrated entities within the Shell Group. To give these companies the flexibility they need, they operate as subsidiaries while generally retaining their own processes and systems. Portfolio companies comply with Shell's minimum requirements for controls and compliance. This includes the Shell Performance Framework and mandatory requirements for ethics and compliance, risk management and safety.



Photo: Staff at Karachaganak, Kazakhstan.

Employee overview

We employed 96,000 people on a full- or part-time basis as of December 31, 2024. This compares with 103,000 at the end of 2023 and 93,000 at the end of 2022.

The reduced number of employees in 2024 compared with 2023 reflects our focus on performance, discipline and simplification as we implement our strategy. We improved efficiencies, and divested and ended some activities in our Downstream, Renewables and Energy Solutions business. We also improved efficiencies in our Projects & Technology, Human Resources, Legal and Corporate Relations functions.

Employee overview figures include people working for Shell companies and Shell-operated joint ventures, as well as those seconded to non-operated joint ventures, but exclude contingent workers, otherwise referred to as contractors. Contractors are external workers who are engaged directly or through third parties to provide services to Shell. They work alongside Shell employees in divisions such as Information and Digital Technology.

Changes in headcount

We employed 81,000 people in Shell, excluding portfolio companies, at the end of December 2024. This is fewer than the 84,000 at the end of 2023. Shell's portfolio companies, which generally maintain their own HR systems, employed 15,000 at the end of 2024 compared with 19,000 at the end of 2023.

See Note 33 to the "Consolidated Financial Statements" on page 311 for the average number of employees by business segment.

	Employees 96,000 employees
	Countries and territories >70 countries in which we operate
	Directors 42% women on the Board of Directors
	Executive Committee 57% women on the Executive Committee
	Senior leaders 33% women in senior leadership positions
	Women employees 35% women employees
	Training 264,000 training days for employees and joint-venture partners
	Experienced hires 3,156 people joined Shell (37% woman, 63% man)
	Graduate hires 334 people joined Shell (57% woman, 43% man)

[A] Numbers presented are as of December 31, 2024.

The table below presents the total employee number by gender and region as of December 31, 2024.

Number of employees by gender and region

	2024			Thousand	
	Men	Women	Total	2023	2022
Number of employees	63	33	96	103	93
Breakdown by region					
Africa	2.5	0.9	3	4	4
Asia	21.7	14.0	36	38	32
Europe	19.1	10.7	30	31	30
North America	16.7	6.2	23	24	23
Oceania	1.9	0.9	3	4	3
South America	0.9	0.6	2	2	1

The table below presents the distribution of employee contract type, by gender and region as of December 31, 2024.

Employee contract type by gender and region [A]

	Permanent contract/ Employment at-will [B]		Fixed-term contract	
	Men	Women	Men	Women
Number of employees	52,000	28,000	763	344
Breakdown by region				
Africa	4%	3%	7%	15%
Asia	38%	44%	36%	40%
Europe	31%	34%	50%	40%
North America	22%	15%	1%	1%
Oceania	3%	2%	6%	4%
South America	2%	2%	—	—

[A] Excludes employees in portfolio companies.

[B] Employment at-will is used in the USA to describe employment contracts.

The table below presents the number of employees by age group.

Employees by age group [A] [B]

	% of employees	Thousand		
		2024	2023	2022
Under 30 years old	13%	10	12	11
Between 30 and 50 years old	64%	52	54	51
Above 50 years old	23%	19	18	17
Total employees	100%	81	84	79

[A] Excludes employees in portfolio companies.

[B] Includes employees seconded to joint ventures.

Shell aims to be an attractive employer to its existing and prospective employees. We offer employees the opportunity to develop their careers within Shell, including rotations across different parts of the business to grow their skills and progress.

People development remains a priority for our organisation. We proactively identify skill and capability gaps for traditional and emerging businesses; offer training to address these gaps; and if needed recruit talent externally to add to the skills and experiences of our workforce. To enable our leaders to lead this change, we support them through targeted interventions including leadership development and coaching. Our mindset and behaviours, which emphasise psychological safety, are at the heart of our leadership programmes. Training courses are accessible to all employees, either online or in person. In 2024, 264,000 formal training days were delivered to employees and joint-venture partners. This compares with 295,000 training days in 2023 and reflects staff reductions in 2024.

Shell's employee turnover as of December 31, 2024 was 7.6%; 6,227 employees left Shell of which 2,931 resigned voluntarily. This compares with 5.7% in 2023, during which 4,685 employees left Shell of which 2,669 voluntarily.

Employee engagement

Insight into employee needs and perspectives enables Shell to continually learn and improve our policies, processes and practices.

Management regularly engages with employees through elected employee representatives and a range of local formal and informal channels. These channels include webcasts and all-employee messages from our CEO and other senior leaders, as well as town halls, team meetings and site visits by the Board and EC.

In 2024, members of the Board and EC visited Shell sites in the Netherlands where they engaged with employees on our strategy and the energy transition. Board members and Chair, Sir Andrew Mackenzie, also met with employees in Qatar, Oman and Brazil.

See "Workforce engagement" on pages 167-168.

We seek to comply with applicable local laws and regulations, including those on working hours. Shell is committed to respecting human rights. This includes, but is not limited to, the elimination of forced and child labour, respect for freedom of association and the effective recognition of the right to collective bargaining. Where appropriate, engagements take place with union and employee representatives at asset and country level, as well as with the Shell European Works Council. Employees have access to senior leaders, local employee forums and employee resource groups. We believe these engagements enable Shell to maintain a constructive employee and industrial relations environment.



Photo: In June 2024, Shell's Board of Directors visited Holland Hydrogen 1, one of Europe's largest renewable hydrogen plants, which is under construction in the Netherlands.

The Shell People Survey

The Shell People Survey is one of the key tools we use to measure employee engagement, motivation, affiliation and commitment to Shell. External and internal research shows that increased employee engagement can result in better business performance and improved safety. In 2024, the response rate to the survey was 86%, compared with 88% in 2023 which indicates our people's desire to provide feedback. The overall employee engagement score decreased to 75 (compared with the top quartile 80 points) from 79 points in 2023, which we believe reflects the level of changes introduced in the organisation as we transform our business to deliver more value with less emissions.

Pay, benefits and well-being

Our Fair Pay Principles are designed to manage pay at Shell and help us ensure that employees are valued, respected and recognised for the work they do. Shell's pay is designed to be market competitive and free from bias. The basis for paying fairly is equal pay for equal work, taking into account factors such as performance and experience. Through regular benchmarking, Shell's compensation is typically higher than the minimum wage level observed locally, including in countries without legislation on minimum wage. Pay adjustment at Shell is linked to performance and we share this information with employees to help them understand how their pay adjustments are made. We continue to engage employees transparently and openly about our pay policies to help build understanding, trust and confidence in our approach.

Shell provides a range of benefits, such as global minimum standards for life, accident and disability cover, as well as maternity and parental leave, except in certain cases where we are precluded from offering this. Our benefit packages are tailored to each country to meet the requirements of local laws and regulations.

Flexible work

We seek to build a sense of community and collaboration within Shell's sites where we want employees to feel welcome and valued. By enabling people to balance their work and personal lives, we can help them perform at their best. Our Future of Work guide advises employees and team leaders on hybrid working options.

Employee well-being

Our goal is to empower our employees to feel their best and perform at their best. We do this by promoting mindsets and behaviours that support good health, by protecting our people from illness by mitigating known risk factors. We use evidence-based tools and provide access to timely support and care for those who are injured, ill or struggling.

Interventions to promote mental, physical and social well-being are delivered via a mix of measures. For example, through the design of our workspaces, through local benefit offerings such as gyms and health checks, and through our country-based employee networks, group activities and events. Our global campaigns such as I'm Not OK and World Mental Health Day, help develop individual and team well-being skill sets, to create healthy and psychologically safe working environments, and to nurture a culture of care.

Mental well-being

We work to reduce the stigma associated with mental ill health through open conversations, global and country-level campaigns, senior leader communications, engagements with elected employee representatives, and through our experience-sharing portal for employees. This commitment is underscored by our CEO signing a leadership pledge with MindForward Alliance and the launch of our Global Mental Well-being Programme in 2023. The programme's interventions focus on developing a workplace culture that supports good mental health and offers employees the opportunity to complete an anonymous and voluntary survey in which they can voice their experience of well-being at Shell. We monitor the survey results to identify opportunities to improve employee well-being. In 2024, we continued to improve the programme, introducing new resources such as those that address financial well-being.

Diversity, equity and inclusion

We have ambitions around diversity, equity and inclusion and monitor these on a regular basis. We also continually assess our culture and employee engagement through tools such as the annual Shell People Survey.

We promote equal opportunity and aim to create an environment where people feel included. Our approach seeks to reinforce respect for people and seeks to provide psychological safety for all our employees.

Shell employees and contractors are required to complete training courses that reinforce expected behaviours for a respectful, inclusive workplace, and build our stance against discrimination and harassment, including bullying and sexual harassment. Employees and contractors are required to take these courses every two years.

In 2024, our Shell People Survey showed a result of 81 points out of 100 for all questions relating to DE&I. This is a decrease of two points from 2023 and puts us below the top quartile (85 points). We will continue to focus on improving these efforts in the workplace.

As of 2024, Shell is able to provide 93% of employees where legally permissible with the option to voluntarily declare their gender identity, sexual orientation, race and ethnicity, and disability, via the HR system. Data from this self-identification initiative allow us to monitor progress against our DE&I aspirations.

Gender

We strive to achieve gender equality. We have signed the World Economic Forum declaration on closing the gender gap in the oil and gas sector and have endorsed the Catalyst CEO Champions for Change initiative for the advancement of women, especially those from ethnic minorities, into senior leadership and board positions.

In line with the UK Listing Rules, the Board of Shell plc aims for gender balance on the Board, with at least one senior Board position [A] held by a woman. To provide flexibility for periods of change, we aim to maintain the representation of both men and women at, or above, a minimum of 40%. As of December 31, 2024, women made up 42% of the Board and the position of CFO was held by a woman.

[A] Senior Board position means Chair, CEO, Senior Independent Director, or CFO.

Over the years, Shell has progressively increased the representation of women on the EC and in senior leadership roles. As of January 1, 2024, we had 57% women and 43% men on our EC. We aim to achieve 35% representation of women in our senior leadership positions by 2025, and 40% by 2030. The table below shows the representation of women as of December 31, 2024.

Gender diversity at Board and management level [A]

Level	Men		Women	
	2024	2023	2024	2023
Board	58%	58%	42%	42%
Executive Committee	43%	57%	57%	43%
Senior Leadership roles [A]	67%	68%	33%	32%

[A] Senior Leadership is a Shell measure based on compensation grade levels. This measure is distinct from "senior manager" as per statutory disclosure requirements set out in the table below.

Gender diversity data (at December 31, 2024)

Gender diversity data	Men		Women	
	Number	%	Number	%
Directors of the Company	7	58%	5	42%
Senior managers [A]	774	65%	413	35%
Employees (thousand)	63	65%	33	35%

[A] Senior manager is defined in section 414C(9) of the Companies Act 2006 and, accordingly, the number disclosed comprises the Executive Committee members who were not Directors of the Company, and other directors of Shell subsidiaries (excluding Directors of portfolio companies).

As of December 31, 2024, 35% of Shell employees were women. Of the experienced hires who joined Shell as of December 31, 2024, 37% were women compared with 38% in 2023. Of the graduate hires who joined Shell as of December 31, 2024, 57% were women compared with 40% in 2023.

A crucial element of achieving gender balance is addressing any pay gap [A] and we continue to work towards improvements in this area. The basis for paying fairly is equal pay for equal work, taking into account factors such as performance and experience. At Shell, we monitor pay equity [B] through regular analysis to be confident that we have pay equity between genders for performing the same jobs. We address any unexplained pay differences related to gender through rigorous internal processes and apply our Fair Pay Principles. We continue to make progress in our gender ambitions at Shell, but a gender pay gap exists for several reasons, including fewer women in senior leadership positions and fewer women in higher-paid specialist roles.

[A] Shell seeks to comply with applicable requirements and regulation on pay gap reporting.
[B] Men and women who are paid the same for doing similar jobs, at similar level, responsibility, tenure and performance.

Race and ethnicity

Through racial and ethnic representation across our workforce we aim to reflect the communities in which we work. Shell's Global Council for Race is supported by an Employee Advisory Board which aims to advance diversity in our workforce.

Shell aims to maintain or exceed having at least one Board member from an ethnic minority background, while acknowledging that in periods of Board change this may not be achieved. As of December 31, 2024, the Board had three members who identify as being from an ethnic minority group and one EC member who identifies as being from an ethnic minority group [A].

In support of the Parker Review recommendations, Shell aims to achieve 15% ethnic minority group representation in its Senior Management [B] by 2027. As of the end of 2024, 15% of Shell's Senior Management identifies as being from an ethnic minority group.

[A] Ethnic minority refers to an individual who self-identifies as Asian, Black, Mixed/multiple, or other ethnic minority group, in line with UK Office for National Statistics classifications.
[B] As per Parker Review recommendations, Senior Management refers to senior leadership based in the UK and is a Shell measure based on compensation grades. We have moved to this Shell definition of Senior Management for 2024 onwards to align with our self-identification data collection and processes.

See "Nomination and Succession Committee" on pages 171-174 for our current talent management and succession process.

In some countries, there are local restrictions on collecting and reporting race and ethnicity data. Shell offers employees the option to voluntarily declare their race and ethnicity via our self-identification initiative.

See shell.com for more information on our DE&I progress in the UK, the USA and the Netherlands.

LGBT+

We are working to advance lesbian, gay, bisexual and transgender plus (LGBT+) inclusion within Shell and the communities where we work. Most of our work around LGBT+ inclusion happens at a country level, in line with local policies, laws and regulations.

Disability inclusion and accessibility

We are working to advance an inclusive, psychologically safe and accessible environment where people with disabilities can excel. We provide support and adjustments for people with disabilities during the recruitment process. For example, candidates with a disability or long-term health condition can indicate whether they require adjustments to our facilities or our job application process. Our support teams and systems are equipped to make these adjustments if required. We also support employees throughout their careers with Shell, including access to educational resources, training programmes and personal and professional development. Our Disability, Accessibility and Inclusion portal provides comprehensive guidance and tools for line managers, leaders, people with disabilities and employees to be active allies. Shell's enABLE employee resource groups provide expertise and advice to Shell leaders and our businesses on accessibility and disability inclusion. We also offer a workplace accessibility service which covers 68 locations in 33 countries. The team is supported by functions such as Shell Health, Human Resources, Real Estate and IT.

Shell is part of the Valuable 500, which comprises 500 of the world's largest companies and organisations that are working collectively to progress disability inclusion. We are also an active member of the Business Disability Forum and PurpleSpace.

Employee share plans

Our share plans align employees' interests with our performance through share ownership.

See the "Directors' Remuneration Report" on pages 188-207.

Discretionary share awards

For 2024, Long-term Incentive Plan (LTIP) awards were made to Executive Directors and Senior Management, and Performance Share Plan (PSP) awards to nominated employees on a highly selective basis. These plans were designed to ensure that remuneration is clearly aligned with Shell's Operating Plan and/or longer-term strategic ambitions. Half of the performance conditions applied to the PSP are the same as those applied to the LTIP, and performance is measured over three years under both plans.

* Non-GAAP measure (see page 445).

For the 2024 LTIP, 25% of the award is linked to organic free cash flow and 25% to the energy transition, with the remaining 50% linked to comparative performance conditions. For the 2024 PSP, 50% of the award is linked to certain indicators described in "Performance indicators" on pages 18-19, averaged over the performance period, with the remaining 50% linked to the same performance conditions as for the LTIP.

See the "Directors' Remuneration Report" on pages 188-207.

For 2025, Restricted Share Awards (RSA) and/or Performance Share Awards (PSA) may be awarded to nominated employees on a highly selective basis. RSAs support employee retention over a three-year period and provide a stake in the Company's future. PSAs ensure that remuneration is clearly aligned with Shell's strategic ambitions and are measured over a three-year performance period.

See "Annual Report on Remuneration" on page 206 for further information on the performance conditions.

Separately, following the BG acquisition, certain employee share awards made in 2015 under BG's Long-term Incentive Plan were automatically exchanged for equivalent awards of shares in the Company. The outstanding awards take the form of nil-cost options.

Under all plans, vesting shares are increased by notional dividends accrued during the period from award to vesting. In certain circumstances, awards may be adjusted before delivery or be subject to clawback after delivery. None of the awards result in beneficial ownership until the shares vest.

See Note 28 to the "Consolidated Financial Statements" on page 305.

Global Employee Share Purchase Plan

Eligible employees in participating countries may participate in the Global Employee Share Purchase Plan. This plan enables them to make contributions from net pay towards the purchase of the Company's shares at a discount to the market price.

UK Shell All Employee Share Ownership Plan

Eligible employees of participating Shell companies in the UK may participate in the Shell All Employee Share Ownership Plan, under which monthly contributions from gross pay are made towards the purchase of the Company's shares with a matching element.

Contribution to society

People's lives are better with energy. We help to power lives by providing vital energy for homes, businesses and transport, including for cooking, heating and lighting. Energy is also used to provide essential services, such as health care, and manufactured products which society consumes daily. Shell delivers energy for millions of people around the world every day and is working to help provide energy to those who do not yet have it.

For example, in November 2024, we joined forces with bp, Equinor and TotalEnergies to announce a \$500 million joint investment commitment to help address the challenges of energy access. This joint investment seeks to support promising, high-impact projects, primarily in Sub-Saharan Africa, and South and South-east Asia, that are working to bring access to electricity and improved cooking conditions to underserved communities.

We want to help communities benefit from having us as their neighbour. Some of the ways in which we make a meaningful contribution are by generating jobs and supporting start-ups and local businesses. In 2024, our operated and non-operated ventures spent around \$42 billion on goods and services* from suppliers around the world, compared with \$49 billion in 2023. This reduction is mainly driven by structural cost reductions and discipline and focus in cash capital expenditure as we implement our strategy.



Photo: For more than 40 years, Shell LiveWire has helped entrepreneurs start and/or grow their businesses. Its biennial Top Ten Innovators awards selects young businesses that excel in social impact, environmental sustainability and business innovation. Camila de Araujo Reveles Barreira of Brazil was a Top Ten winner in 2023.

Our activities also generate revenues for governments through the taxes and royalties we pay, which can help governments to fund health care, education and other essential services. We publish an annual Tax Contribution Report which sets out the corporate income tax that Shell companies paid in the countries and locations where we have a taxable presence. In 2024, Shell paid \$18 billion in taxes* to governments, of which \$12 billion was paid in corporate income taxes and \$6 billion in government royalties.

See [shell.com](https://www.shell.com) for the Tax Contribution Report.

* Non-GAAP measure (see page 445).

Supply chain

Our business activities depend on a competitive and resilient supply chain. Suppliers play an important role in helping to deliver our strategy and helping to create value for our stakeholders.

As part of Shell's responsible sourcing approach, we aim to work with suppliers that behave in an economically, environmentally and socially responsible manner. Shell partners with suppliers who adhere to our Shell General Business Principles and Shell Supplier Principles. The Shell Supplier Principles set out our expectations of suppliers with respect to business integrity; health, safety, security, environment and social performance (HSSE & SP); and labour and human rights. Our standard contract terms require adherence to these or equivalent principles.

Worker welfare

Our approach to worker welfare focuses on the well-being of supplier staff on Shell sites and dedicated supplier staff on non-Shell sites, where we have the most ability to influence safety, working conditions and labour rights. We also work with our partners and peers to include worker welfare in industry standards, guidance and best practice. This helps raise expectations and levels of consistency across the industry. Our approach is based on the principles established by Building Responsibly, an alliance of companies that seeks to promote the rights and welfare of workers in the engineering and construction industry.

In 2024, we continued to collaborate with peers and suppliers to drive consistency across the industry on worker welfare.

See [shell.com](https://www.shell.com) for more information about how we engage with contractors and suppliers.

Working with communities

We engage with communities to help us understand their needs and expectations. This engagement enables us to identify and manage impacts from our activities and provide access to remedy. Engagement is a continuous process that helps us improve our decision-making and performance. Shell's Safety, Environment and Asset Management (SEAM) Standards are designed to help us to operate responsibly and avoid or minimise any potentially negative environmental and social impacts that may result from our operations.

Communities can raise concerns in a number of ways. At large projects and assets, community engagement practitioners act as a bridge between local communities and our operations. Community feedback mechanisms allow us to receive, track and respond to questions and complaints. In 2024, we improved our internal tools to make it easier to track community satisfaction with the remedy offered by the process. Communities can also raise concerns anonymously through the Shell Global Helpline.

Our SEAM Standards require us to apply special procedures in situations involving involuntary resettlement, cultural heritage, Indigenous Peoples or operations in environments with high or unusual social risks. In 2024, we engaged with communities who were impacted by our business activities through involuntary resettlement which restricted their access to some areas on which they depend for their livelihoods. This occurred in Albania, Norway, South Korea, Trinidad and Tobago, and the UK. Our engagement involved plans to manage these impacts. We also provided support to help avoid or manage involuntary resettlement impacts in our non-operated ventures.

See "Our approach to sustainability" on page 130.

See [shell.com](https://www.shell.com) for more information about our work with communities.

Social investment

Our activities contribute to economies through taxes, jobs and business opportunities. We also make social investments in areas determined by local community needs and priorities. These investments are sometimes voluntary, sometimes required by governments, or part of a contractual agreement. Shell has three priority areas for social investment: access to energy; skills and enterprise development; and science, technology, engineering and mathematics (STEM) education.

In 2024, we spent \$165 million on social investment, of which \$87 million (53%) was required by government regulations or contractual agreements. We spent the remaining \$78 million (47%) on voluntary social investment.

See [shell.com](https://www.shell.com) for more information about our social investment.

Human rights

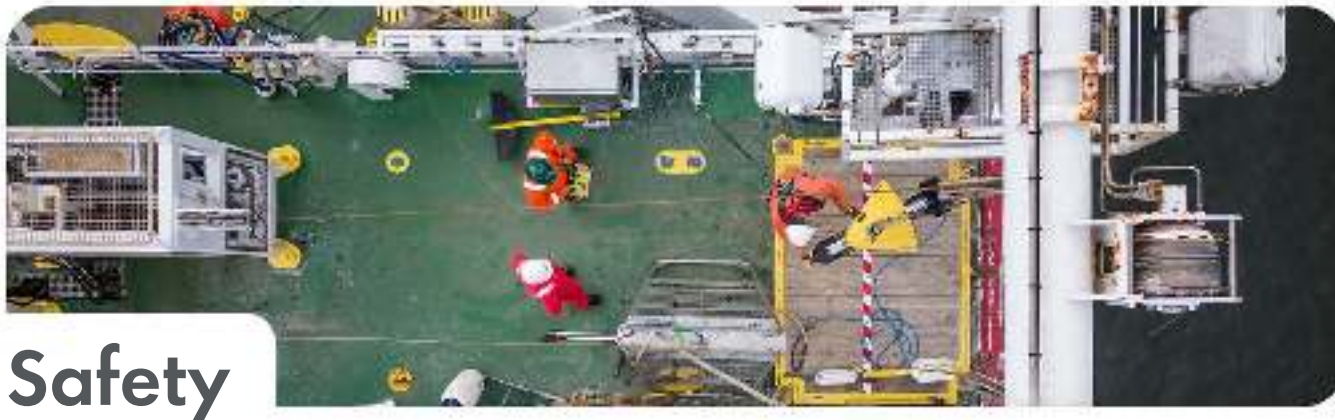
Human rights are fundamental to Shell's core values of honesty, integrity and respect for people. Respect for human rights is embedded in the Shell General Business Principles and our Code of Conduct. Shell is committed to respecting human rights, as set out in the United Nations Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Our approach is informed by the UN Guiding Principles on Business and Human Rights. We work closely with various organisations to improve how we apply these UN guiding principles.

In 2024, we continued to work on salient human rights issues (salient human rights are those that are most at risk from our operations). We prioritise four focus areas where respect for human rights is critical to how we operate: at the workplace including labour rights, in supply chains, communities and security. For each of these areas, we have systems to identify potential impacts and to avoid and mitigate them. Shell employees working in these focus areas need to complete mandatory human rights training. In addition, we encourage all employees to complete the course regardless of their role, to build greater understanding of human rights across Shell.

Human rights focus areas

	 At the workplace	 In supply chains	 In communities	 In security
Salient issues	• Health and safety • Discrimination • Decent living conditions in worker accommodation • Access to adequate and readily available channels to voice concerns	• Labour rights in our supply chains, e.g. prevention of forced labour, access to remedy • Safe and healthy working conditions • Decent living conditions in worker accommodation	• Social impact management • Vulnerable persons/communities • Land access, livelihoods and cultural heritage • Engagement and access to remedy	• Human rights impact on communities by private security and/or government security forces we rely on • Security of employees and contract staff in high-risk environments where we work

See "Safety" on pages 122-124.
See [shell.com](https://www.shell.com) for more information about our approach to human rights.



Safety

Safety, along with our core values, underpins our strategy. We aim to do no harm to people and to have no leaks across our operations. We call this our Goal Zero ambition.

The nature of our operations exposes us to a wide range of safety risks. We plan and execute our work with the aim of preventing harm to people or leaks to the environment and to be prepared to respond if something goes wrong.

We seek to improve safety by focusing on the three areas where the safety risks associated with our activities are highest: personal safety, process safety and transport safety. We strive to reduce risks and to minimise the potential impact of any incident. We place a particular emphasis on the risks that could lead to the most serious consequences if they materialised.

We continue our multi-year process of refreshing our approach to safety for all employees and contractors. This approach is rooted in a consistent focus on human performance. We ask people at Shell to apply a learner mindset, by which we mean the belief that we can always improve, enhance individual capabilities, learn from mistakes and successes, and speak up freely without repercussions.

In practice, our refreshed approach to safety is about enhancing how we prepare for and conduct high-risk activities by:

- improving our preparation and execution of frontline work, building an environment of trust and learning;
- moving to industry-wide tools so that Shell and contractors work on the same basis to manage risks; and
- using technology to reduce exposure and identify conditions that could lead to serious incidents.

It is also about capturing more insights by:

- focusing on serious injuries, illness and fatalities (SIF) and the lessons we can derive from high-potential incidents where the most serious consequences that could have led to SIF did not materialise;
- focusing on learning from losses or potential losses of containment, and on any degradation of barriers designed to prevent or minimise the consequences of leaks;
- capturing underlying causes through incident investigations; and
- embedding lessons learned in our training and instructions for future work.

Our approach is governed by our Safety, Environment and Asset Management (SEAM) Standards, which set out our detailed requirements for personal, process and transport safety.

See "Our approach to sustainability" on page 130.

Assurance activities play a key role for Shell in providing real-time feedback about our assets, businesses and functions regarding the health of critical human and technical safeguards that help prevent a safety incident. Our assurance activities aim to verify the design and functioning of controls, validate the overall efficiency of risk management, and highlight areas for improvement.

We report data in this section on a 100% basis for companies and joint ventures in which Shell is the operator, unless stated otherwise.

Technology and safety

We are using digitalisation and artificial intelligence to gather and process data from our equipment and improve analysis and reporting. This enables remote support and allows us to take action quickly in unsafe situations.

For example, we have installed T-Pulse, an AI-automated safety monitoring solution developed by Detect Technologies, at 26 sites. T-Pulse uses CCTV to identify and report real-time safety issues and unsafe behaviours. Since we began using T-Pulse in 2020, it has generated alerts for more than 20,000 potential safety issues. In more than 1,300 of those cases, interventions helped prevent significant harm to people or leaks into the environment.

We are installing active fatigue and distraction detection (AFDD) devices in vehicles operated by Shell employees or our contractors in countries where road transport risks are highest. These devices help us intervene earlier to prevent accidents by detecting the conditions that can lead to them.

Personal safety

We continue to strengthen the safety culture and leadership among our employees and contractors. This aligns with our focus on caring for people.

Our SEAM Standards establish requirements for occupational health and safety hazards that have the potential to result in harm to people. When our employees and contractors perform tasks, we expect them to consider the hazards that could potentially cause harm and the effectiveness of the barriers in place to prevent incidents and manage the consequences should an event occur. We establish and maintain competence management systems to help ensure people are competent to perform their roles and responsibilities.

We run safety awareness programmes and hold an annual global Safety Day to give employees and contractors time to discuss safety culture on the frontline, reflect on how to prevent incidents, and how to improve performance. In 2024, the focus was on "Before I start work", which means pausing to reflect on what needs to be in place before we start work, for that work to be done safely.

Process safety

Process safety management is about keeping hazardous substances inside pipes, tanks and vessels, and ensuring that well fluids are contained during construction, interventions (such as maintenance) and incidents. Our SEAM Standards establish requirements from project design and construction throughout the life cycle of the asset to keep sites, employees, contractors and communities safe.

Our SEAM Standards set the steps we take to manage process safety risks, from identifying potential safety hazards to designing the controls that prevent them from occurring. Our standards require the use of barriers that operate independently of each other to reduce the likelihood of a release becoming catastrophic. Such barriers are designed so that if one fails, this does not lead to the failure of others.

We are focusing on standardising our risk assessment tools, improving human performance, working to mitigate process safety risks and moving from lagging indicators (measuring past outcomes) to leading indicators (predicting future performance). With the implementation of the SEAM Standards, our assurance methodologies for process safety have been updated to provide more insight on the health of barriers designed to reduce the likelihood of leaks and mitigate any potential consequences should a leak occur.

We continue to learn from investigations into industry incidents and embed this knowledge into our process safety standards and training programmes.

Preparing for emergencies

We prepare and practise our emergency response to incidents, such as a spill or a fire. This involves working closely with local emergency services and regulatory agencies to jointly test our plans and procedures. Shell requires key operating facilities to test their emergency response preparedness as per regulatory requirements and aligned to industry best practices. In 2024, we held large-scale emergency response exercises at Shell Energy and Chemicals Park Rotterdam in the Netherlands and in Perth, Australia for offshore exploration to support our Prelude floating LNG facility.

We manage three regional Emergency Response Leadership Councils for the Americas; Asia-Pacific; and Europe, the Middle East and Africa. The councils bring together experts from different teams that need to be able to work together seamlessly in case of emergencies. In 2024, the councils' annual regional conferences covered a variety of topics such as lessons learned, dynamic risk assessments, new response technology, non-fluorinated firefighting foam tactics and response preparedness.

Transport safety

Transporting large numbers of people, products and equipment poses safety risks. We seek to reduce these risks by developing best-practice standards within Shell. We also work with specialist contractors, industry bodies, non-governmental organisations and governments to find ways of reducing transport safety risks.

Road safety

In 2024, we continued to focus on strengthening our controls and implementing technologies that help us to better detect the conditions which can lead to incidents. Our SEAM Standards require Shell employees and contractors who are identified as driving on work-related business to receive defensive driver training.

In 2024, Shell employees and contractors drove around 424 million kilometres on company business, equivalent to around 10,580 times around the world. Commercial road transport accounts for most of the kilometres driven. There were 17 severe motor vehicle incidents (SMVIs). An SMVI is defined as a motor vehicle incident resulting in a fatality, serious injury or a rollover of a vehicle. There were no road transport-related fatalities in 2024.

Maritime safety

At the end of 2024, we managed and operated a global fleet of 22 tankers, liquefied natural gas carriers and the world's first liquefied hydrogen carrier. We are one of the world's largest charterers of oil and gas vessels. We work with our global maritime partners through our Maritime Partners in Safety Programme to improve the safety performance of the shipping industry.

Air safety

In 2024, for Shell-operated ventures, our owned and contracted aircraft flew around 37,000 hours and carried around 292,000 Shell and contractor passengers to destinations across the world. In addition, remotely piloted aircraft completed flights on surveys, inspections, emissions surveillance, and security and incident response.

See [shell.com](https://www.shell.com) for more information on transport safety.

Working with others

We work with contractors and suppliers to help them understand our safety requirements. We strive to improve the energy industry's safety performance by sharing safety standards and experience with other operators, joint-venture partners, contractors and professional organisations.

Executives from Shell and our major contractor companies have collaborated on Shell's contractor safety leadership programme since 2014. The programme seeks to identify strategies and practical ways to improve a shared safety culture and achieve our Goal Zero ambition of no harm and no leaks.



Photo: A safety briefing for a maintenance and operations crew at the 731.5 megawatt Borssele III and IV offshore wind farm, the Netherlands, which is owned and operated by the Blauwwind joint venture (Shell interest 20%).

Safety performance

Tragically, two of our contractor colleagues in Shell-operated ventures lost their lives in incidents which happened in 2024 while working for us. One contractor colleague in the Netherlands lost his life in an accident at Shell Energy and Chemicals Park Moerdijk in June 2024. Another contractor colleague in India was bitten by a snake in May 2024 and subsequently passed away in January 2025.

We sadly note that a contractor who sustained burn injuries in a flash fire at our EcoOils facility in Malaysia in February 2025 passed away later that month. The investigation into the incident remained under way at the time of publishing this report.

The death in February 2024 of a contractor colleague in Nigeria, who was injured in a fire incident in December 2023, was reported in our 2023 Annual Report.

Shell is profoundly impacted by these losses. We are resolutely committed to learn from these incidents and we aim to take all necessary measures to prevent anything similar from happening again. We continue to work closely with our contractors to help build a strong safety culture at the frontline.

We use serious injury, illness and fatality (SIF) and serious injury, illness and fatality frequency (SIF-F) to measure our safety performance. SIF is defined as a serious work-related injury or illness that resulted in a fatality or a permanent impairment, which is defined as a long-term or permanent injury or illness with a significant impact on daily activities. SIF-F is calculated by dividing the number of employee and contractor SIF by 100 million working hours. SIF-F enables us to focus our investigations on the most serious incidents. The aim is to collect and analyse relevant, high-quality data that can help us improve our efforts to prevent serious injuries and fatalities.

In 2024, the number of serious work-related injuries or illnesses, including those that resulted in fatality or permanent impairment, decreased to 7 from 12 in 2023. The SIF-F was 1.5 cases per 100 million working hours compared with 2.6 in 2023.

For reporting on process safety, we combine Tier 1 and 2 events. A Tier 1 process safety event is an unplanned or uncontrolled release of any material from a process, including non-toxic and non-flammable materials, with the greatest actual consequence resulting in harm to employees, contract staff or a neighbouring community, damage to equipment, or exceeding a defined threshold quantity. A Tier 2 process safety event is a release of lesser consequence.

The number of Tier 1 and 2 operational process safety events in 2024 increased compared with 2023. There were 90 events reported during the year compared with 63 in 2023. The increase in process safety tiered events was driven by our Downstream, Renewables and Energy Solutions business. We are actively addressing these challenges by refining our operational strategies, renewing our focus on fundamentals and leveraging new technologies to return to the downward trend of previous years.

A well control incident is defined as a well set-up with fewer than two barriers in place to protect it against a release through any potential path. In 2024, there were no Level 1 or Level 2 well control incidents in Shell-operated ventures. There were also no events in 2023.

As part of our learner mindset approach, we investigate serious incidents so we can understand the underlying causes, including technical, behavioural, organisational and human factors. We share what we learn, including with contractors. We implement mitigations at the site and in the country and business where the incident occurred. We seek to turn incident findings into improved standards or better ways of working that can be applied widely across similar facilities.

Security

Our operations expose us to criminality, civil unrest, activism, terrorism, cyber disruption and acts of war that could have a material adverse effect on our business. Our security risk mitigations follow the principles of "deter, detect, delay and respond". We strengthen the security of our assets, people and operations to reduce our exposure as appropriate, for example, by conducting site security risk assessments, using journey management plans and performing travel risk assessments. We also invest in information risk management capabilities and crisis management and business continuity measures.

Shell is a member of the Voluntary Principles on Security and Human Rights (VPSHR), a multi-stakeholder initiative that gives guidance on how to respect human rights while providing security for business operations. We implement this guidance within our own operations, concentrating on countries where the risks of working with government and private security providers are identified as greatest.



Living by our values

Our core values of honesty, integrity and respect for people, as well as our focus on safety and sustainability are critical to our strategy. We are committed to doing business in an ethical and transparent way.

Ethics and transparency

Our core values underpin our work with employees, customers, investors, contractors, suppliers, non-governmental organisations, the communities where we operate and others. The Shell General Business Principles (SGBP), Code of Conduct, and Ethics and Compliance Manual are designed to help everyone at Shell to act in line with our values. The Chief Ethics and Compliance Officer (CECO) reports to the Shell Legal Director. The CECO is the custodian of Shell's Code of Conduct, and oversees ethics and compliance activities.

Shell General Business Principles

The SGBP set out our responsibilities to shareholders, customers, employees, business partners and society. They set the standards for how we conduct business with integrity, care and respect for people. As part of these principles, we commit to contribute to sustainable development. All Shell employees and contractors, and those working at joint ventures we operate, are expected to behave in line with these principles. We undertake a range of activities to help embed the SGBP and the Code of Conduct throughout the organisation. This includes training and encouraging people to discuss the dilemmas they face in their work.

Code of Conduct

Our Code of Conduct explains how employees, contractors and anyone else acting on Shell's behalf must behave to live up to our business principles. It addresses key topics including safety, anti-bribery and corruption, fair competition and human rights.

Shell employees, contractors and third parties with whom Shell has a business relationship can report any potential breaches of the Code of Conduct confidentially through several channels, including anonymously through a global helpline operated by an independent provider. We maintain a stringent no retaliation policy to protect any person making an allegation in good faith. This protection extends to those who participate in or conduct an investigation. We investigate allegations of potential violations of the Code of Conduct or applicable laws promptly and independently of the management line concerned.

In 2024, there were 2,025 reports to the Shell Global Helpline. We confirmed 343 breaches of the Code of Conduct, 367 employees or contractors were subject to disciplinary action, and of those 110 people were dismissed. Confirmed breaches include cases in which an allegation received in 2024 or a prior year was substantiated and closed.

Ethics and compliance

Shell's Ethics and Compliance Manual defines the detailed requirements for our businesses and functions to comply with laws on anti-bribery and corruption, anti-money laundering, preventing the facilitation of tax evasion, antitrust, data privacy and trade compliance.

Our employees receive guidance on the requirements listed in our Ethics and Compliance Manual – including via a dedicated website, and training modules where completion is monitored – which is reinforced by messages from Shell leaders on these requirements. This manual also includes the Protect Shell Policy, which explains Shell's position on managing antitrust risks in engagements with parties external to Shell. In response to fast-moving external antitrust developments and trends, internal guidance is continually being monitored to ensure that it remains relevant.

The type and depth of training is dependent on the level of risk. Training is repeated every three years, or more frequently for positions where the risk exposure is higher. Those considered to be higher risk for exposure to bribery include, but are not limited to, persons involved in procurement and contracting, new business development and engaging with government officials. Shell Internal Audit and Investigations (SIAI) conducts risk-based audits of potential ethics and compliance issues across its operations in support of our Group-wide ethics and compliance programme.

To help manage antitrust, competition, anti-bribery, tax evasion, anti-money laundering and trade compliance risks with adequate resources we maintain risk-based compliance programmes, a comprehensive governance structure, established reporting lines and policies and procedures, including mandatory due diligence, counterparty-screening and regular risk assessments.

Compliance in our Trading and Supply business

We maintain a Trading Compliance function managed by a Chief Compliance Officer, as regulated by the UK Financial Conduct Authority, the US Commodities Futures Trading Commission and the Securities Commission of The Bahamas, with adequate resources, including employees and a budget; a comprehensive governance structure, controls, policies and procedures and established reporting lines. Employees in Shell's trading organisation receive clear guidance through the Code of Conduct; the organisation's Trading and Supply Compliance Manual, supplemented with specific policies; a specific compliance website; mandatory training modules where completion is monitored; and other relevant training.

Shell leaders reinforce the importance of managing compliance and conduct risk in the trading organisation through monitoring risk metrics, reporting to compliance risk management and governance committees, setting clear expectations via townhall meetings and other channels, and enforcing consequences for non-compliance.

Shell's Trading Compliance function has systems for trade surveillance and monitoring communication, in addition to a dedicated conduct and ethics investigation function to assess breaches of non-compliance and thematic trends.

Data protection

With regard to the protection of personal data, we continue to invest in and develop a mature and robust privacy compliance programme based on our Binding Corporate Rules (BCRs). Every Shell company is required to manage personal data in a professional, ethical and lawful manner. We have a robust "privacy by design" process, which includes the monitoring of data privacy regulations, to help ensure that necessary controls are built into our IT systems and solutions to protect personal data.

Shell's Chief Privacy Officer serves as the Data Protection Officer (DPO) under the EU's General Data Protection Regulation (GDPR) and other applicable data privacy laws, except where there is a requirement to have a locally based DPO, such as in China and the Philippines.

We monitor new data privacy legislation and seek to ensure we have a robust impact assessment process in place for the relevant businesses. We design our operations and processes based on relevant data privacy requirements and we build controls into our processes and practices which cover the handling of personal data.

We maintain a Group-wide incident management process designed to identify and remediate data privacy breaches. The process also helps us to comply with country-level requirements for reporting breaches. Some of our acquired companies are not yet in full compliance with our BCRs. Following assessments for each of those companies, specific actions are planned and put in place to achieve compliance, with regular updates made on their progress to management.

Reputation and brand

We continually assess and monitor the external environment for potential risks to our reputation. We engage in dialogue with our key stakeholders, such as investors, industry and trade groups, academics, governments and non-governmental organisations to gain greater insights into societal expectations of the Shell Group. We make efforts to explain to our stakeholders what the Company is doing and why, the validity of our energy transition targets and our progress towards meeting them. We take proactive steps when appropriate through legal means to protect our reputation from unwarranted accusations.



Our approach to sustainability

Our commitment to contribute to sustainable development has been part of the Shell General Business Principles since 1997. We have embedded this sustainability commitment into our strategy, business processes and decision-making, supported by comprehensive governance structures, policies and standards.

Our approach to sustainability takes into account the impacts, risks and opportunities related to climate, nature, safety, ethics, people and communities – from the global to the local level. For 2024 progress in each of these areas, refer to the Our journey to net zero, Respecting nature, Powering lives, Safety, and Living by our values sections.

In anticipation of the transposition by the Netherlands of the EU Corporate Sustainability Reporting Directive (CSRD) into national law, a key development for Shell in 2024 has been the voluntary implementation of the CSRD and the accompanying European Sustainability Reporting Standards (ESRS). The CSRD requires certain European and non-European companies (including Shell plc due to its listing on Euronext Amsterdam) to make disclosures on environmental, social and governance topics in accordance with reporting standards set out in the ESRS.

For the first time, in the Annual Report and Accounts 2024, Shell includes a Sustainability Statements section (pages 341-440), prepared on a voluntary basis in accordance with the CSRD and ESRS. The Sustainability Statements incorporates Shell's EU Taxonomy disclosure, which we have published on voluntary basis since 2021. The Sustainability Statements section forms an integral part of the consolidated management report [A]. With the introduction of the Sustainability Statements, we have retired our voluntary Sustainability Report after 27 years.

[A] The consolidated management report, as referenced in the CSRD, includes the Strategic Report and Governance sections of the Annual Report and Accounts.



Photo: Shell's Board of Directors visited Raizen facilities in Brazil in April 2024.

Governance

Board oversight of sustainability including climate-related impacts, risks and opportunities

Our governance framework is designed to effectively deliver our strategy, which is to deliver more value with less emissions, while powering lives and respecting nature.

See "Our strategy" on pages 10-13.

We describe Shell's overall governance framework on pages 159-160 and provide information on the roles of the Board of Directors, Board Committees and the Executive Committee (EC).

See "Sustainability including climate governance" on page 129.

The Board has primary oversight of the delivery of Shell's strategy and monitors performance against our longer-term business targets. This includes the management of sustainability-related impacts, risks and opportunities.

The Board periodically reviews our energy transition plans and oversees their implementation and delivery. In March 2024, Shell published the updated Energy Transition Strategy 2024, as endorsed by the Board, which included our four climate targets and ambition. The progress on these longer-term climate-related targets and ambition can be found in "Climate-related metrics and targets" on pages 93-106.

In 2024, the Board considered sustainability-related matters throughout the year, such as the assessment of sustainability-related risks and the effectiveness of corresponding risk management activities. The Board also challenged and endorsed business plans, with consideration of major capital expenditures, acquisitions and divestments. In 2024, the Board convened nine times and continued to oversee our strategy and sustainability initiatives, including at the Board off-site days in June 2024.

The nature of topics discussed by the Board in 2024 can be found in "Board activities" on pages 161-164. A full description of sustainability-related principal risks can be found in the "Risk factors" on pages 134-144.

Board committees

The Board is supported by four standing committees: the Sustainability Committee (SUSCO), the Remuneration Committee (REMCO), the Audit and Risk Committee (ARC), and the Nomination and Succession Committee (NOMCO). Sustainability-related matters are considered by the Board or the relevant committee, as appropriate. Committees, comprising Non-executive Directors, provide regular updates to the Board, including from committee meetings and stakeholder engagements.

The SUSCO reviews the performance of Shell with respect to sustainability and the non-financial elements of Shell's strategy, with a focus on nature and social elements. The SUSCO also reviews selected sustainability topics and matters of public concern. The SUSCO met four times in 2024 with sustainability-related matters discussed at each meeting. Details on focus areas and meetings in 2024 can be found in the SUSCO report on page 175.

The REMCO develops the remuneration policy and schemes for Executive Directors, EC members and the majority of Shell's employees, and sets performance conditions designed to challenge and support the EC in meeting our strategy of more value with less emissions, while respecting nature and powering lives. The REMCO met five times during 2024, with sustainability-related matters relevant to remuneration being regularly addressed. Details of the REMCO's focus areas and meetings in 2024 can be found in the Directors' Remuneration Report on pages 188-190.

The NOMCO leads the process for appointments to the Board and Senior Management and oversees the development of a diverse succession line of candidates. The NOMCO also reviews the Company's policy, targets and strategy on diversity, equity and inclusion (DE&I), and monitors the effectiveness of these initiatives. The NOMCO met four times, with sustainability-related matters regularly addressed. Details on the NOMCO's focus areas and meetings in 2024 can be found in the NOMCO report on pages 171-174.

The ARC assists the Board in fulfilling its oversight responsibilities in areas such as the effectiveness of our risk management and internal controls. The ARC also provides oversight in respect of material non-financial reporting disclosures with respect to corporate sustainability as applicable to the Company's annual reports, half-yearly reports and quarterly results releases. Significant issues identified by the business or functional owners are escalated to and reviewed by the ARC as required. The ARC met six times in 2024, with sustainability-related matters regularly addressed. Details on the ARC's focus areas and meetings in 2024 can be found in the ARC report on pages 176-187.

Performance and remuneration

Our remuneration schemes, including the annual bonus and long-term incentive awards, are designed to support Shell in achieving our strategy. Almost all employees participate in the annual bonus scheme. Executive Directors, senior executives and certain key employees participate in the long-term incentive awards, which aim to retain and ensure recipients have a greater investment in Shell's future.

In respect of 2024 outcomes, Shell's safety and energy transition-related performance metrics each form 15% of the annual bonus scorecard. A metric for "Shell's journey in the energy transition" forms 20% of the long-term incentive awards for Executive Directors and senior executives and 10% for all other employees.

The remuneration schemes are all linked to sustainability elements, including climate and safety. The Directors' Remuneration Report provides further details on key sustainability-related performance indicators.

Supporting governance committees

There are three key supporting management committees, with representatives from across Shell, which play a critical role in driving sustainability-related elements of our strategy. These committees each have direct lines of reporting to the Board and its committees.

- The Capital Investment Committee (CIC) facilitates portfolio management and capital allocation decisions, and reviews each investment opportunity that is, due to its size or risk profile, subject to approval by the CEO or the Board. These reviews ensure that risk-reward trade-offs and other defined criteria (including carbon emissions impacts) are embedded in investment decision-making. The CIC is sponsored by the CEO and is accountable to the Board. This committee is made up of senior executives, including the CEO, CFO and individual business directors.
- The Carbon Reporting Committee (CRC) is sponsored by the CFO and includes senior management representatives focusing on climate-related matters from across the businesses, Projects & Technology climate-related disciplines, and functions including Finance, Legal and Strategy. The CRC is responsible at the Group level for the Carbon Reporting Control Framework, the calculation methodologies and reporting of GHG emissions metrics, and the review and approval of external GHG-related disclosures to ensure compliance.
- The Sustainability Management Committee (SMC), established in October 2024, is sponsored by the CFO and includes senior management representatives with exposure to material sustainability areas from the businesses and functions, including Supply Chain, Finance, Legal and Human Resources. The SMC aims to provide an integrated approach to sustainability by addressing cross-directorate risks and dilemmas, and driving the co-ordination, simplification and performance improvement of nature and social sustainability topics, focusing on regulatory compliance and value protection and creation. The SMC will also maintain a forward view on emerging themes to ensure Shell's future competitiveness and resilience through the energy transition.

In addition to these committees, our network of country chairs supports the overall governance, development and deployment of sustainability-related initiatives. They facilitate the setting of each country's plans and their engagement with external stakeholders in support of our strategy.

Business assurance

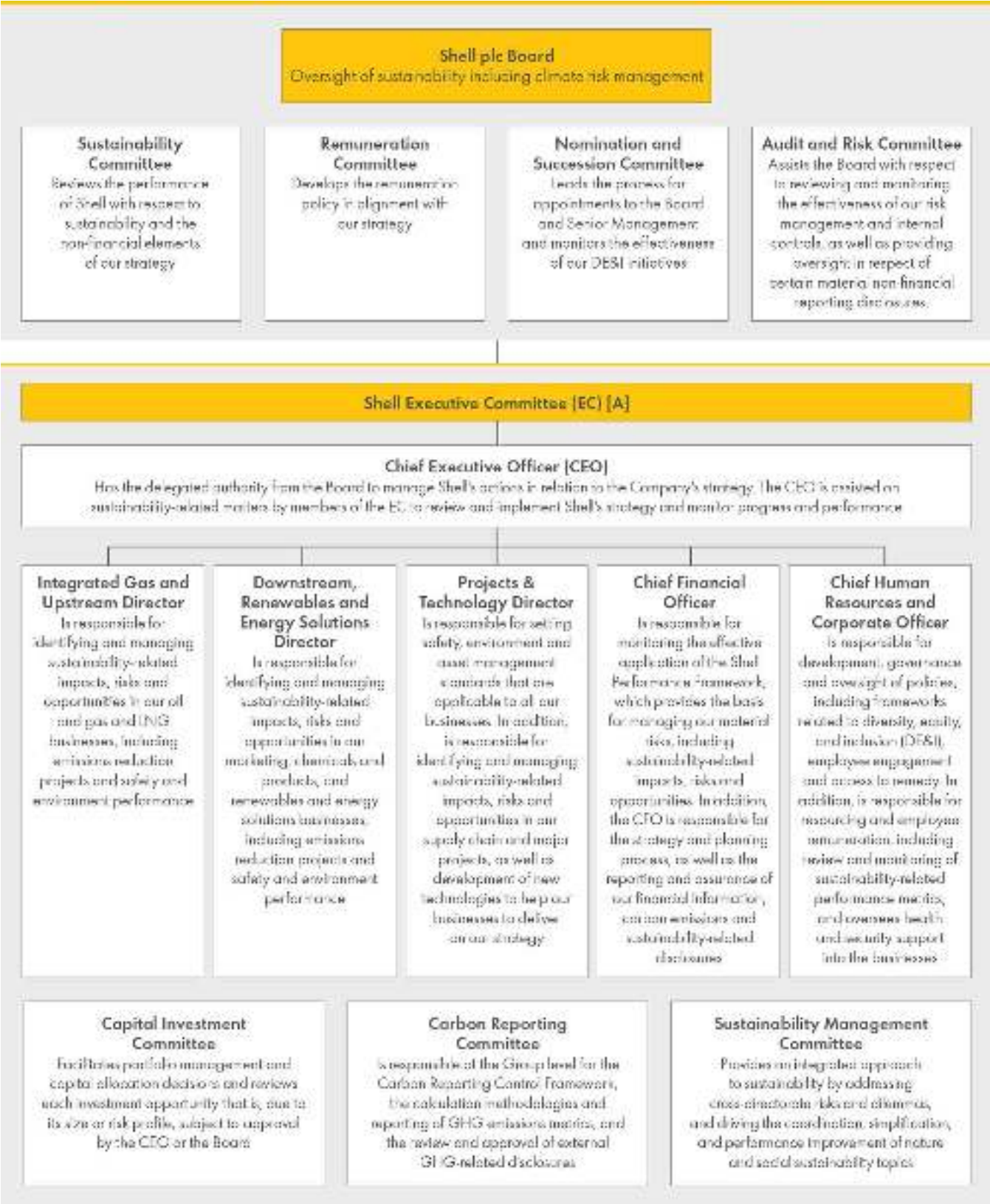
Each EC member must submit an annual assurance letter to the CEO that their business or function's activities have been conducted in accordance with the requirements set out in our Commitment and Policy on Health, Safety, Security, Environment & Social Performance (HSSE & SP) and our Safety, Environment and Asset Management (SEAM) Standards. This assurance includes an assessment of the effectiveness of our internal controls in managing sustainability-related risks.

Independent assurance

Shell Internal Audit and Investigations (SIAI) provides independent assurance of sustainability-related risks as part of its broader mandate and advises management and the Board on the effectiveness of internal controls. For further information, see "Internal Audit" on page 184.

Management's role in assessing and managing sustainability including climate-related impacts, risks and opportunities

Sustainability including climate governance



[A] See pages 157-158 for details of changes to the Executive Committee.

Processes by which management is informed about sustainability including climate-related issues

We have several processes to help ensure that management teams can effectively monitor and manage sustainability matters. Our response to the evolving risk outlook requires transparency and clarity around our plans and actions to achieve our sustainability targets.

We have established a number of policies, standards, frameworks, internal forums and capability development programmes related to sustainability, climate change and the energy transition. These are employed at all levels of the organisation and seek to monitor, manage and review sustainability issues.

Each business and function regularly reviews its risk profile, risk responses and assurance activities throughout the year to ensure sustainability-related risks are effectively addressed and managed. These reviews and insights are also used to provide management with regular updates on the operational management of sustainability and to help us to update our plans and guide our day-to-day operational decisions and our risk response plans.

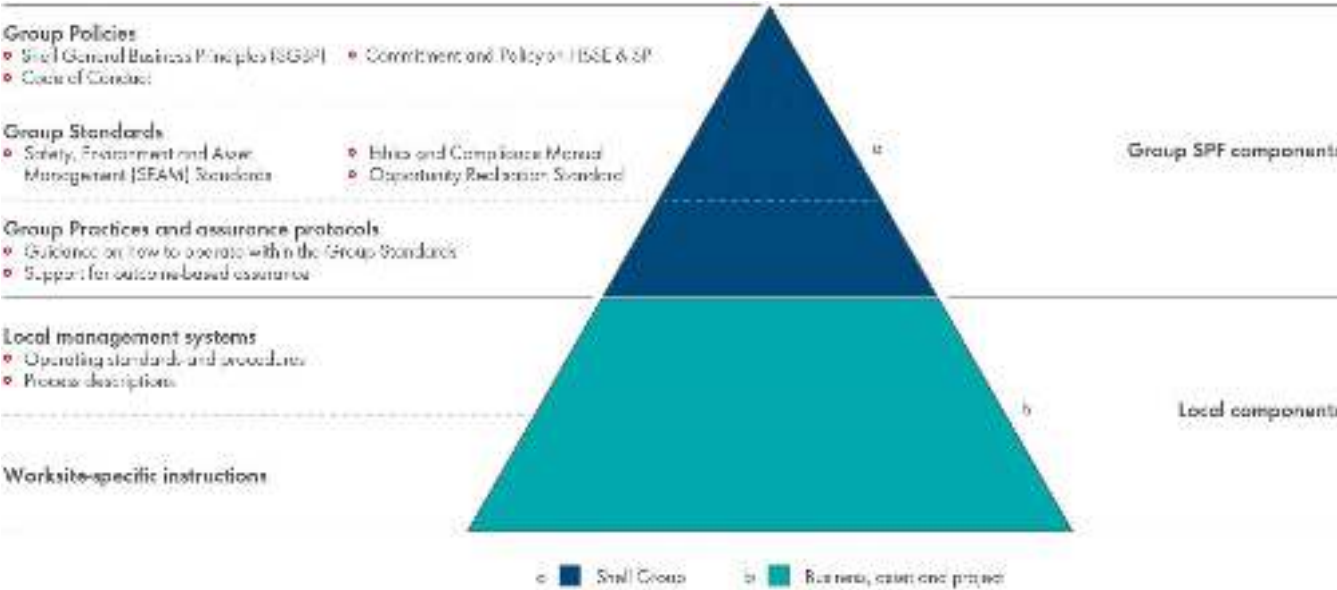
Policies and standards

Our commitment to contribute to sustainable development has been part of the Shell General Business Principles (SGBP) since 1997. These principles are supported by our Code of Conduct, which describe the behaviours expected of our employees with regard to sustainability-related matters including health, safety, security, environment and social performance (HSSE & SP), human rights and equal opportunities.

The Shell Performance Framework (SPF) is the overarching framework adopted by Shell to deliver on its strategy and business objectives. It applies to all Shell companies and provides a consistent approach for how each company in Shell operates. This framework includes our risk management and internal control procedures to support adherence to the SGBP and Code of Conduct.

See "Living by our values" on pages 125-126 and "Shell Performance Framework" on page 221.

Shell's policies and standards aligned with the Shell Performance Framework (SPF)



Commitment and Policy on HSSE & SP

The Shell Commitment and Policy on HSSE & SP is a set of core principles intended to ensure the health and safety of our workforce, minimise environmental impact, respect our neighbours and contribute to sustainable development.

SEAM Standards

We have implemented the Commitment and Policy on HSSE & SP into a set of five standards under the SPF collectively referred to as the Safety, Environment and Asset Management (SEAM) Standards. The SEAM Standards require the businesses, projects and assets we operate to identify and manage impacts, risks and opportunities so their activities can be carried out in a safe, environmentally responsible and consistent way.

We seek to avoid HSSE impacts and risks where we are able to. We follow requirements set out in our SEAM Standards to develop suitable governance structures and mitigation strategies aimed at ensuring that if an HSSE risk materialises, we avoid the worst possible consequences and have ways to remediate any environmental damage. For example, requirements in the SEAM Standards describe the key controls to be implemented to ensure safe production and equipment care, and the type of skills and training that are required for relevant staff.

Each project, asset or business is accountable to assess which mandatory requirements are relevant based on their objectives, risk profile and activities, and apply these via their local management system. The requirements are designed to be outcome-based – meaning they define the desired results and allow the business to determine a fit-for-purpose process to achieve them. They are supported by practice documents, which share best practices for implementation, as well as assurance protocols to assist in testing the health of controls.

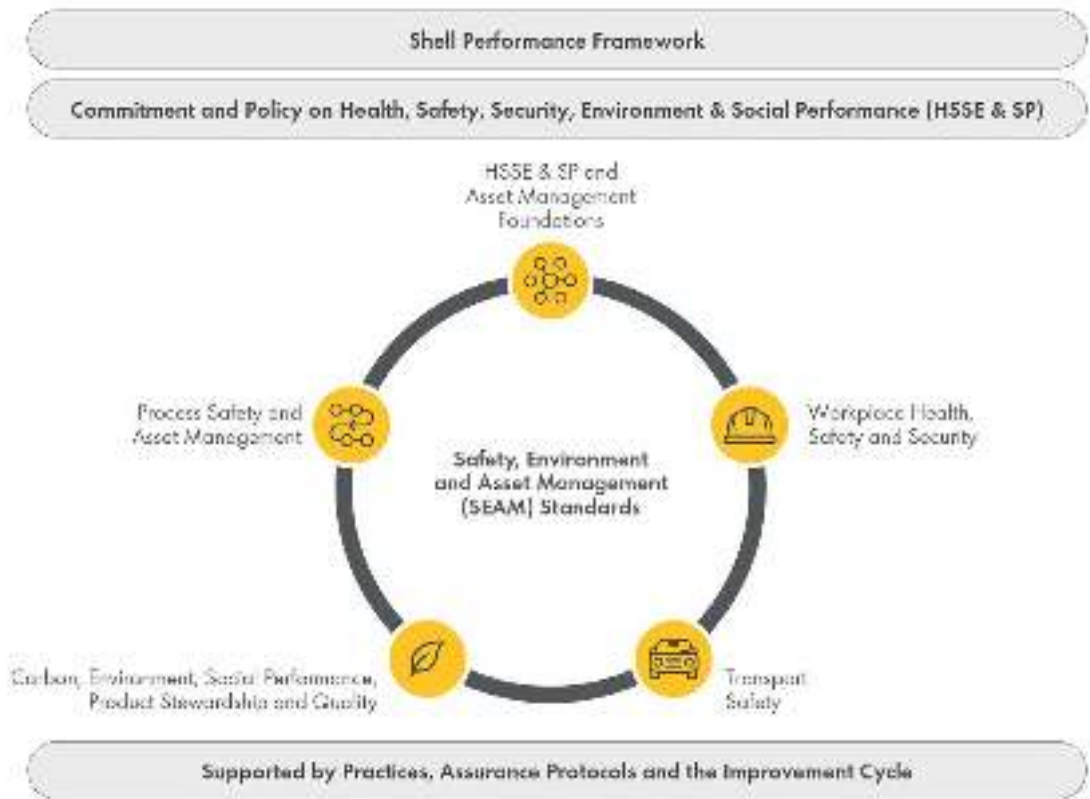
The requirements align with industry standards where practicable. Where applicable, we follow the most stringent of either our SEAM Standards or local regulations. In some cases, where no local regulation exists, our standards set mandatory requirements based on internationally accepted standards or practices.

Requests for exceptions from the SEAM Standards must be reviewed and advised on by subject matter experts and authorised by a senior

executive for the relevant business, asset or function. Permanent exceptions are reviewed on an annual basis and are subject to conditions.

The SEAM Standards came into effect in July 2024, replacing the former HSSE & SP Control Framework and Asset Management System (AMS). The five SEAM Standards are described below.

SEAM Standards



HSSE & SP and Asset Management Foundations

This standard includes requirements intended to manage the common elements of our processes and management systems. This includes our assurance processes, HSSE & SP risk management practices, impact assessments, contractor HSSE management, performance monitoring and reporting, and learning and improvement, among others.

Carbon, Environment, Social Performance, Product Stewardship and Quality

This standard includes managing our decarbonisation targets, protecting biodiversity, preserving water quality, improving air quality and increasing circularity. It also covers the mitigation of social impacts arising from our business activities and management of any adverse effects of the products we make, buy, sell or handle.

See "Our journey to net zero" on page 80, "Respecting nature" on page 109 and "Powering lives" on page 114.

Workplace Health, Safety, and Security

This standard is about protecting workers involved in our activities from potential health and safety hazards that may cause harm to them or others. It includes worker welfare and labour rights, and contains requirements intended to protect our people and assets from adversarial activities.

Process Safety and Asset Management

This standard is about keeping hazardous substances contained in wells, pipes, tanks and vessels. In the SEAM Standards, we have integrated Asset Management work processes with Asset Integrity-Process Safety Management, which streamlines requirements and recognises the alignment of operating safely and optimising production in our assets.

Transport Safety

This standard is about reducing the safety risks posed during transport of people, products and materials by road, rail, sea or air.

See "Safety" on pages 122-124.

Sustainability impact, risk and opportunity management

We use two key processes for assessing and managing sustainability including climate-related impacts, risks and opportunities – Impact Assessments and the Hazards and Effects Management Process (HEMP). These are covered in the HSSE & SP and Asset Management Foundations Standard in alignment with our broader risk management practice in the SPF. For more information on our risk management processes, see "Risk management" on page 134.

When planning projects, we conduct impact assessments, which help us to identify and assess a project's potential impact on the environment, people and communities. Once identified, we apply a mitigation hierarchy, which is a sequence of actions to manage potential impacts and risks. For example, in a biodiversity context we seek to avoid, minimise, restore and offset.

HEMP is applied to identify, assess and manage HSSE & SP risks in our projects and operations. This systemic approach starts with the identification of potential hazards (such as working at heights) and evaluation of their likelihood and potential impact. We then implement controls (such as fall protection) to reduce the risks to as low as reasonably practicable (ALARP). In doing this, we apply the hierarchy of controls, which prioritises the elimination, substitution and isolation of hazards, before implementing engineered safeguards, administrative controls and personal protective equipment. We monitor the effectiveness of these controls via regular assurance activities.

Non-operated ventures

More than half of Shell's joint ventures are not operated by Shell. As per our SGBP, Commitment and Policy on HSSE & SP and our joint venture requirements in the HSSE & SP and Asset Management Foundations Standard, we request non-operated ventures (NOVs) to apply policies and principles materially equivalent to our own and, in relation to particular (higher impact) risks implement materially equivalent standards or standards acceptable to us. We do not have direct control over how these ventures embed sustainability in their operations, but we do seek to influence and offer support. We periodically evaluate the sustainability including climate-related impacts, risks and opportunities within our NOVs, and if an NOV does not meet our expectations, we seek to influence them to implement performance improvement plans.

Sustainability including climate through the life cycle

Our principles, policies and standards regarding sustainability, including climate, extend across the entire lifespan of a project or the facility – from initial design and construction or acquisition to operation over many years and, finally, divestment or decommissioning.

Acquisitions and divestments

Shell considers new business investment opportunities and divesting from existing opportunities in all relevant contexts including regulations, sustainability and alignment with our strategy. Sustainability considerations, including emissions, are considered during the due diligence process and in negotiations for material acquisitions and divestments. Comprehensive stakeholder engagement plans are developed, as appropriate, in parallel to the negotiations.

We take care to invest and divest responsibly and screen our transactions against multiple criteria. Before acquiring or divesting a business, we assess the counterparty's financial strength; operating culture; policies governing HSSE & SP; ethics and compliance; and, where relevant, the effectiveness of its social performance programmes.

Within each divestment proposal, we consider if the potential purchaser has the capability to manage the assets and surrounding environment. When we divest assets or exit areas, we apply well-established processes to guide our risk assessment and the transition of sustainability-related responsibilities and commitments, including those relating to health, safety, security and environment. Where applicable, we also share our emissions reduction plans with the purchaser in relation to compliance with regulations and commitments, for the purchaser's consideration.

Decommissioning and restoration

Decommissioning is part of the normal life cycle of every asset or operation. We aim to abandon wells and decommission installations in a safe, efficient, cost effective and environmentally responsible manner while meeting regulatory requirements. This includes restoring the surroundings of these installations in line with relevant legislation, while taking our own environmental standards into account. We seek to reuse, repurpose and recycle materials in decommissioning. Current and non-current decommissioning liabilities and other provisions are accounted for on our balance sheet.

See Note 25 to the "Consolidated Financial Statements" on page 297.

Working with others

Shell understands the need to work with others to achieve our commercial, environmental and social goals. We engage with local communities and other stakeholders in all our activities. We listen to their ideas and the concerns they might have so these can be addressed in the design and operation of our assets.

Shell participates in external collaborations, industry associations and partnerships. We do this in compliance with antitrust rules and regulations. These engagements are a proven way to learn and share best practices, achieve specific objectives and build trust with the many different stakeholders who have an interest in Shell. Our key sustainability, including climate, partnerships include the International Union for the Conservation of Nature (IUCN), Ipieca (the global oil and gas industry association for advancing environmental and social performance across the energy transition), the Energy Transitions Commission (ETC), Business for Social Responsibility (BSR) and World Business Council for Sustainable Development (WBCSD). These organisations, and many others, help inform our thinking on sustainability including climate-related risks, opportunities and good practices.

Non-Financial and Sustainability Information Statement

The table below constitutes Shell's Non-Financial and Sustainability Information Statement, produced to comply with sections 414CA and 414CB of the Companies Act 2006 (as amended by The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022).

Non-Financial and Sustainability Information Statement

Reporting requirement	Where to read more in this Report	Page
Business model	Our strategy	10
Non-financial KPIs	Performance indicators	18
Environmental matters	Our journey to net zero Respecting nature	76 109
Sustainability and climate change and TCFD disclosures	Our journey to net zero	76
Employees	Powering lives Directors' Remuneration Report	114 188
Social matters	Powering lives	114
Respect for human rights	Powering lives	114
Anti-corruption and anti-bribery matters	Living by our values	125
Risk	Risk management and risk factors Our journey to net zero Audit and Risk Committee Report	134 76 176

Task Force on Climate-related Financial Disclosures (TCFD)

Shell supports the recommendations of the TCFD. In accordance with the UK Listing Rule 6.6.6R, and set out below, we report our climate-related financial disclosures consistent with all the TCFD Recommendations and Recommended Disclosures [A]. We also consider relevant supplemental guidance including, for example, the TCFD's additional guidance "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures" (also known as the 2021 TCFD Annex) published in October 2021 by the TCFD. We continue to align and enhance our climate-related disclosures.

TCFD disclosures index

TCFD Pillars	TCFD Recommendations	Reference
Governance	Describe the board's oversight of climate-related risks and opportunities	Board oversight of sustainability including climate-related risks and opportunities is described on page 149.
	Describe management's role in assessing and managing climate-related risks and opportunities	Management's role in assessing and managing sustainability including climate-related risks and opportunities is described on page 129.
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	See page 80.
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	See page 85.
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	See page 86.
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks	Descriptions of the company's processes used to identify and assess risks, including climate-related risks, can be found on page 134 under the paragraphs "Risk identification" and "Risk assessment".
	Describe the organisation's processes for managing climate-related risks	Descriptions of the company's processes used to manage risks, including climate-related risks, are described on page 134 under the paragraphs "Risk Response" and "Management and Board risk reviews".
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Our climate-related risk management process follows the approach set out by the Shell Performance Framework, ensuring that it is integrated into the Company's overall risk management processes, and is described on page 134 in the section "Risk Management".
Metrics and Targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk-management process	See page 94.
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	See page 94.
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	See page 101.

Information that supports TCFD disclosures is indicated with .

[A] By this we mean the four recommendations and the 11 recommended disclosures set out in Figure 4 of Section C of the report entitled "Recommendations of the Task Force on Climate-related Financial Disclosures" published in June 2017 by the TCFD.

Risk management and risk factors

Risk management

How we manage risks

The Board is responsible for establishing and maintaining procedures to manage risk, overseeing the internal control framework, and determining the nature and extent of the principal risks that Shell is willing to take to achieve its long-term strategic objectives.

Our approach to managing risk sits at the heart of the Shell Performance Framework and is embedded in the Improvement Cycle which integrates performance management, risk management, learning and improvement. This approach is designed to manage rather than eliminate the risk of failure to achieve our business objectives and covers the areas below.

See Shell Performance Framework on page 220.

Risk identification

We employ different methods to identify risks. These include monitoring external developments, such as policy changes and new regulations. We also assess changes in the internal operating context, such as monitoring incidents that have occurred across our activities to determine if these could give rise to new risks.

We seek to identify and define risks across the spectrum of strategic, operational, conduct and culture risks. With strategic risks, we consider the current and future portfolio, examining parameters such as country concentration or exposure to higher-risk countries. We consider long-range developments to test key assumptions or beliefs in relation to energy markets. When assessing operational risks, we consider exposures across our value chain. Through conduct and culture risks, we consider how our policies and practices align with our purpose, core values and desired mindset and behaviours.

These perspectives help us to maintain a comprehensive view of the different types of risks we face and the different time horizons during which they may affect us.

Risk assessment

To further understand the risks we face, we evaluate the impact and likelihood of each risk occurring.

When assessing the potential impact of a risk, we consider its materiality in terms of the possible financial consequences. We also consider the impacts on people, the environment and the community where we operate, our reputation and our ability to comply with external regulations. For example, the technical complexity of our operations gives rise to safety risks, which could result in injuries, loss of life, environmental harm and financial losses.

When assessing the likelihood of a risk occurring, we consider several factors, such as the level of risk exposure, our ability to prevent the risk happening and whether the risk has occurred in the past.

To support risk assessments, we also seek to establish and articulate our risk appetite, which is the level of risk that we are willing to accept in pursuit of Shell's strategy and objectives. We consider the resources available – such as financial resources, people, processes, systems and controls – that we are willing and able to allocate to manage each risk in pursuit of our objectives and the impact on Shell's overall risk profile. The financial framework, which shapes Shell's financial resilience, sets an overarching boundary condition for risk appetite. The impact and likelihood assessments, combined with risk appetite, determine the type of risk responses, such as controls and assurance activities, that may be required to manage each risk. The impact and likelihood assessments also help us to prioritise risks by understanding their significance to our strategy and objectives, individually and relative to other risks.

Risk response

Risk responses are developed based on the assessment of impact, likelihood and risk appetite.

Possible responses include:

- taking the risk while using appropriate processes and controls to maintain the risk within risk appetite. These processes and controls include, for example, the requirements and guidance in the Shell General Business Principles, Code of Conduct and our Group Standards, which establish the mandatory rules that are to be applied in all Shell companies and operations;
- transferring the risk, for example to insurance providers where appropriate; and
- avoiding the risk, by stopping or exiting the activity that gives rise to the risk or doing the activity differently.

We use assurance activities to objectively assess the effectiveness of our risk management activities and to improve them.

Emerging risks

Management and the Board also consider emerging risks. These are defined as risks where the scope, impact and likelihood are still uncertain, but which may have a significant effect on achieving Shell's strategy and objectives in the future. These are identified through the monitoring of external developments, the status of risk indicators, learnings from incidents and assurance findings, and the appraisal of Shell's forward-looking plans. Once identified, we undertake activities to monitor, prepare for and plan appropriate responses, should such emerging risks occur.

In 2024, management and the Board considered the pace and evolution of technological developments in areas such as artificial intelligence and quantum computing as emerging risks, given their potential impacts, for example, on cyber security and data protection. The Board also considered the risks of the evolving landscape of geopolitical tensions for the Group.

Management and Board risk reviews

Throughout the year, each business and function regularly reviews its risk profile, risk responses and assurance activities to ensure that significant risks are managed effectively.

The Board, Board committees and management also regularly review Shell's principal risks or risk factors, conducting deeper dives on individual risks, as appropriate. These reviews also support management in assessing the effectiveness of existing risk management activities, and whether changes may be needed.

See "Other regulatory and statutory information" on pages 216-223 for other Board and Board committee responsibilities on risk management.

Risk factors

The risks discussed below could have a material adverse effect separately, or in combination, on our earnings, cash flows and financial condition. Accordingly, investors should carefully consider these risks.

Further background on each risk is set out in the relevant sections of this Report, indicated by way of cross references.

1. Portfolio risks

Risk type:  Strategic risk  Operational risk  Conduct and culture risk

We are exposed to risks that could adversely affect the resilience of our overall portfolio of businesses. These include external risks such as macroeconomic risks, including fluctuating commodity prices and competitive forces. Our future performance depends on the successful development and deployment of new technologies that provide new products and solutions. In addition, our future hydrocarbon production depends on the delivery of integrated projects and our ability to replace proved oil and gas reserves. Many of our major projects and operations are conducted in joint arrangements or with associates. This could reduce our degree of control and our ability to identify and manage risks.

Risk description

We are exposed to various external risks, such as macroeconomic and competitive risks, and internal risks associated with growing and maturing our business opportunities through our portfolio of businesses and joint arrangements, as follows:

Macroeconomic risks:

- The prices of crude oil, natural gas, oil products and chemicals can be volatile and are affected by supply and demand, both globally and regionally. Factors that influence supply and demand include operational issues; natural disasters; pandemics; political instability; conflicts, such as the Russia-Ukraine war and the conflict in the Middle East; economic conditions, including inflation; and actions by major oil and gas producing countries. These have in the past resulted in, and similar events could in the future result in, material price fluctuations. In addition, macroeconomic, geopolitical and technological uncertainties have affected, and could affect in the future, production costs and demand for our products. Government actions may affect the prices of crude oil, natural gas, oil products and chemicals. These include price caps on gas, tariffs, the promotion of electric vehicle sales or the phasing-out of future sales of new diesel or petrol vehicles. Oil and gas prices have moved independently of each other and could do so in the future.
- Under high oil and gas prices, our entitlement to proved reserves under some production-sharing contracts has been, and could be in the future, reduced. Higher prices could also reduce demand for our products which could result in lower profitability in certain businesses in the Group, particularly in our Chemicals and Products, and Marketing businesses. Some of the reduction in demand could be permanent. Higher prices can also lead to more capacity being built, potentially resulting in an oversupplied market which would negatively affect our businesses. In the past, a high oil and gas price environment has generally led to sharp increases in costs and this could happen in the future.
- In a low oil and gas price environment, we have generated, and could in the future again generate, less revenue from our Upstream and Integrated Gas businesses, and parts of those businesses could become less profitable or incur losses. Low oil and gas prices have also resulted, and could result in the future, in the debooking of proved oil or gas reserves, if they become uneconomic in this type of price environment. Prolonged periods of low oil and gas prices, or rising costs, have resulted, and could result in the future, in projects being delayed or cancelled. Assets have been impaired in the past, and there could be impairments in the future. Low oil and gas prices have affected, and could affect in the future, our ability to maintain our long-term capital investment and shareholder distribution programmes.
- We use a range of commodity price and margin assumptions to evaluate the robustness of our capital allocation across our different projects and commercial opportunities. Due to volatility in macroeconomic conditions, our assumptions have proven to be incorrect in the past, yielding returns that are less than what we planned, and could prove incorrect in the future.

Competitive risks:

- We face competition in all our businesses. We seek to differentiate our services and products, though many of our products are competing in commodity-type markets. Accordingly, a failure to manage our costs and our operational performance could result in a material adverse effect on our earnings, cash flows and financial condition. We also compete with state-owned hydrocarbon entities and state-backed utility entities with access to financial resources and local markets. Such entities could be motivated by political or other factors in making their business decisions and may not require competitive returns. Accordingly, when bidding on new leases or projects, we could find ourselves at a competitive disadvantage or unable to obtain competitive returns.

Technology risks:

- Technology and innovation are essential to our efforts to help meet the world's energy demands competitively. If we fail to effectively develop and/or deploy new technology, products and solutions, there could be a material adverse effect on the delivery of our strategy. We operate in environments where advanced technologies are used. In developing new technologies, products and solutions, unknown or unforeseeable technological failures or environmental and health effects could harm our reputation and licence to operate or expose us to litigation or sanctions. The associated costs of new technology are sometimes underestimated. We have faced delays in developing new technology in the past, and such delays could happen again in the future. If we are unable to develop our technology and products in a timely and cost-effective manner, we may fail to realise commercially viable products.

Delivery of capital projects and our ability to replace proved oil and gas reserves:

- We face numerous challenges in developing capital projects, especially those which are integrated. Challenges include: uncertain geology; frontier conditions; drilling at significant depths, the existence and availability of necessary technology and engineering resources; supply chain constraints; the availability of skilled labour; the existence of transport infrastructure; the expiration of licences; project delays, including delays in obtaining required permits; potential cost overruns; and technical, fiscal, regulatory, political and other conditions. We may fail to assess or manage these and other risks properly. Such potential obstacles have impaired, and could in the future impair, our delivery of these projects, our ability to realise the full potential value of the project as assessed when the investment was approved, and our ability to fulfil related contractual commitments. This has led, and could in the future lead, to impairments.
- Our future oil and gas production depends on our access to new proved reserves through exploration, negotiations with governments and other owners of proved reserves and acquisitions, and through developing and applying new technologies and recovery processes to existing fields. A failure to replace proved reserves would result in an accelerated decrease of future production.

Oil and gas production available for sale

	Million boe [A]		
	2024	2023	2022
Shell subsidiaries	956	937	938
Shell share of joint ventures and associates	82	82	108
Total	1,038	1,019	1,046

[A] Natural gas volumes are converted into oil equivalent using a factor of 5,800 scf per barrel.

Proved developed and undeveloped oil and gas reserves [A][B]

	Million boe [C]		
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022
Shell subsidiaries	8,156	8,283	8,317
Shell share of joint ventures and associates	1,464	1,504	1,261
Total [D] [E] [F]	9,620	9,787	9,578
Attributable to non-controlling interest of Shell subsidiaries	370	378	365

[A] We manage our total proved reserves base without distinguishing between proved reserves from subsidiaries and those from joint ventures and associates.

[B] Includes proved reserves associated with future production that will be consumed in operations.

[C] Natural gas volumes are converted into oil equivalent using a factor of 5,800 scf per barrel.

[D] On March 13, 2025, Shell completed the sale of its Nigerian onshore subsidiary The Shell Petroleum Development Company of Nigeria Limited (SPDC) which holds a 30% interest in the SPDC JV to Renaissance. As of December 31, 2024, Shell had proved reserves of 453 million boe in SPDC.

[E] Pursuant to Shell's 2017 agreement with Canadian Natural Resources Limited, its remaining mining interest and associated synthetic crude oil reserves will be swapped for an additional 10% interest in the Scotford Upgrader and Quest CCS project. The transaction is expected to close by the end of the first half of 2025, subject to regulatory approvals. The associated proved reserves as of December 31, 2024 were 741 million barrels (of which 50% attributable to non-controlling interest).

[F] On December 5, 2024, Shell and Equinor ASA, announced the combination of their UK offshore oil and gas assets and expertise to form a new company which will be the UK North Sea's biggest independent producer. On deal completion, the new independent producer will be jointly owned by Equinor (50%) and Shell (50%) and 157 million boe (as of December 31, 2024) of Shell's proved reserves will be contributed to the new joint venture alongside proved reserves contributed by Equinor. Subsequently, Shell will report 50% of the proved reserves of the new joint venture as part of Shell's share of proved reserves from joint ventures and associates.

- The estimation of proved oil and gas reserves involves subjective judgements and determinations based on available geological, technical, contractual and economic information. Estimates can change over time because of new information from production or drilling activities, changes in economic factors, such as oil and gas prices, alterations in the regulatory policies of host governments, or other events. Estimates also change to reflect acquisitions, divestments, new discoveries, extensions of existing fields and mines, and improved recovery techniques. Published proved oil and gas reserves estimates could also be subject to correction because of errors in the application of rules and changes in regulatory guidance. Downward adjustments could indicate lower future production volumes and could also lead to impairment of assets.

Joint arrangements:

- When we are not the operator, we have less influence and control over the behaviour, performance and operating costs of joint arrangements or associates. Despite having less control, we could still be exposed to the risks associated with these operations, including environmental, reputational, legal (where joint and several liability could apply) and government sanction risks. For example, our partners or members of a joint arrangement or an associate (particularly local partners in developing countries) may be unable to meet their financial or other obligations to projects, threatening the viability of a given project. Where we are the operator of a joint arrangement, the other partner(s) could still be able to veto or block certain decisions, which could be detrimental to the joint arrangement.

If any of the risks above materialise, it could have a material adverse effect on our earnings, cash flows and financial condition.

How this risk is managed

- We maintain a diversified portfolio to manage the impact of macroeconomic volatility. We prepare an annual financial plan that tests different scenarios, and their impact on prices, on our businesses and organisation as a whole. These scenarios help us determine which issues could affect our operating environment and have implications for our strategy. They also help us to identify potential interventions to preserve our cash levels.
- We continually assess the external environment – the markets and the underlying economic, political, social and environmental drivers that shape them – to evaluate changes in competitive forces. We define multiple potential future scenarios and business environments by identifying drivers, uncertainties, enablers and constraints to our competitiveness.

- We also continually screen for new opportunities globally through our opportunity identification process. We test the resilience of our opportunities against a range of prices and costs for crude oil, natural gas, oil products and chemicals. These tests are based on short-, medium- and long-term market drivers, such as the extent and pace of the energy transition. Our opportunities are then ranked, prioritised and tested for strategic fit and value return expectations before being included in our growth funnel. We use our integrated exploration, development and project commercial and technical expertise to mature these opportunities and actively manage non-technical risks. We benchmark our projects internally and externally to make sure our proposals are competitive. We review the maturation progress of our various opportunities and perform post-investment reviews to extract learnings for implementation in future opportunities.
- Shell's Projects & Technology organisation and our businesses work together to determine the content, scope and budget for developing new technology that supports our activities. This includes partnering with start-ups and small- to medium-sized enterprises that are in the early stages of developing new technologies through our Shell Ventures and Shell GameChanger programme. New technology is developed using a maturation process, to systematically mitigate technical and commercial risks, while staying aligned with Shell's strategic ambitions and deployment commitments.
- A central group of reserves experts undertakes the primary assurance of the proved reserves bookings. A multidisciplinary committee reviews and endorses all major proved reserves bookings. Shell's Audit and Risk Committee reviews all proved reserves bookings and our CEO provides final approval. Our Internal Audit and Investigations function also provides further assurance through audits of the control framework, from which information disclosed in "Supplementary information – oil and gas (unaudited)" is obtained.
- For every major project and operation where we share control, or where we do not have control or do not operate, Shell appoints a Shell Shareholder representative, whose responsibility is to manage performance, create and protect value for Shell. The representative seeks to influence operators and other partners to adapt their practices in order to drive value appropriately and to mitigate identified risks. We perform regular risk assessments of our joint ventures, including how our joint ventures' standards align with those of Shell and seek to influence to close any gaps identified.

See "Market overview" on pages 28-30, "Other central activities" on pages 74-75, "Oil and gas information" on pages 47-54 and "Supplementary information - oil and gas (unaudited)" on pages 313-332.

2. Climate change and the energy transition

Risk type:  Strategic risk  Operational risk  Conduct and culture risk

Rising concerns about climate change and the effects of the energy transition pose multiple risks to Shell, including declines in the demand for and prices of our products, commercial risks from growing our low-carbon business, and adverse litigation and regulatory developments. The physical impacts of climate change could also adversely affect our assets and supply chains.

Risk description

Societal demand for urgent action on climate change has increased, especially since the Intergovernmental Panel on Climate Change (IPCC) Special Report on Global Warming of 1.5°C in 2018 effectively made the more ambitious goal of the Paris Agreement to limit the rise in global average temperature this century to 1.5°C the default target for the parties to the agreement. Society's increasing focus on climate change and drive for an energy transition is contributing to a rapidly changing risk environment and a wide range of stakeholder actions against our organisation. The risks and impacts include the following:

Commercial risks:

- Changing customer sentiment favouring the use of renewable and sustainable energy products may reduce demand for our oil and gas products. An excess of fossil fuel supply over demand could in the future result in reduced fossil fuel prices. This could result in lower earnings, cancelled projects and the potential impairment of certain assets.
- If we fail to stay in step with the pace and extent of change or customers' and other stakeholders' demand for low-carbon products, this could adversely affect our reputation and future earnings. If we move much faster than society, we risk investing in technologies, markets or low-carbon products for which there may be insufficient demand. Therefore, we cannot transition too quickly, or we may offer products that customers do not want. If we are slower than society, customers may prefer a different supplier, which would reduce demand for our products adversely affecting our reputation and materially affect our financial results.
- Low-carbon technology and innovation are essential to our efforts to help meet the world's energy demands competitively. If we are unable to develop the right technologies and products in a timely and cost-effective manner, there could be an adverse effect on our future earnings. The operating margins for our low-carbon products and services have been, and could be in the future, lower than the margins we have experienced historically in our oil and gas operations.
- Certain investors have decided to divest their interest in fossil fuel companies and, if this were in to increase significantly, this could have a material adverse effect on the price of our securities and our ability to access capital markets. Some financial institutions have been aligning their portfolios to low-carbon and net-zero opportunities, driven by both regulatory and broader stakeholder pressures. A failure to decarbonise our business portfolios in line with investor and lender expectations could have a material adverse effect on our ability to access financing for certain types of projects. This could also adversely affect our partners' ability to finance their portion of costs, either through equity or debt.

Regulatory risks:

- The transition to a low-carbon economy has increased, and is likely to continue to increase the cost of compliance for our assets and/or products. Shell's annual carbon cost exposure is expected to increase over the next decade because of evolving carbon regulations. Governments may set regulatory frameworks in the future that could further restrict our exploration and production of hydrocarbons and introduce controls to limit the use of such products, which could also affect the timing and standards associated with the decommissioning of our exploration assets.
- The lack of net-zero-aligned global and national policies and frameworks increases the uncertainty around how carbon pricing and other regulatory mechanisms will be implemented in the future. This makes it harder to determine the appropriate assumptions to be taken into account in our financial planning and investment decision processes which could impair our ability to evaluate the robustness of our plans and opportunities. Changing net-zero policies and regulations could also lead to impairments of our existing oil and gas assets.

Societal risks, including litigation:

- In some countries, governments, regulators, non-governmental organisations (NGOs) and individuals have filed lawsuits seeking to hold fossil fuel companies liable for costs associated with climate change. If successful, these claims may have wide-ranging consequences, including forcing entities to hand over strategic autonomy in part to regulators, or to divest from hydrocarbon assets and technologies. We have also been subjected to climate activism that has caused disruptions to our operations and such disruptions could happen again in the future. Climate change lawsuits that have been filed against us could have a material adverse effect on our reputation. In the Netherlands, in a case against Shell brought by a group of environmental NGOs and individual claimants (referred to herein as "Milieudefensie"), the Hague District Court in 2021 found that while Shell was not acting unlawfully, Shell had the obligation to reduce the aggregate annual volume of CO₂ emissions of Shell operations and energy-carrying products sold across Scope 1, 2 and 3 by 45% (net) by the end of 2030 relative to its 2019 emissions levels. For Scope 2 and 3, this was a significant best-efforts obligation. Shell appealed that ruling. On November 12, 2024, the Hague Court of Appeal upheld Shell's appeal and dismissed the claim against Shell. In doing so, the Court of Appeal annulled the earlier judgment of the District Court in its entirety with immediate effect. On February 11, 2025, Milieudefensie filed an appeal to the Supreme Court of the Netherlands.
- Societal expectations of businesses are increasing, with a focus on business ethics, quality of products, contribution to society, safety and minimising damage to the environment. There is a focus on the role of the oil and gas sector in the context of climate change and the energy transition. This has negatively affected, and in the future could negatively affect, our brand and reputation, which could limit our ability to deliver our strategy, reduce consumer demand for our products, harm our ability to secure new resources and contracts, and restrict our ability to access capital markets or attract employees.

Physical risks:

- The physical effects of climate change, such as, but not limited to, increases in temperature, sea levels and fluctuations in water availability, could also adversely affect our assets, operations, supply chains, employees and markets.

In summary, rising climate change concerns, the pace at which we decarbonise our operations relative to society and effects of the energy transition pose multiple challenges to our business. These could result in, for example, increased costs, financial penalties, payments of financial damages in the event of losses of lawsuits, cancelled projects and potential impairment of certain assets, and adverse impacts on our supply chains and licence to operate. Individually or collectively, these risks could have a material adverse effect on our earnings, cash flows and financial condition.

How this risk is managed

Overall, we mitigate climate-related risks through our strategy to deliver more value with less emissions. This approach includes:

- reducing the GHG emissions from our operations (Scope 1 and 2) by improving our energy efficiency, deploying renewable electricity, and reducing methane emissions in our assets and projects;
- growing our LNG business while decarbonising our LNG portfolio in two main ways: by growing our portfolio with a lower carbon intensity, and continuing to invest in emissions abatement projects to reduce both CO₂ and methane emissions;
- managing our Integrated Gas and Upstream portfolio to support a balanced energy transition by cutting emissions from oil and gas production. Oil production is increasingly from our deep-water business which, through innovation, produces higher-margin and lower-carbon barrels; and
- focusing our businesses in Downstream and Renewables and Energy Solutions to offer more low-carbon energy solutions, while reducing sales of oil products.

Our investments in low-carbon solutions are subject to financial modelling and stress-testing, due diligence and risk assessments to ensure that our capital is allocated to the most attractive low-carbon projects and opportunities.

We adapt our assets and activities as necessary to enhance our resilience to the physical risks related to climate change. Many of these adaptations are based on our Safety, Environment and Asset Management (SEAM) standards and practices.

We also engage with governments on their climate policies to advocate policies that help establish regulatory frameworks to enable society to reach the goals of the Paris Agreement.

See "Our journey to net zero" on pages 76-108, "Energy Transition Strategy" on pages 77-92, "Renewables and energy solutions" on pages 68-71, Note 32 "Legal proceedings and other contingencies" on pages 308-310 and Note 4 "Climate change and energy transition" on pages 255-265.

3. Country risks

Risk type:  Strategic risk  Operational risk  Conduct and culture risk

We operate in more than 70 countries which have differing degrees of political, legal and fiscal stability. This has exposed, and could expose, us to a wide range of political developments that could result in changes to contractual terms, laws and regulations. We also face various risks from the business and operating environment in Nigeria which could have a material adverse effect on us.

Risk description

Developments in politics, laws and regulations can and do affect our supply chains and operations. Potential impacts, which we have experienced in the past, include: forced divestment of assets; expropriation of property; cancellation or forced renegotiation of contract rights; delay of new projects; additional tariffs and taxes, including windfall taxes (especially during periods of prolonged high oil and gas prices experienced in recent years, such as 2022); restrictions on deductions and retroactive tax claims; antitrust claims; changes to trade compliance regulations; price controls; local content requirements; foreign exchange controls; changes to environmental regulations; changes to regulatory interpretations and enforcement; and changes to disclosure requirements. Many parts of the world are facing economic and fiscal challenges and growing pressure on cost-of-living standards. These issues impact our business as governments, in response to political and social pressures, pursue policies that could have a material adverse effect on our earnings, cash flows and financial condition.

The world is also facing continued geopolitical instability, including the Russia-Ukraine war, which impacts market conditions and our operations. The broader consequences of the ongoing crisis in the Middle East remain uncertain, and a wider escalation could have greater impacts on our operations in the region and beyond.

We also face risks and adverse conditions in our Nigerian operations. These include security incidents affecting the safety of our people, host communities and operations; sabotage and crude theft; ongoing litigation; limited infrastructure; challenges presented by delayed government and partner funding and budget delays; and regional instability created by militant activities. Some of these risks and adverse conditions, such as security issues affecting the safety of our people, sabotage and theft, have occurred in the past and are likely to occur in the future.

Such developments and outcomes have had, and could have in the future, a material adverse effect on our earnings, cash flows and financial condition.

How this risk is managed

- We continually monitor geopolitical developments and societal issues relevant to our interests. Our Corporate Relations function liaises with governments and other external stakeholders in countries where we operate to understand and engage on local policies and to advocate Shell's position on topics relevant to our industry. We are prepared to exit a country if we believe we can no longer operate there in accordance with our standards and applicable law, and we have done so in the past.
- With regard to the crisis in the Middle East, we have made adjustments to our operations in the region to reduce our exposure and we continue to monitor the risk of wider escalation.
- When we participate in joint ventures in Nigeria, we require that they operate in accordance with good industry practice. We seek to proportionally share risks and funding commitments with joint-venture partners. We monitor the security situation, and liaise with host communities, governmental and non-governmental organisations to help promote peaceful and safe operations. As a result of the March 13, 2025 completion of the sale of The Shell Petroleum Development Company, our exposure to these risks arising from onshore activities is expected to reduce. Shell has other businesses in Nigeria that are outside the scope of the announced divestment transaction.

See "Upstream" on pages 38-46.

4. Financial risks

Risk type:  Strategic risk  Operational risk  Conduct and culture risk

We are exposed to treasury risks, including liquidity risk, interest rate risk, foreign exchange risk and credit risk. We are affected by the global macroeconomic environment and the conditions of financial markets. These, and changes to certain demographic factors, also impact our pension assets and liabilities.

Risk description

We are subject to differing economic and financial market conditions around the world. Political or economic instability affects such markets.

We use debt instruments, such as bonds and commercial paper, to raise significant amounts of capital. Should access to debt markets become more challenging, the impact on our liquidity could have a material adverse effect on our operations. For example, some financial institutions have started to limit their exposure to fossil fuel projects. Group financing costs could also be adversely affected by interest rate fluctuations or any credit rating deterioration.

We are exposed to changes in currency values and to exchange controls as a result of our substantial international operations. Our reporting currency is the US dollar, although, to a significant extent, we also hold assets and are exposed to liabilities in other currencies. While we undertake some foreign exchange hedging, we do not do so for all our activities. Even where hedging is in place, it may not function as expected.

We are also exposed to financial losses from credit risk. Some of our counterparties have, from time to time, not met their payment and/or performance obligations under contractual arrangements and this could happen in the future.

We operate a number of defined benefit pension plans with significant associated liabilities. Volatility in capital markets or changes to government policies could affect inflation, interest rates and investment performance, causing significant changes to the funding level of future liabilities. Changes in assumptions for mortality, retirement age or pensionable remuneration at retirement could also cause significant changes to the funding level of future liabilities. In the case of a funding shortfall, we could be required to make substantial cash contributions (depending on the applicable local regulations).

If any of the above risks materialise, they could have a material adverse effect on our earnings, cash flows and financial condition.

How this risk is managed

- We use various financial instruments for managing exposure to foreign exchange and interest rate movements. Our treasury operations are highly centralised and seek to manage credit exposures associated with our substantial cash, foreign exchange and interest rate positions.
- Our portfolio of cash investments is diversified to avoid concentrating risk in any one instrument, country or counterparty. Other than in exceptional cases, the use of external derivative instruments is confined to specialist trading and central treasury organisations that have the appropriate skills, experience, supervision, control and reporting systems.
- We maintain a committed credit facility. Management believes it has access to sufficient debt funding sources (capital markets) and to undrawn committed borrowing facilities to meet foreseeable requirements.
- We have counterparty credit risk policies in place which seek to ensure that products are sold to customers with appropriate creditworthiness. These policies include detailed credit analysis and monitoring of customers against counterparty credit limits. Where appropriate, netting arrangements, credit insurance, prepayments and collateral are used to manage credit risk.
- A pensions forum chaired by the CFO oversees Shell's input to pension strategy, policy and operation. A risk committee supports the forum in reviewing the results of assurance processes with respect to pension risk. Local trustees manage the funded defined benefit pension plans and set the strategic asset allocation for the plans, including the extent to which currency, interest rate and inflation risks are hedged, and the contributions paid are based on independent actuarial valuations that align with applicable local regulations. Pension fund liquidity is managed by holding appropriate liquid assets and maintaining credit facilities. Where appropriate, transactions to transfer pension liabilities to third parties are also considered.

See "Liquidity and capital resources" on pages 24-27 and Note 24 "Retirement benefits" on page 290.

5. Trading risks

Risk type:  Strategic risk  Operational risk  Conduct and culture risk

We are exposed to market, regulatory and conduct risks in our trading operations.

Risk description

Commodity trading is an important component of our business which involves processing, managing and monitoring many transactions across different countries, exposing us to operational risks, market risks including commodity price risk, regulatory and conduct risks. We use physical and financial instruments, including derivatives such as futures and options to hedge market risks. It is not possible to eliminate all market risks we are exposed to. Therefore, our hedging has occasionally not performed as expected and may not do so in the future. We utilise commodity trading to optimise commercial margins from market price movements. Consequently, this activity could expose us to the risk of incurring significant losses if prices develop unfavourably.

Our commodity trading entities are subject to many regulations, including requirements for standards of conduct. Due to the high volume of trades we execute, commodity trading gives rise to the risk of ineffective controls, failure in oversight of trading activities and a risk that traders could deliberately operate outside our internal operating limits. These risks have materialised in the past, and could materialise in the future, resulting in financial losses. The rapidly changing regulatory environment also creates a risk of insufficient, delayed or incorrect implementation of new regulatory requirements or changes to existing regulatory requirements. Violations of such regulatory requirements could expose us and our employees to regulatory fines.

If any of the above risks materialise, it could harm our reputation and licence to operate and have a material adverse effect on our earnings, cash flows and financial condition.

How this risk is managed

- We operate with procedures and policies designed to ensure that trading risks are managed within a prescribed control framework. The framework sets out authorised limits and requirements that trading should only be performed by employees with the appropriate skills and experience. Senior management regularly reviews these authorised trading limits. In addition, a department that is independent from our traders monitors our market risk exposures daily, using techniques such as value-at-risk alongside other risk metrics.
- We maintain a Trading Compliance function managed by a Chief Compliance Officer, as regulated by the UK Financial Conduct Authority, the US Commodities Futures Trading Commission and the Securities Commission of The Bahamas, with adequate resources, including employees and a budget; a comprehensive governance structure, controls, policies and procedures and established reporting lines. Shell's Trading Compliance function has systems for trade surveillance and monitoring communication, in addition to a dedicated conduct and ethics investigation function to assess breaches of non-compliance and thematic trends.
- Employees in Shell's trading organisation receive clear guidance through the Code of Conduct; the organisation's Trading and Supply Compliance Manual, supplemented with specific policies; a specific compliance website; mandatory training modules where completion is monitored; and other relevant training.
- Shell leaders reinforce the importance of managing compliance and conduct risk in the trading organisation through monitoring risk metrics, reporting to compliance risk management and governance committees, setting clear expectations via townhall meetings and other channels, and enforcing consequences for non-compliance.

See "Liquidity and capital resources" on pages 24-27 and "Living by our values" on page 125-126.

6. Health, safety, security and the environment

Risk type:  Strategic risk  Operational risk  Conduct and culture risk

The nature of our operations exposes us, and the communities in which we work, to a wide range of health, safety, security and environment risks.

Risk description

The health, safety, security and environment (HSSE) risks to which we and the communities in which we work are potentially exposed cover a wide spectrum, given the geographical range, operational diversity and technical complexity of our operations. These risks include the effects of safety lapses, natural disasters (including weather events and earthquakes) and pandemic diseases. If a major safety risk materialises, such as an explosion or hydrocarbon leak or spill, which we have experienced in the past, this could result in injuries, loss of life, environmental harm (including biodiversity loss), disruption of business activities, loss or suspension of permits, loss of our licence to operate and loss of our ability to bid on mineral rights.

Social instability, criminality, civil unrest, terrorism, cyber disruption and acts of war have also negatively impacted, and could negatively impact, our operations, our assets, our employees and contractors, and the communities in which we operate. Risks which have materialised in the past include: acts of terrorism; acts of criminality, including maritime criminality and piracy; crude oil theft, illegal oil refining, sabotage of pipelines and militant activities in Nigeria; cyber espionage or disruptive cybersecurity attacks; conflicts and civil unrest; malicious acts carried out by individuals within Shell, such as data exfiltration; and environmental and climate activism (including disruptions by NGOs especially in the USA and north-west Europe). For example, activists have boarded and protested on our vessels, assets and work sites, such as the Penguins floating production and storage and offloading (FPSO) vessel in 2023.

Financial losses and remediation costs from safety and environmental incidents are partially, but not fully, covered by our Group insurance companies (wholly owned subsidiaries) or third-party insurers. Accordingly, in the event of a significant incident, we may have to meet our obligations without access to proceeds from third-party insurers. We have in the past incurred adverse impacts and costs from events, such as Hurricane Ida in 2021.

Our operations are subject to extensive HSSE regulatory requirements that often change and are expected to become more stringent over time, particularly in the areas of environment. Governments could require operators to adjust their future production plans, affecting production and costs. We have incurred, and could incur, significant extra costs in the future because of the need to comply with such requirements. Due to past violations of laws and regulations, and other regulatory obligations, we have incurred significant costs such as fines, penalties, clean-up costs (including decommissioning and restoration costs) and costs associated with third-party claims. We also face the risk of increasing costs from changes in regulations and technical standards relating to decommissioning and restoration.

The above risks have threatened, and can threaten, the safe operation of our assets and the transport of our products. They have harmed, and can harm, the well-being of our people, inflict loss of life and injuries, and disrupt our operational activities. They can also damage the environment and negatively impact our reputation.

If a significant HSSE risk materialises, it could have a material adverse effect on our earnings, cash flows and financial condition.

How this risk is managed

- We follow requirements set out in our SEAM Standards to develop suitable governance structures and mitigation strategies aimed at ensuring that if an HSSE risk materialises, we avoid the worst possible consequences and have ways to remediate any environmental damage. For example, our standards describe the key controls required to ensure safe production and equipment care; and the type of skills and training that are required for relevant employees. We routinely practise our emergency response plans for potential events, such as spills or fire.
- Decommissioning is part of the normal life cycle of every asset or operation. We aim to close and dispose of installations in a safe, efficient, cost effective and environmentally responsible manner while meeting regulatory requirements. This includes restoring the surroundings of these installations in line with relevant legislation, while taking our own environmental standards into account. We seek to reuse, repurpose and recycle materials in decommissioning. Current and non-current decommissioning and other provisions are accounted for on our balance sheet.
- When planning projects, we conduct impact assessments, which help us to identify and assess a project's potential impact on the environment, people and communities. Once identified, we apply a mitigation hierarchy, which is a sequence of actions to manage potential impacts and risks. For example, in a biodiversity context we seek to avoid, minimise, restore and offset.
- Our security risk mitigations follow the principles of "deter, detect, delay and respond". We strengthen the security of our assets, people and operations to reduce our exposure as appropriate, for example, by conducting site security risk assessments, using journey management plans and performing travel risk assessments. We also invest in information risk management capabilities and crisis management and business continuity measures.
- Our insurance companies are adequately capitalised and they may transfer risks to third-party insurers where economical, effective and relevant.

See "Safety" on pages 122-124, "Our approach to sustainability" on pages 127-133, "Corporate" on pages 72-73 and Note 32 "Legal proceedings and other contingencies" on pages 308-310.

7. Information technology and cybersecurity risks

Risk type:  Strategic risk  Operational risk  Conduct and culture risk

We rely heavily on information technology systems in our operations.

Risk description

Shell operates a globally integrated model with a strong focus on digitalising business processes and an increasing dependence on information technology (IT) systems for our core operations, including for the management of personal data. As a result, we are heavily reliant on secure, affordable and resilient IT services provided both in-house and by third parties. Rapid advancements in digital technologies, including artificial intelligence (AI) and quantum computing, are ongoing. If we do not effectively harness these technologies, our business operations may become less efficient, and our product offerings could lose their competitive edge, ultimately hindering our ability to execute our strategy.

Externally, we observe developments impacting our IT and cybersecurity risk profile: a worsening of the cybersecurity threat landscape represented by increasing volumes of sophisticated cybersecurity attacks, technology developments, geopolitical conflicts and increases in regulations across the markets in which Shell operates (such as the EU AI Act). As an organisation we have experienced, and expect to experience in the future, cybersecurity threats such as denial-of-service, ransomware, hacktivism and attacks from nation state actors that target critical energy infrastructure. We have also experienced and could in the future be exposed to non-malicious IT incidents. Across our supply chain, our suppliers, customers and business partners encounter similar cybersecurity threats and incidents. Cybersecurity incidents affecting us or our supply chain have impacted, and could impact, our operations, the security of our assets, the safety of our employees, and have a societal impact on the delivery and maintenance of critical energy infrastructure. Cybersecurity incidents frequently involve personal data breaches causing harm or potential harm to our customers, employees and stakeholders such as investors. In addition, such incidents have disrupted, and could disrupt, operations, cause reputational damage and possibly lead to significant regulatory fines. Cybersecurity incidents could therefore have a material adverse effect on our customers, staff and stakeholders thereby negatively affecting operations and our reputation. Accordingly, cyber security incidents could have a material adverse effect on our earnings, cash flows and financial condition.

How this risk is managed

- Our Information and Digital Technology Standard sets out a structured approach to identify, assess and mitigate IT and cyber security risks. Our global integrated Information Risk Management (IRM) and cyber defence teams are staffed with cyber security professionals that monitor, assure and help defend our global IT and data landscape. As all our employees play a role in protecting our IT systems; we give them training on data protection, regulatory compliance and regularly run cyber security awareness campaigns and simulations on how to respond to cyber-attacks.
- We evaluate emerging digital technologies with our businesses annually to align on their impact and necessary remediation, considering the value and opportunities they present, as well as their incremental risks.
- We continuously track cyber-attacks, threat intelligence, cyber legislation (including the EU AI Act) and vulnerabilities relevant to our IT landscape and have a well-structured incident management and escalation process in place.
- The security of IT services, where operated by external IT companies, is managed through contractual clauses and additionally through formal supplier assurance reports for critical IT services.
- With regard to the protection of personal data, we continue to invest in and maintain a mature and robust global data privacy compliance programme based on our Binding Corporate Rules (BCRs). Further details are explained in risk 8.

See "Other central activities" on pages 74-75.

8. Litigation and regulatory compliance

Risk type:  Strategic risk  Operational risk  Conduct and culture risk

Violations of laws carry fines and could expose us and/or our employees to criminal sanctions and civil suits. We have faced, and could also face, the risk of litigation and disputes worldwide.

Risk description

We must comply with various laws. These include laws related to antitrust, competition, anti-bribery, tax evasion, anti-money laundering, trade compliance (including sanctions) and data privacy.

We have been fined in the past for violations of antitrust and competition laws, including fines by the EU Directorate-General for Competition (DG COMP). We have also, in the past, settled with the US Securities and Exchange Commission regarding violations of the US Foreign Corrupt Practices Act (FCPA). As a result, any future conviction of Shell or any of its operated joint arrangements or associates for violations of EU competition law or the FCPA could result in significantly larger fines and have a material adverse effect on us, including, but not limited to, damage to our reputation, resulting litigation, regulatory actions and criminal sanctions or penalties, and could potentially adversely affect our licence to operate. Violation of antitrust laws is a criminal offence in many countries, and individuals can be imprisoned or fined. In certain circumstances, directors may receive director disqualification orders.

We are also subject to "trade compliance", the umbrella term that we use for various national and international laws designed to regulate the movement of items across national boundaries and restrict or prohibit trade, financial flows and other dealings with certain parties, countries and territories. For example, the EU, the UK and the USA continue to impose comprehensive sanctions on countries and territories such as Syria, North Korea and Crimea and other territories in Eastern Ukraine. The USA continues to have comprehensive sanctions against Iran and Cuba. The EU, the UK and some other nations such as Canada and Australia continue to maintain targeted sanctions against Iran. Countries around the world continue to impose sanctions and trade controls against Russia over its full-scale invasion of Ukraine. Intergovernmental co-operation in this area has increased and there is growing pressure to enforce existing sanctions globally. Abiding by all the laws and regulations on trade compliance is often complex and challenging because of factors such as: the expansion of sanctions; the frequent addition of prohibited parties as other measures; the number of markets in which we operate; the risk of differences in how jurisdictions apply sanctions; and the large number of transactions we process. Shell has voluntarily self-disclosed potential violations of sanctions in the past. Any violation of sanctions could lead to loss of import or export privileges and significant penalties on, or prosecution of, Shell and/or its employees.

The protection and lawful use of personal data is of increasing importance to our licence to operate, given the significant increase in digital solutions provided to Shell's customers and business partners. We process personal data in all our operations. A failure to protect personal data or a failure to use it only for lawful and ethical purposes could result in significant harm to those individuals whose personal data we process. In addition, regulatory action by way of significant fines of up to 4% of Shell Group annual turnover and other enforcement actions such as orders to cease processing personal data may be imposed depending on the law in scope. There is a related risk of harm to our reputation potentially causing the loss of trust of existing and potential customers, stakeholders, regulators and employees. We have notified a number of data privacy regulators of personal data breaches and have had fines issued against us and this could happen in the future.

We also face the risk of litigation and disputes worldwide. For example, Shell (in its capacity as previous owner of SPDC) and various subsidiaries and associates operating in Nigeria are parties to various environmental, non-environmental and contractual disputes brought in the courts of Nigeria, the USA and England. Nederlandse Aardolie Maatschappij B.V. (NAM), a joint venture between Shell and ExxonMobil (50%:50%) has also settled claims for physical damage to property caused by earthquakes induced by historical production from the Groningen gas field, and remains financially responsible insofar as the costs corresponded to NAM's liability. From time to time, social and political factors play a role in unprecedented and unanticipated judicial outcomes that could adversely affect Shell. Non-compliance with policies and regulations could result in regulatory investigations, litigation and, ultimately, sanctions. Certain governments and regulatory bodies have, in Shell's opinion, exceeded their constitutional authority by attempting unilaterally to amend or cancel existing agreements or arrangements; failing to honour existing contractual commitments; and seeking to adjudicate disputes between private litigants. Certain governments have also adopted laws and regulations that could potentially conflict with other countries' laws and regulations, potentially subjecting us to criminal and civil sanctions. It is also now common for persons or corporations allegedly injured by violations of laws to sue for damages.

Violations of laws carry fines, which we have been subject to, and could be subject to in the future, and which could expose us and/or our employees to criminal sanctions, civil suits and other consequences, such as debarment and the revocation of licences. Accordingly, violation of laws, including those noted above, litigation and disputes could harm our reputation and could have a material adverse effect on our earnings, cash flows and financial condition.

How this risk is managed

- Our Legal and Tax functions are organised globally and support our business lines in seeking to ensure compliance with local laws and fiscal regulations and proactively filing claims where warranted to protest unfair practices.
- To help manage antitrust, competition, anti-bribery, tax evasion, anti-money laundering and trade compliance risks with adequate resources we maintain risk-based compliance programmes, a comprehensive governance structure, established reporting lines and policies and procedures, including mandatory due diligence, counterparty-screening and regular risk assessments.
- Our employees receive guidance on the requirements listed in our Ethics and Compliance Manual – including via a dedicated website, and training modules where completion is monitored – which is reinforced by messages from Shell leaders on these requirements. This manual also includes the Protect Shell Policy, which explains Shell's position on managing antitrust risks in engagements with parties external to Shell. In response to fast-moving external antitrust developments and trends, internal guidance is continually being monitored to ensure that it remains relevant.
- With regard to the protection of personal data, we continue to invest in and develop a mature and robust privacy compliance programme based on our Binding Corporate Rules (BCRs). Every Shell company is required to manage personal data in a professional, ethical and lawful manner. We have a robust "privacy by design" process, which includes the monitoring of data privacy regulations, to help ensure that necessary controls are built into our IT systems and solutions to protect personal data.

See "Living by our values" on pages 125-126 and Note 32 "Legal proceedings and other contingencies" on pages 308-310.

9. Reputation and risks to our licence to operate

Risk type:  Strategic risk  Operational risk  Conduct and culture risk

An erosion of our business reputation could have a material adverse effect on our brand, on our ability to secure new hydrocarbon or low-carbon opportunities, to access capital markets, and to attract and retain people, and on our licence to operate.

Risk description

Our reputation is an important asset. Real or perceived failures of governance or regulatory compliance or a perceived lack of understanding of how our operations affect surrounding communities and the environment could harm our reputation.

Societal expectations of companies are high, with a focus on business ethics, quality of products, contribution to society, safety and minimising negative impact on the environment and people, including human rights. There is ongoing focus on the role of oil and gas companies in the context of climate change and the energy transition. NGOs continue to challenge Shell's licence to operate through activities to block or delay projects and by bringing legal actions, diverting our resources and challenging trust. In key markets, we continue to see protests at external events such as our Annual General Meeting. We also continue to receive claims brought by NGOs. Our brand communications have been subject to challenge from advertising regulators in the UK and the Netherlands, following complaints received from members of the public. During prolonged periods of high oil and gas prices, the oil and gas industry has been accused in the past and could in the future be accused of profiteering from higher fuel and electricity prices and therefore impacting living costs. The materialisation of these risks has at times negatively affected, and could affect in the future, our brand, which could limit our ability to deliver our strategy; reduce consumer demand for our branded and non-branded products; harm our ability to secure new resources, partnerships and contracts; and restrict our ability to access capital markets or attract staff.

Individually or collectively, these risks could negatively affect our reputation and licence to operate and, accordingly, could have a material adverse effect on our earnings, cash flows and financial condition.

How this risk is managed

- The Shell General Business Principles (SGBP) set out our responsibilities to shareholders, customers, employees, business partners and society. They set the standards for how we conduct business with integrity, care and respect for people. As part of these principles, we commit to contribute to sustainable development. All Shell employees and contractors, and those at the joint ventures we operate, are expected to behave in line with these principles. We undertake a range of activities to help embed the SGBP and the Code of Conduct throughout the organisation. This includes training and encouraging people to discuss the dilemmas they face in their work. Shell employees, contractors and third parties with whom Shell has a business relationship can report any potential breaches of the Code of Conduct confidentially through several channels, including anonymously through a global helpline operated by an independent provider.
- We continually assess and monitor the external environment for potential risks to our reputation. We engage in dialogue with our key stakeholders, such as investors, industry and trade groups, academics, governments and non-governmental organisations to gain greater insights into societal expectations of the Shell Group. We make efforts to explain to our stakeholders what the Company is doing and why, the validity of our energy transition targets and our progress towards meeting them.
- Human rights are fundamental to Shell's core values of honesty, integrity and respect for people. Respect for human rights is embedded in the Shell General Business Principles and our Code of Conduct.
- We take proactive steps when appropriate through legal means to protect our reputation from unwarranted accusations.

See "Living by our values" on pages 125-126.

10. Our people and culture

Risk type:  Strategic risk  Operational risk  Conduct and culture risk

The successful delivery of our strategy is dependent on our people and on a culture that aligns to our goals and reflects the changes we need to make as part of the energy transition.

Risk description

Shell's culture is defined as the shared values, practices and beliefs of its employees. All these elements need to act in harmony to create our desired culture and ensure successful and sustained performance in line with our strategy. Our culture is influenced by decisions on organisational structure and accountabilities, people and skills, how work is done using processes and systems, and the mindset and behaviours that exist.

As the energy system transforms and we reshape our portfolio, elements of our culture will need to adapt. For example, we will have to develop new skills, and adapt our processes and systems, which, in some areas, will need to be different from those required for our traditional oil and gas businesses. We will have to continually leverage our learner mindset to anticipate and respond to changes in the external market. However, we will also need to retain our core values of honesty, integrity and respect for people to help ensure trust and openness in how we do business and help ensure our employees feel valued and perform at their best.

If we fail to maintain a culture that aligns with our strategy, this could harm our reputation and have a material adverse effect on our earnings, cash flows and financial condition.

How this risk is managed

- The SGBP, Code of Conduct and Ethics and Compliance Manual help everyone at Shell act in line with our values.
- Delivery of our desired outcomes is pursued by leveraging our Performance Culture, i.e., the shared values, practices and beliefs of our employees. This is influenced by decisions on our structure and accountability; people and skills; processes and systems; and mindset and behaviours. Our mindset and behaviours emphasise psychological safety.
- We have ambitions around diversity, equity and inclusion and monitor these on a regular basis. We also continually assess our culture and employee engagement through tools such as the annual Shell People Survey.
- People development remains a priority for our organisation. We proactively identify skill and capability gaps for traditional and emerging businesses; offer training to address these gaps; and if needed recruit talent externally to add to the skills and experiences of our workforce. To enable our leaders to lead this change, we support them through targeted interventions including leadership development and coaching.

See "Powering lives (People)" on pages 115-119 and "Living by our values" on pages 125-126.

Investors should also consider the following, which could limit shareholder remedies.

11. Other (generally applicable to an investment in securities)

The Company's Articles of Association determine the jurisdiction for shareholder disputes. This could limit shareholder remedies.

Risk description

Our Articles of Association generally require that all disputes between our shareholders in such capacity and the Company or our subsidiaries (or our Directors or former Directors), or between the Company and our Directors or former Directors, be exclusively resolved by arbitration in London, the United Kingdom. Our Articles of Association also provide that, if this provision were to be determined invalid or unenforceable for any reason, the dispute could only be brought before the courts of England and Wales. Accordingly, the ability of shareholders to obtain monetary or other relief, including in respect of securities law claims, could be determined in accordance with these provisions.

Principal decisions and stakeholders

Section 172(1) statement

The Board of Directors, having considered the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 (S172), confirm in good faith that the Directors have acted in a way that they consider would most likely promote the success of the Company for the benefit of its members as a whole.

This S172 statement discloses how the Directors took into account the interests of Shell's wider stakeholders in the Board's decision-making process. The level of information disclosed is consistent with the size and the complexity of Shell's businesses and focuses on matters of strategic importance to Shell.

General confirmation of directors' duties

Shell's Board has a clear and robust corporate governance framework, which sets out certain financial and strategic thresholds which need to be triggered for matters to be considered and approved by the Board. The corporate governance framework covers matters reserved for the Board, delegations to its committees and delegations to the Executive Directors. The Manual of Authority sets out the delegation and approval process across the broader business.

All Directors, upon joining Shell, have participated in induction training and are provided with ongoing guidance covering the regulatory requirements of their role, including, but not limited to, S172.

When making decisions, each Director ensures that they act in the way they consider, in good faith, would most likely promote Shell's success for the benefit of its members as a whole, and in doing so has regard (among other matters) to the issues set out below.

S172 Factor	Key examples
(a) The likely consequences of any decision in the long term	The Directors understand the business and the evolving and challenging environment in which we operate, including the challenges of the global energy transition. In 2024, the Board continued with its oversight of Shell's strategy, including with respect to the Energy Transition Strategy 2024 (ETS24). The Board focused on financial strength and discipline with a dynamic approach to our portfolio of assets, with consideration given to key stakeholders and the likely long-term impact of any decision. During the year, the Board reiterated its commitment to Shell's energy transition strategy and reflected on the challenges to be faced by Shell in the next phase of this strategy, given the shifting macroeconomic and geopolitical context. We put customers at the centre of our strategy, innovating the products customers need as they seek to decarbonise. See pages 10-13 for more on our strategy. The Directors recognise there are significant complexities in relation to Board decision-making, given differing societal and stakeholder views about our operations and the intricacies associated with the evolving energy transition. Accordingly, the Directors have considered S172 and made their decisions in good faith relating to Shell's strategy having regard for the long-term sustainable success of the Company.
(b) Interests of employees	Shell employees are fundamental and core to our business model and the safe delivery of our strategic ambitions. The success of our business depends on attracting, retaining, developing and motivating talented employees. The Directors consider and assess the implications of relevant decisions on employees and the wider workforce. The Directors seek to ensure that Shell remains a responsible employer, including with respect to pay and benefits, fairness (including gender pay gap reporting, see pages 118), promotion of equal opportunity (information on Shell's diversity, equity and inclusion is detailed on page 117-119), health and safety issues, and the workplace environment. The Directors regularly engage with employees and the wider workforce (a summary of engagements is provided on pages 167-168), as well as consider the annual employee survey, the Shell People Survey (the most recent is detailed on page 117). The Directors recognise that our pensioners also remain important stakeholders.
(c) Fostering the company's business relationships with suppliers, customers and others	To deliver our strategy we require strong, mutually beneficial relationships with suppliers, customers, governments, national oil companies and joint-venture partners. Shell seeks to promote and apply certain general principles in such relationships. The Board continues to review Shell's approach to suppliers, which is set out in the Shell Supplier Principles. In 2024, the Board reviewed steps taken with suppliers and supply chains to combat modern slavery and human trafficking. More detail on Shell's Modern Slavery Act Statement is set out on page 217. The businesses continually assess the priorities related to customers and those with whom we do business, with the Board engaging with the businesses on these topics, for example, within the context of business strategy updates and investment proposals. The Directors also receive updates on a variety of topics that indicate how these stakeholders have been engaged. These updates include information provided by the Projects & Technology function on suppliers and joint-venture partners, with respect to items such as project updates and supplier contract management. Businesses also provide information, as relevant, on customers and joint-venture partners in relation to business strategies, projects and investment or divestment proposals. The CEO provides a comprehensive update to the Board on material business and external developments, including external engagements, at each main Board meeting.
(d) Impact of operations on the community and environment	It is integral to our decision-making that we reflect on our impact on the community and the environment. To help it make decisions, the Board receives information on various topics including, for example, the net carbon intensity target, proposals to invest or divest, and business strategy reviews. The information also goes into Group-level overviews, such as updates on safety and environment performance, reports from the Chief Ethics and Compliance Officer, and reports from the Chief Internal Auditor. In 2024, the Board held meetings with Shell's in-country stakeholders, including a staff engagement during the Board's off-site in the Netherlands, which also included dialogue with Mark Rutte, who was Dutch prime minister at the time. Engaging with staff enabled the Board to maintain and strengthen its connection with Shell's businesses, workforce and other local stakeholders. It also provided the opportunity to gain a deeper understanding of Shell's reputation, role and contribution within the communities where we operate. See "Understanding and engaging with our stakeholders" on pages 165-166, and the Board committee reports.
(e) Maintaining a reputation for high standards of business conduct	Shell aims to meet the world's growing need for more and cleaner energy solutions in economically, environmentally and socially responsible ways. The Board periodically reviews and approves clear frameworks – such as the Shell General Business Principles, Shell's Code of Conduct, specific Ethics and Compliance manuals, the Ethical Decision-Making Framework and the Modern Slavery Act Statement – to ensure that high standards are maintained in Shell businesses and in Shell's business relationships. Complemented by the ways the Board is informed and monitors ethics and compliance with relevant governance standards, this helps to ensure that Board decisions and the actions of Shell companies both promote and maintain high standards of business conduct.
(f) Acting fairly between members of the company	After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy in the long-term interests of the Company, taking into consideration the effect on stakeholders. In doing so, our Directors act fairly as between the Company's members but are not required to balance the Company's interests with those of other stakeholders.

Culture

The Board plays an important role in establishing, assessing and monitoring our desired culture and how it is embedded in our values, attitudes and behaviours, including in our activities and stakeholder relationships. For example, the Board has established honesty, integrity and respect for people as Shell's core values. (For further information see "Living by our values" on pages 125-126). The Shell General Business Principles and Code of Conduct help everyone at Shell to act in line with these values and comply with relevant laws and regulations. The Shell Commitment and Policy on Health, Safety, Security, Environment & Social Performance applies across Shell and is designed to help protect people and the environment. (For further information, see "Safety" on pages 122-124).

To achieve our strategic goals, we need to adapt our mindset and behaviours as we navigate the increasing complexity of the world around us. At Shell, we seek to have a culture that encourages the attitudes and behaviours we believe will help us succeed:

- We deliver results: We own our performance, to power progress together. We deeply understand our business, we deliver the basics brilliantly, simplifying and improving every day. We are disciplined in meeting our promises even when the unexpected happens. Our values and care enable our competitive performance.
- We learn and adapt: we have the courage to raise the bar. With our Learner Mindset we navigate uncertainty and adapt in a rapidly changing world. We value and grow our expertise. We learn from setbacks to accelerate progress, knowing we have each other's back.
- We're one team: We win together, driven by our common outcomes. We listen to different views to make better data-based decisions and then we commit. We are the partner of choice by working together with our customers, communities and countries to consistently deliver our promises.
- We care: We care about each other, our work, our values, goal zero, ethics and DE&I. This builds trust, sets us apart and is key to our performance. Because we care, we are honest with each other to grow to be our best and deliver commercial outcomes.

The Board considers the Shell People Survey to be an important tool for measuring employee engagement, motivation, affiliation, and commitment to Shell. With consistently high response rates, it provides valuable insights into employee views. It also helps the Board understand how the survey's outcomes are being used to strengthen Shell culture and values.

Stakeholder engagement (including employee engagement)

The Board recognises the important role Shell has in many societies and is deeply committed to public collaboration and stakeholder engagement. The Board strongly believes that Shell will only succeed by working together with customers, governments, business partners, investors, and other stakeholders.

We continue to build on our long track record of working with others, such as investors, industry and trade groups, universities, governments, non-governmental organisations (NGOs) and, in some appropriate instances, our competitors through our joint-venture operations or industry bodies. We believe that working together and sharing knowledge and experience with others offers us greater insight into our business. We also appreciate our long-term relationships with our investors and acknowledge the positive impact of ongoing engagement and dialogue.

The guidance on preparing information, proposals or discussion items for the Board asks for these materials to include considerations of the views, interests, and concerns of stakeholders and how management addressed them. This helps to strengthen the Board's knowledge of how the broader business undertakes significant levels of stakeholder engagement. The Terms of Reference for our Sustainability Committee (SUSCO) include, within the committee's remit: review and consider external stakeholder perspectives on sustainability issues of relevance to the Group's business, and review selected sustainability topics and matters of public concern, such as biodiversity, water and human rights.

The Board also engaged with certain stakeholders directly, to understand their views. The Board draws upon Shell's substantial in-house expertise by periodically receiving input from economics and policy experts on key political and economic themes, with some updates being presented to the Board each quarter.

See "Understanding and engaging with our stakeholders" on pages 165-166.

Information on how the Directors have engaged with employees can be found on pages 167-168 and in the "Powering lives" section on page 117. The tables below include examples of how Directors have considered the interests of Shell employees and the resulting outcomes.

Principal decisions

In this section, we outline some of the principal decisions made by the Board over the year. We explain how the Directors have engaged with or in relation to key stakeholder groups and how stakeholder interests were considered in decision-making.

To remain concise, we have categorised our key stakeholders into seven groups. Where appropriate, each group is considered to include both current and potential stakeholders. The groups are:

- investor community;
- employees/workforce/pensioners;
- our customers;
- regulators/governments;
- NGOs/civil society stakeholders/academia/think tanks;
- communities; and
- suppliers/strategic partners.

Board decisions

We define principal decisions taken by the Board as decisions taken in 2024 that are of a strategic nature and significant to any of our key stakeholder groups. As outlined in the UK Financial Reporting Council (FRC) Guidance on the Strategic Report, we include decisions related to capital allocation and dividend policy.

How were stakeholders considered

We describe how regard was given to the likely long-term consequences of the decision, including how stakeholders were considered during the decision-making process.

What was the outcome

We describe which accommodations or mitigations were made, if any, and how Directors have considered different interests, and what factors they took into account.

Strategic updates

Strategy

As part of the Board's continuing oversight of Shell's strategy, the Directors receive and discuss regular strategy updates including feedback from stakeholder engagements with management, investors, the media, climate activists and internal staff.

How stakeholders were considered

Energy Transition Progress and Strategy

In March 2024, the Board approved a report (the Shell Energy Transition Strategy 2024 (ETS24)) building on ETS21 which was created with the aim of helping investors and society obtain a better understanding of how Shell is addressing the risks and opportunities of the energy transition. ETS24 was put to shareholders for an advisory vote at the 2024 Annual General Meeting (AGM), with 78.03% of shareholders that voted supporting the resolution.

Both before and after the 2024 AGM, the Chair, CEO and some members of the Executive Committee engaged with key stakeholders to understand their views and opinions on Shell's progress on its ETS. They engaged with our largest shareholders and offered further opportunities to discuss Shell's progress on its ETS and to understand the reasons behind various voting decisions. The Chair also engaged directly with our large institutional shareholders during his investor roadshow in September 2024.

Insights into Shell's operations in the Netherlands

In June 2024, the Board held its annual off-site in-person over the course of three days in the Netherlands, providing for a number of engaging and interactive events with both internal and external stakeholders. A summary of the Board off-site is provided on page 161. The key focus areas related to Shell's strategy and presence in the Netherlands.

Staff engagements

As part of the Board off-site, the Board and Executive Committee had the opportunity to engage and speak directly with staff about their experience within the Shell businesses in the Netherlands. For further information on the engagement with our workforce see "Board activities" and "Workforce engagement" on page 162 and pages 167-168.

What was the outcome

Energy Transition Progress and Strategy

There are differing views about Shell's ambition, targets and strategy to become a net-zero emissions energy business by 2050. Shell continued its dialogue with its stakeholders on the progress of its ETS, and the Board recognises the different views of each Shell stakeholder group. The Board continues to listen, learn and adapt as Shell delivers against its strategy, with consideration given to the long-term success of the organisation, as well as the interests of Shell's shareholders, customers and wider society. More information on the outcome of discussions following the 2024 shareholder advisory vote can be found on page 165.

Discussions with stakeholders and feedback from those engagements were integral to the preparation of ETS24, and the Board's approval of this strategy. In this Annual Report, we strive to provide information on Shell's progress on its energy transition strategy, along with our ambitions, targets and the clarifications our stakeholders are seeking.

Board off-site

Through engagements with multiple stakeholders, the Board:

- experienced the breadth of businesses that Shell has in the Netherlands;
- met with a diverse cross-section of staff and leaders in the Netherlands and considered their feedback from the engagements that took place;
- built awareness of the local context and risks;
- considered geopolitical contexts in connection with the energy transition;
- considered key external perspectives connected to Shell's energy transition ambitions, targets and strategy; and
- discussed core elements of our strategy with key customers, government officials and other stakeholders.

Financial strength, cash allocation including shareholder distributions

The Board considered cash flow, the macro environment and business performance in 2024 against 2023. The Board also considered management's view of the outlook for the Group's performance, and reviewed the financial framework with specific focus on shareholder distributions. Directors approved several proposals with the aim of delivering value to shareholders and increasing shareholder distributions through a combination of progressive dividends and share buybacks.

How stakeholders were considered

A number of considerations underpinned each proposal, with proposals discussed and reviewed at certain points throughout the year. These considerations took account of the macro environment, robust business performance and outlook, the strength of the balance sheet, capital discipline, feedback from advisers and feedback from other stakeholders.

What was the outcome

In relation to the decisions to increase distributions to shareholders, the Board and management considered the views of stakeholders, the strength of the Company's balance sheet and the need to continue to invest in the future of energy. The form, and timing, of distributions to shareholders were announced throughout 2024, alongside the publication of the quarterly results.

During 2024, the Board approved share buybacks of \$14 billion, and a further \$3.5 billion of share buybacks was announced on January 30, 2025.

Approval of Shell's detailed Operating Plan 2025-2027 (OP24)

The approval of OP24 followed an in-depth review by the Board of proposals on capital allocation, capital investment outlook, competitive outlook, operating expenses, return on average capital employed, shareholder distributions and alignment with net carbon intensity targets. In the December 2024 Board meeting, OP24 was approved.

How stakeholders were considered

OP24 discussions included ensuring credible metrics, scenario testing and understanding the risks and levers to enable delivery of the near- and long-term targets which were set out at CMD23. Meeting commitments made to investors is critical to building trust and confidence with our external stakeholders. The Directors also considered the financial strength of the organisation, the macroeconomic environment, and the continued heightened geopolitical risks as a result of the Russia-Ukraine war and conflict in the Middle East. The Directors and Executive Committee balanced the priorities in the financial framework, including capital and operating expenditure commitments towards the energy transition alongside increased shareholder distributions, maintaining balance sheet strength, aspired credit ratings and greenhouse gas target tracking. The plan was discussed extensively and reviewed thoroughly. Responses from investors and discussions with equity and debt market analysts were also presented to the Board for consideration. The Board asked management questions about the flexibility of OP24 in the event of various energy transition scenarios.

What was the outcome

Following extensive review and discussion, the overall outcome of this decision was an Operating Plan that the Board believes is robust against various scenarios and features strong optionality if needed. In particular, the Board assured itself that, as these decisions were taken, OP24 flexibly demonstrated pathways to enable delivery of Shell's near- and long-term targets.

We recognise that stakeholder opinions differ on the approach towards the energy transition. OP24 is based on society's demand for products and services. OP24 also supports Shell in maintaining a reputation for high standards of business conduct and health, safety, security and environment issues. It maintains the approach to employee remuneration and benefits to pensioners. OP24 also seeks to reward our investors with returns, a strong balance sheet and capital discipline, and to maintain the long-term financial strength of the Company to invest in more and cleaner energy and meet the current and future needs of society.

Investing in new business, acquisitions and divestments, and closures

Over the course of the year, the Board considered and approved new opportunities and projects and proposed divestments or closures.

How stakeholders were considered

The Board considered the impact of decisions related to new business opportunities and divesting from existing opportunities in the context of sustainability, supply, regulations and carbon intensity. Critically, the Board reviewed the alignment of various proposals with Shell's strategy. Particular focus was given to potential benefits of certain divestments, including their potential to: create returns for shareholders; further strengthen the balance sheet; de-risk future cash flow; and avoid significant additional capital investment. As part of the discussions, the Board considered the strategic drivers for the intended divestments, including the Scope 1 and 2 emissions of each asset, anticipated regulatory changes expected to lead to value erosion, and any value opportunities afforded by the macro environment.

As part of each proposal, the respective business unit will undertake effective due diligence on prospective purchasers from a financial, reputational, as well as operating philosophy standpoint to ensure future obligations are met, or suitable mitigating measures are in place, to protect Shell and its people.

Within each divestment proposal, the Board considered if the Company was being a responsible seller of its assets and if the purchasers have the capability to manage our assets/people appropriately. Staff matters are explicitly considered during negotiations and the due diligence process for acquisitions and divestments. Comprehensive engagement plans are developed as appropriate in parallel to the negotiations.

As part of Shell's intercompany approval process, the following investments or divestments were discussed and supported by the Board.

Investment in Ruwais LNG

The investment in the Ruwais LNG project in Abu Dhabi taking a 10% equity interest.

Atapu Consortium final investment decision on Atapu-2 project in Brazil

The Atapu Consortium's investment in the Atapu-2 project, a second floating production, storage and offloading (FPSO) vessel to be deployed at the Atapu field. Further information on this can be found on page 39.

Investment in Bonga North, Nigeria

Investment in Bonga North, a deep-water project off the coast of Nigeria.

Project Manatee final investment decision

Investment in an undeveloped gas field in the East Coast Marine Area (ECMA) in Trinidad and Tobago.

Expansion of the CSPC petrochemical facility, China

Expansion of the petrochemicals facility owned by CSPC in Daya Bay, Huizhou, China.

Creation of joint venture for operations in the North Sea

The creation of a joint venture between Equinor UK Ltd, a subsidiary of Equinor ASA, and Shell U.K. Limited, a subsidiary of Shell plc which combines their UK offshore oil and gas assets and expertise.

What was the outcome

Investment in Ruwais LNG project in Abu Dhabi

The Board approved the investment in the Abu Dhabi National Oil Company's (ADNOC) Ruwais liquefied natural gas (LNG) project in Abu Dhabi through a 10% participating interest. In Board discussions the Board considered, among other things, the position of minority shareholders, the relationship between Shell and ADNOC and the strategic fit for the project in delivering low carbon LNG.

Atapu Consortium final investment decision on Atapu-2 Project in Brazil's Pre-Salt

The Board approved the progression of the Atapu-2 project enabling the consortium to take a final investment decision. In Board discussions, the Board considered the strategic alignment and status of the project noting suppliers and supply chain constraints, contractor capacity and the position of the consortium partners.

Bonga North Investment

The Board approved the investment in Bonga North, a deep-water project off the coast of Nigeria. In Board discussions, the Board considered among other things, the alignment of the opportunity with the strategy and the in-country stakeholders.

Project Manatee final investment decision

The Board approved investment in an undeveloped gas field in the East Coast Marine Area (ECMA) in Trinidad and Tobago. During Board discussions, the Board considered relations with the government in Trinidad and Tobago, customers, the carbon competitiveness of the project and geopolitical risk in the region and noted the project's alignment with the strategy.

Expansion of the CSPC petrochemical facility, China

The Board approved the proposed expansion of the CSPC petrochemicals facility enabling CSPC to take a final investment decision to build a third ethylene cracker and a new facility which will produce high-performance specialty chemicals. In Board discussions the Board noted the relations with government and the customer needs and the alignment of the investment with the strategic intent.

Creation of joint venture with Equinor for operations in the North Sea

The Board approved the execution of the commercial agreements with Equinor to progress the proposed joint venture. During Board discussions, the Board noted that the incorporated joint venture (JV) will be set up to sustain UK oil and gas production and security of energy supply in the UK and considered the impact on staff, communities, government relations and other stakeholders.

Strategic Report signed on behalf of the Board

/s/ Sean Ashley

Sean Ashley

Company Secretary
March 25, 2025

Governance

Directors' Report

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Introduction from the Chair

Dear Shareholders

I am pleased to introduce this governance section of our 2024 Annual Report and Accounts. As a Board, we engage with Shell's purpose, strategy, vision, values and culture to fully understand how these all work together.

In 2024, I and my fellow Board members were especially impressed by how Shell's Executive Committee has focused on performance, discipline and simplification to transform Shell into a more competitive energy business.

We saw how this focus is rewarding shareholders and creating a simpler organisation. At the same time, Shell continues to provide its customers with the secure and affordable energy they need to power their lives and businesses today and through the transition to low-carbon energy.

In line with Shell's transformation, on March 4, 2025, we announced further changes to Shell's Executive Committee (EC) and leadership structure to support its strategy to deliver more value with less emissions. These changes reflected Shell's three main areas of business value – Integrated Gas, Upstream, and Downstream, Renewables and Energy Solutions – and they follow the creation of a new Trading and Supply position in the EC.

Like the EC, the Board, in 2024, also took some important steps to drive more focus and simplification in the ways we work. For example, we have further integrated carbon management considerations at Board level; simplified the allocation of work between the Board, Board Committees and the EC; dedicated time to reflect on our dynamics and we will continue to look at how we can simplify our governance processes.

Shell has a strategy that is transforming its business, and a vision [A] to become the world's leading integrated energy company delivering impact at scale, connecting energy and people, matching supply to demand. The Board believes that this is the right approach for our customers, investors and wider society.

Energy Transition Strategy 2024

In March 2024, Shell published its Energy Transition Strategy 2024 (ETS24) which was endorsed by shareholders at our Annual General Meeting (AGM) in May 2024. The Board was pleased to see this support for our Energy Transition Strategy which reduces emissions from our operations and our products as we work to become a net-zero emissions energy business by 2050.

Time was allocated to ETS24 at the annual Board off-site in June 2024, and the Board routinely discussed the energy transition at Board meetings throughout 2024.

[A] A vision statement defines the desired future state of a company rather than a series of firm, binding commitments.

Board leadership and Shell's purpose

Shell's purpose is set out in the early pages of this report. Throughout this Governance report we focus on how Shell's governance operates in practice, and why we believe this is the best approach for us.

The Governance report is structured around the key themes of the 2018 UK Corporate Governance Code (the Code). Our narrative seeks to explain how governance supports and protects Shell and our stakeholders.

Shell applies the principles and the spirit of the Code. There is one instance where we adopt an approach slightly different from that suggested by one of the Code's provisions, namely Provision 5 which concerns workforce engagement. We explain this on page 170. We consider our governance processes are appropriate, given the specific circumstances and range of factors particular to Shell, such as its global nature, size, complexity and history.

Our AGM continues to reach a wider audience through its hybrid format, allowing our global shareholder base to participate in proceedings. However, disruptive and unsafe behaviour from some attendees requires us to continually assess how we conduct this meeting.

Information on how the Board discharges its duty in relation to key stakeholder interests, including those of our workforce, and an explanation of how it considered these when making principal decisions are set out on pages 145-148. On pages 161-164, we provide information about our Board activities and highlight which stakeholders we considered.

I was delighted to visit a range of Shell sites with a number of Board members, including in Brazil, the Netherlands, Oman and Qatar. I also went to China where I delivered a lecture at Tsinghua University School of Economics and Management, and presented awards to the finalists of the Shell Eco-marathon.

Our workforce engagement methods can be found on pages 167-168. We continue to believe that constructive relationships built on mutual respect and transparency help Shell attract and retain employees, while supporting greater productivity and operational safety and efficiency. Helping ensure that employee voices are heard on relevant matters in the boardroom in practical ways is key to understanding the broader impact of business decisions, including with respect to organisational culture.

The Board recognises the importance of culture in delivering Shell's purpose and strategy. In December 2024, the Board received updates on the Shell People Survey, an annual employee survey, and the conduct and culture within the organisation, along with the associated risk areas (see "Risk management and risk factors" on pages 134-144 for more information on this risk).



In January 2025, the management team shared with us how it is seeking to evolve the Shell culture, placing people at the heart of transforming Shell's performance. Shell's culture reflects the long-held values of the organisation – honesty, integrity and respect for people. These underpin all the work we do and are embedded in our strategy and purpose. The Board will continue to increase its focus on Shell's culture to make sure it continues to align with the business strategy.

Division of responsibilities

More information on how the Board and Board committees support business operations is provided on pages 159-160. In 2024, the Terms of Reference for the Board committees were reviewed and updated. The full Terms of Reference for each committee, and the Matters Reserved for the Board are provided on our website. Commitments of Directors are reviewed to help ensure they have sufficient time to fulfil their duties.

Composition, succession and evaluation

There were no changes to the Board in 2024. In 2024, Cyrus Taraporevala became a member of the Remuneration Committee. He will succeed Neil Carson as Chair of the Remuneration Committee following the 2025 AGM.

The 2024 Board evaluation process comprised a Board Dynamics review, as well as an internally facilitated questionnaire-based Board and Committee evaluation. More on this can be found on pages 169-170.

Audit, risk management and internal control

Throughout the year, the Audit and Risk Committee (ARC) assisted the Board in implementing sound systems of risk management and internal control, oversight of Shell's financial reporting, and consideration of ethics and compliance matters. A variety of standing matters and more specific topics are discussed by the ARC throughout the year and more on this can be found on pages 176-187.

Looking ahead

Our Capital Markets Day 2025 outlines how we intend to accelerate our strategy to deliver more value with less emissions.

We are cognisant of and accept, that not all our stakeholders will be fully supportive of all the decisions that we take, and some stakeholders will choose different methods of communicating their views and their concerns. We will continue to engage with stakeholders, and we will continue to have the humility to listen, learn and adapt as we focus and frame our strategy for the long-term success of the Company.

As always, as we work through the energy transition, there is more that needs to be done. Your Board is confident that the update presented at Capital Markets Day 2025 will help Shell to deliver on its promises to shareholders.



Sir Andrew Mackenzie
Chair

March 25, 2025

The Board of Shell plc



Sir Andrew Mackenzie Chair

Board Committee membership:
NOMCO (Chair)

British, 68. Appointed October 1, 2020; Chair from May 18, 2021.

Career

Prior to joining Shell, Sir Andrew was CEO of BHP from 2013 to 2019 after joining BHP in 2008. As BHP CEO, he simplified and strengthened the business, and made it the first miner to pledge to tackle emissions caused when customers use its products. From 2004 to 2007, he held various executive positions at Rio Tinto, including Head of Industrial Minerals and Diamonds. Prior to this, Sir Andrew spent 22 years with bp, during which he worked across most business streams and functions – principally in exploration and production, and petrochemicals – and held senior and executive positions, including as Chief Reservoir Engineer and Chief Technology Officer. From 2005 to 2013, Sir Andrew served as a Non-executive Director of Centrica. He has also served on many not-for-profit boards, including public policy think tanks in the UK and Australia.

Relevant skills and experience

Sir Andrew has more than 30 years' experience in the mining and energy industries. In 2014, he was made a Fellow of the Royal Society, a Fellowship of many of the world's most eminent scientists. Sir Andrew has applied his deep understanding of the energy business and geopolitical outlook to create public-private partnerships and advise governments around the world. He continues to advocate for sustainable action on climate change, including access to affordable energy. His expertise is helping Shell navigate the energy transition. Sir Andrew also champions gender balance, the rights of Indigenous Peoples, and the power of large companies to make a positive contribution to society.

External appointments

- Chair of UK Research and Innovation (UKRI)



Dick Boer Deputy Chair and Senior Independent Director

Board Committee membership:
ARC | NOMCO | REMCO

Dutch, 67. Appointed May 20, 2020; Deputy Chair and Senior Independent Director from May 23, 2023.

Career

Dick was President and CEO of Ahold Delhaize from 2016 to 2018. Prior to the merger between Ahold and Delhaize, he served as President and CEO of Royal Ahold from 2011 to 2016. From 2006 to 2011, he was a member of the Executive Board of Ahold and served as Chief Operating Officer of Ahold Europe. Dick joined Ahold in 1998 as CEO of Ahold Czech Republic and was appointed President and CEO of Albert Heijn in 2000. In 2003, he also became President and CEO of Ahold's Dutch businesses. Before joining Ahold, Dick spent more than 17 years in various retail positions, for SHV Holdings N.V. in the Netherlands and abroad, and for Unigro N.V. Dick has chaired the Remuneration Committee of Nestlé since April 2024.

Relevant skills and experience

Dick has a deep understanding of brands and consumers, and extensive knowledge of the US and European markets, from his time leading one of the world's largest food retail groups. He has considerable experience at the forefront of retailing and customer service, which extended in more recent years to e-commerce and the digital arena. This experience is most timely as Shell focuses on the growth of our marketing activities and increasing consumer choices in energy products. Dick brings sound business judgement and a proven track record in strategic delivery to Shell, evidenced by the combination of Ahold and Delhaize. He is also passionate about sustainability and is well informed about the importance of the various stakeholder interests in this area.

External appointments

- Non-executive Director of Nestlé and SHV Holdings.
- Chair of the Supervisory Board of Just Eat Takeaway.com



Wael Sawan Chief Executive Officer

Board Committee membership:
N/A

Lebanese and Canadian, 50. Appointed January 1, 2023.

Career

Wael began his career at Shell in 1997 as an engineer with Petroleum Development Oman. By the mid-2000s, Wael was Managing Director and Chairman of Shell Qatar, where he oversaw Shell's business in Qatar, including its LNG and GTL divisions. Wael then became Executive Vice President of Deep Water, where he was responsible for driving its transformation into a leading business for Shell. Prior to being appointed CEO at the start of 2023, Wael joined the Executive Committee in 2019 as Upstream Director and in 2021, he became Shell's Director of Integrated Gas, and Renewables and Energy Solutions. Wael was a trustee of Shell Foundation from 2019 to the end of 2022.

Relevant skills and experience

Wael holds an MEng from McGill University in Montreal, Canada, and an MBA from Harvard Business School. During his Shell career, spanning more than 25 years, he has worked in Europe, Africa, Asia and the Americas, and has held roles across all of Shell's businesses. He has led several major commercial transactions, including mergers, acquisitions and divestments, as well as new business development projects. Wael is an exceptional leader, with all the qualities needed to drive Shell safely and profitably through its next phase of transition and growth. His track record of commercial, operational and transformational success reflects not only his broad, deep experience and understanding of Shell and the energy sector, but also his strategic clarity. He combines these qualities with a passion for people, which enables him to get the best from those around him.

External appointments

- No external appointments



Sinead Gorman
Chief Financial Officer

Board Committee membership:
N/A

British, 47. Appointed April 1, 2022.

Career

Sinead joined Shell in 1999 and has held key leadership roles in Finance. She started her Shell career in the Shell International Trading and Shipping Company based in London, UK, and then moved to the Coral Energy joint venture, in Houston, Texas, USA. Sinead worked in Mergers and Acquisitions and Treasury, based in the Netherlands, before moving back to Houston as Vice President Finance for Shales. Prior to her appointment as CFO, Sinead held the positions of Executive Vice President Finance for Upstream; Projects & Technology, as well as Integrated Gas and New Energies (now Renewables and Energy Solutions).

Relevant skills and experience

Sinead has an MEng from the University of Oxford, and an MSc in Finance from London Business School.

Sinead has more than two decades' experience of working for Shell and has held regional and global finance leadership roles across Europe and the USA. She has built a deep understanding of finance across the industry, spanning a wide range of businesses, and possesses a breadth of experience in trading, new business development and capital projects.

Highly regarded for her commercial abilities and external focus, Sinead has a strong track record in cost leadership, principle-based decision-making and detailed capital stewardship.

External appointments

- No external appointments



Neil Carson OBE
Independent Non-executive Director

Board Committee membership:
REMCO (Chair) | SUSCO

British, 67. Appointed June 1, 2019.

Career

Neil is a former FTSE 100 CEO. He joined Johnson Matthey in 1980 where he held several senior management positions in the UK and the USA, before being appointed CEO in 2004. Since retiring from Johnson Matthey in 2014, Neil has focused on his non-executive roles. He was Chair of TT Electronics plc from 2015 until May 2020.

Relevant skills and experience

Neil has an engineering degree, considerable operational experience and a strong understanding of capital-intensive businesses. He has a broad industrial outlook and a thorough commercial approach combined with a practical perspective on businesses. His intuitive international point of view helps drive value in complex environments. Neil was awarded an OBE for services to the chemical industry in 2016.

Neil uses his experience to bring fresh insight and industry understanding to Board discussions.

External appointments

- Non-executive Chair of Oxford Instruments plc



Ann Godbehere
Independent Non-executive Director

Board Committee membership:
ARC (Chair) | NOMCO

Canadian and British, 69. Appointed May 23, 2018.

Career

Ann started her career with Sun Life of Canada in 1976 in Montreal, Canada. She joined M&G Group in 1981, where she served as Senior Vice President and Controller for both life and health, and property and casualty businesses throughout North America. She joined Swiss Re in 1996, after it acquired the M&G Group and served as Chief Financial Officer from 2003 to 2007. From 2008 to 2009, she was interim CFO and an Executive Director of Northern Rock bank in the initial period following its nationalisation. Ann has held non-executive director positions at Prudential plc, British American Tobacco plc, UBS AG, and UBS Group AG. Ann served as a Non-executive Director of Rio Tinto plc and Rio Tinto Limited from 2010 until May 2019 and was also Senior Independent Director of both entities. In January 2021, Ann joined the Board of Stellantis N.V., and she chairs its Audit Committee. Ann joined the Board of HSBC Holdings plc in September 2023 and HSBC Bank plc in January 2025.

Relevant skills and experience

Ann is a former CFO and a Fellow of the Institute of Chartered Professional Accountants and a Fellow of the Certified General Accountants Association of Canada. She has more than 25 years of experience in the financial services sector. Ann's extensive international business experience enables her to make significant and valuable contributions and bring a global perspective to Board discussions. Ann's long and varied international business career powered by her financial acumen is reflected in the insights and constructive challenges she brings to the boardroom. As ARC Chair, Ann leverages her background to ensure robust discussions are consistently held as the ARC delivers its remit.

External appointments

- Non-executive Director and Audit Committee Chair of Stellantis N.V.
- Senior Independent Director of HSBC Holdings plc
- Independent Non-executive Director of HSBC Bank plc



Jane Holl Lute
Independent Non-executive Director

Board Committee membership:
REMCO | SUSCO

American, 68. Appointed May 19, 2021.

Career

Jane was President and Chief Executive Officer of SICPA Securink Corporation's North American operations from 2017 to 2021, when she assumed the role of Non-executive Strategic Director. From 2018 to 2021, Jane was a Non-executive Director of Atlas Air Worldwide Holdings Inc. In 2013, she established and led the Council on CyberSecurity, an independent not-for-profit organisation with a global scope, committed to the security of an open internet. From 2015 to 2016, Jane was Chief Executive Officer of the Center for Internet Security, an independent not-for-profit organisation that works to improve cyber security worldwide. From 2009 to 2013, Jane served as Deputy Secretary of the US Department of Homeland Security. From 2003 to 2009, she held various senior political and peacekeeping roles at the United Nations. Jane started her career in the US Army in 1978, serving in Berlin during the Cold War, on the US Central Command Staff during Operation Desert Storm, and on the National Security Council Staff under Presidents George H.W. Bush and William J. Clinton. After retiring from the military in 1994, she joined the Carnegie Corporation as an Executive Director of its Commission on Preventing Deadly Conflict.

Relevant skills and experience

Jane is a proven and effective leader, who has held significant leadership roles in public service, the military, and the private sector. She brings a wealth of expertise in matters of public policy, cyber security, and risk management to our Board. Jane is an experienced board director, having served on the boards of large companies since 2016. These appointments have given her business perspectives across different sectors and geographical regions. She has also served on various committees including those which focus on audit, environmental and sustainability, nomination, and governance issues.

External appointments

- Non-executive Director of Marsh & McLennan
- Non-executive Director of Union Pacific Corporation
- Strategic Director of SICPA Securink Corporation



Catherine J. Hughes
Independent Non-executive Director

Board Committee membership:
ARC | SUSCO (Chair)

Canadian and French, 62.
Appointed June 1, 2017.

Career

Catherine was Executive Vice President International at Nexen Inc. from January 2012 until her retirement in April 2013, where she was responsible for all oil and gas activities including exploration, production, development, and project activities outside Canada. She joined Nexen in 2009 as Vice President Operational Services, Technology and Human Resources. Prior to this, Catherine was Vice President Oil Sands at Husky Oil from 2007 to 2009 and Vice President Exploration & Production Services, from 2005 to 2007. She started her career with Schlumberger in 1986 and held key positions in various countries, including France, Italy, Nigeria, the UK, Canada, and the USA. Catherine has held non-executive director positions at SNC-Lavalin Group Inc, Statoil ASA and Precision Drilling Inc.

Relevant skills and experience

Catherine contributes through her knowledge of industry and the ease with which she engages with other Directors and managers in the boardroom. With over 30 years of industry experience, she brings a geopolitical outlook and deep understanding of the industry. An engineer by training, she has also spent significant time working in senior human resources roles. The Board highly regards her perspectives on our industry and people. Catherine has a strong track record of executing operational discipline with a focus on performance metrics and a drive for excellence. Her knowledge of the technology underpinning oil and gas operations, logistics, procurement and supply chains benefits the Board as it considers projects and investment and divestment proposals. She uses her industry knowledge, combined with her commitment to the highest standards of corporate governance and safety, ethics and compliance, in her role as Chair of SUSCO.

External appointments

- Non-executive Director of Valaris Limited



Sir Charles Roxburgh
Independent Non-executive Director

Board Committee membership:
ARC

British, 65. Appointed March 13, 2023.

Career

Sir Charles was Non-executive Chair of Legal and General America from 2023 to 2025. From July 2016 to June 2022, he was Second Permanent Secretary, one of the most senior positions within the UK's Treasury. In this role, he was responsible for policy and oversight across a range of functions including financial services, financial stability, infrastructure, energy, science and research and development, business investment, venture and growth capital, transport, and culture and creative industries. He was also Chair of the HMT Operating Committee. Sir Charles was Director General, Financial Services at HMT from 2013 to 2016 and led the legislative process for the biggest reforms in the UK banking sector in a generation before being appointed Second Permanent Secretary. Prior to HMT, Sir Charles spent over 25 years at McKinsey & Company and obtained an MBA from Harvard Business School. While at McKinsey, he held a range of senior positions. Sir Charles has worked for large banks, insurance companies, hedge funds and private-equity investors in strategy, risk management, and organisation roles. Sir Charles also led major research efforts at McKinsey and authored articles on strategy and scenario planning.

Relevant skills and experience

Sir Charles' succession of roles placed him at the nexus between industry and government, and have included his active involvement in forging and delivering energy policies. He was an influential figure within HMT in pioneering energy policy, including for COP26, and providing funding for innovative organisations to support the energy transition.

External appointments

- Chair of Lloyd's of London (effective May 1, 2025)
- Non-executive member of Global Council, Herbert Smith Freehills



Abraham Schot
Independent Non-executive Director

Board Committee membership:
REMCO | SUSCO

Dutch, 63. Appointed October 1, 2020.

Career

Abraham ("Bram") has been on the Board of Volkswagen AG, responsible for the Premium Car Group, CEO of Audi AG, Chair of Lamborghini and Ducati, responsible for the VW Group Commercial Operations and Vice-Chair of Porsche Holding Salzburg.

From 2011 to 2016, he was a member of the Board of Volkswagen Commercial Vehicles and Executive Vice President responsible for Global Marketing, Sales & Services, New Business Models. In 2017, he became a member of the Board of Audi AG. From 2006 to 2011, Bram was President and CEO of Daimler/Mercedes-Benz Italia & Holding S.p.A. From 2003 to 2006, he was President and CEO of DaimlerChrysler in the Netherlands. Prior to this, Bram held a number of director and senior leadership roles within Mercedes-Benz in the Netherlands, having joined the business in 1987 on an executive management programme.

Relevant skills and experience

Bram has over 30 years' experience working in the automotive industry. He was part of the transformation journey at Audi AG, which saw the car company become a provider of electric vehicles that offered sustainable mobility. He is able to leverage this knowledge as Shell navigates its own journey through the energy transition.

Bram brings his high regard for integrity and compliance to board meetings. His studies have encompassed innovation and organisational effectiveness, geopolitical environments, shareholder value, corporate social responsibility and risk management, which are all valued management tools.

External appointments

- Non-executive Director of Signify N.V
- Non-executive Director of Cognizant Technology Solutions Corporation
- Non-executive Director of Compagnie Financière Richemont SA



Leena Srivastava
Independent Non-executive Director

Board Committee membership:
SUSCO

Indian, 64. Appointed March 13, 2023.

Career

Leena has dedicated her career to sustainability research and policy matters, and has held positions on boards of scale. She was Deputy Director General for Science at the International Institute for Applied Systems Analysis. Prior to this, she was an Executive Director at The Energy and Resources Institute (TERI), a not-for-profit policy research organisation working on energy, environment and sustainable development, and then Vice Chancellor of the TERI School of Advanced Studies – a research university focused on sustainability education based in India. Leena is a member of the UN Technical Advisory Group on SDG 7, a Scientific Advisory Board Member of the European Forum Alpbach, and an advisory Board Member of NAMTECH, an Indian technical education institute. She has served committees and organisations at international and national levels, including as energy and climate adviser for the United Nations and Member of the Advisory Committee at Future Earth. She has also been a non-executive director of companies, including companies involved in manufacturing and infrastructure.

Relevant skills and experience

Leena has served on sustainability advisory boards of multinational companies, such as The Coca-Cola Company, Caterpillar Inc. and Suez Environment. She recognises the challenges large organisations face in managing stakeholder priorities, including balancing business, government and societal needs, while pursuing a sustainability agenda. As a member of the Cement Sustainability Initiative of the World Business Council for Sustainable Development, she provided a pragmatic perspective on how to support the sector through its decarbonisation journey. She has a strong network of relationships in multiple global institutions focused on sustainability and an understanding of the issues the energy sector faces.

External appointments

- Member of the Independent Council of Climate Experts of Edelman



Cyrus Taraporevala
Independent Non-executive Director

Board Committee membership:
ARC | REMCO

American, 58. Appointed March 2, 2023.

Career

Cyrus was President and Chief Executive Officer of State Street Global Advisors from 2017 to 2022. Cyrus has held numerous leadership roles in asset management including at Fidelity, BNY Mellon, Legg Mason, and Citigroup. Cyrus was previously a partner at McKinsey & Company, based in New York and Copenhagen.

He serves on the Board of two non-profit organisations: The Trustees of Reservations, a Massachusetts-based conservation organisation, and GBH, a public media producer, distributor, broadcaster and content creator. He joined the Board of Pfizer Inc. in July 2024.

Relevant skills and experience

Cyrus brings a unique mix of strategic perspectives and business skills. He has significant experience in driving organic and inorganic growth, and company transformations. He is one of the most senior professionals in the asset management industry and has successfully led and grown global businesses of scale. He played a critical role in affirming State Street's reputation as both a stalwart and a pioneer within the sector. At times, Cyrus was helping to implement change amid market uncertainty caused by geopolitical tensions and an evolving regulatory environment.

Cyrus also possesses a unique vantage point on core board-related issues impacting public companies including sustainability. He has spoken about and published multiple articles on climate risk and other aspects of sustainability. He is credited with strengthening the sustainability credentials of State Street Global Advisors.

External appointments

- Non-executive Director of Bridgepoint Group plc
- Non-executive Director of Pfizer Inc.



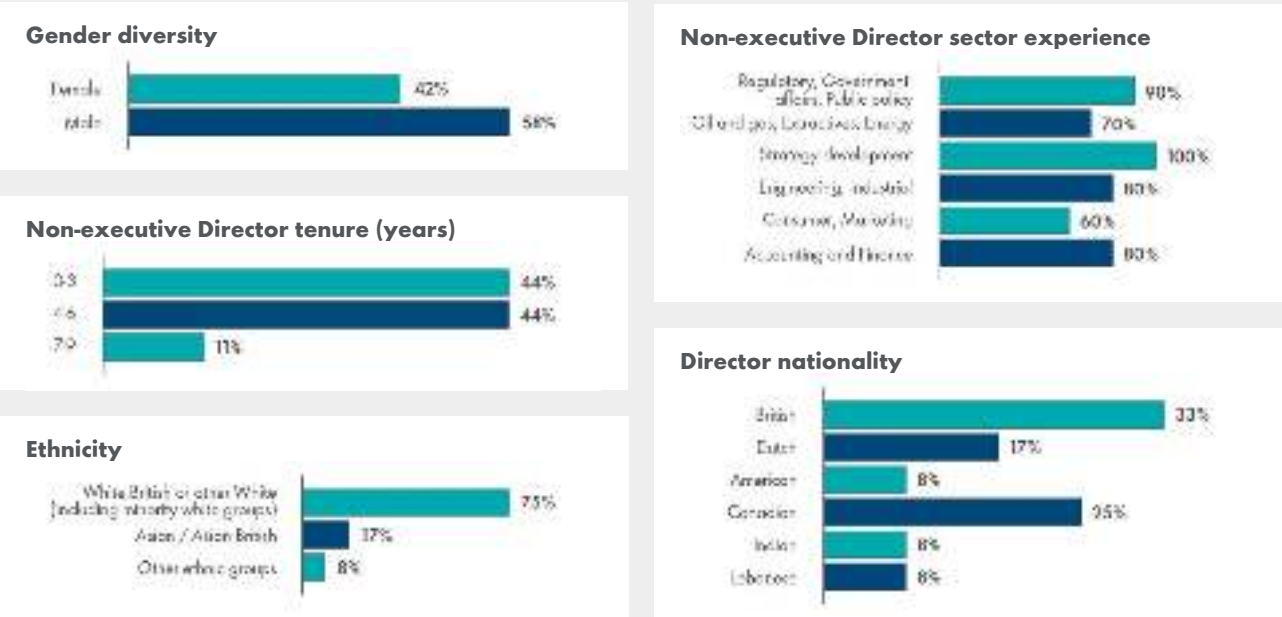
Sean Ashley
Company Secretary
British, 54. Appointed July 1, 2024.

Career
Sean qualified as a solicitor in 1998 and has significant experience across a broad range of legal, regulatory, governance and compliance matters, including UK listed company securities and disclosure laws, UK corporate governance and reporting requirements as well as public company M&A.

Relevant skills and experience
Sean leads the Corporate Secretariat and the Group Disclosures and Securities Team in the UK, USA and the Netherlands.

Sean has held a variety of roles in the Shell Group since joining from private practice in 2006, including most recently as Associate General Counsel Conventional Oil and Gas. Previous roles include leading the Shell Legal team on Shell's recommended combination with BG Group plc.

Board diversity



The graphs above capture board diversity data as at December 31, 2024. For further information in relation to UK Listing Rule 6.6.6R(10) and (11), see "Other regulatory and statutory information" on page 219.

Attendance
The Board met nine times during 2024. Five of the nine meetings were held physically, one meeting in the Netherlands, and four in London, United Kingdom. Four meetings were held virtually. Attendance during 2024 for all Board meetings is given in the table [A].

Board member	Meetings attended
Dick Boer	9/9
Neil Carson [B]	8/9
Ann Godbehere	9/9
Sinead Gorman [C]	8/9
Jane Holl Lute [D]	8/9
Catherine J. Hughes	9/9

Board member	Meetings attended
Sir Andrew Mackenzie	9/9
Sir Charles Roxburgh	9/9
Wael Sawan	9/9
Bram Schot [E]	8/9
Leena Srivastava	9/9
Cyrus Taraporevala	9/9

[A] For attendance at Committee meetings during the year, please refer to individual Committee Reports.
[B] Neil Carson was absent from the May 2024 Board meeting due to a scheduled business commitment.
[C] Sinead Gorman was absent from the July 2024 Board meeting due to personal circumstances.
[D] Jane Holl Lute was absent from the March 2024 Board meeting due to personal circumstances.
[E] Bram Schot was absent from the September 2024 Board meeting due to a scheduled business commitment.

Director independence
All Non-executive Directors are considered by the Board to be independent in character and judgement. The Chair is not subject to the UK Corporate Governance Code's independence test other than on appointment.

Ethnic diversity
The Board is satisfied that it currently exceeds the Parker Review recommendation on board diversity in the UK.

Executive Committee

The Executive Committee of the Company comprises the Executive Directors, Wael Sawan and Sinead Gorman, and those listed below (see "Governance Framework" on page 159).



Philippa Bounds
Legal Director

British, 54.
Appointed July 2023.

Career
Philippa was previously General Counsel for Trading and Supply, based in London. She joined Shell in 2005 after a decade of working at English and American law firms, specialising in structured finance.

She has held legal roles across Shell's businesses, including Senior Legal Counsel in Gas and Power and in Corporate. She has also held several advisory roles, including special adviser to the EU Commission's Director General Internal Markets on securities laws. She has represented Shell on a committee that worked with the UK government on the introduction of the Companies Act 2006.



Robin Mooldijk
Projects & Technology Director

Dutch, 58.
Appointed July 2023.

Career
Robin was previously Executive Vice President of Shell Chemicals and Products. He was appointed to that role in August 2021, following the integration of Shell's chemicals and manufacturing businesses.

Robin began his career at Shell in 1991 at its Research Laboratory in Amsterdam, the Netherlands, and since then he has held critical roles, including General Manager of Shell Chemicals Europe, Managing Director South African Petroleum and Vice President of Manufacturing Americas. In 2018, he was appointed Shell's Executive Vice President for Manufacturing.



Rachel Solway
Chief Human Resources and Corporate Officer

British, 51.
Appointed January 2024.

Career
Rachel joined Shell in 1995 in Upstream in Aberdeen, Scotland. She has since held HR roles in manufacturing, LPG, lubricants and chemicals. In 2016, Rachel was appointed Executive Vice President HR Integrated Gas. She became the Executive Vice President HR Upstream in 2020 before being appointed interim Executive Vice President HR Organisation Development & Learning in May 2023.



Huibert Vigeveno
Downstream, Renewables and Energy Solutions Director

Dutch, 55.
Appointed January 2020.

Career
Huibert was previously Executive Vice President Global Commercial. He joined Shell in 1995 as a business analyst and led Downstream businesses across Shell in Europe, Africa, North and South America, as well as Asia. In 2009, Huibert was appointed Vice President Supply & Distribution, Europe and Africa. In 2012, he became Executive Chair of Shell in China, and in 2016 led the integration of BG Group.

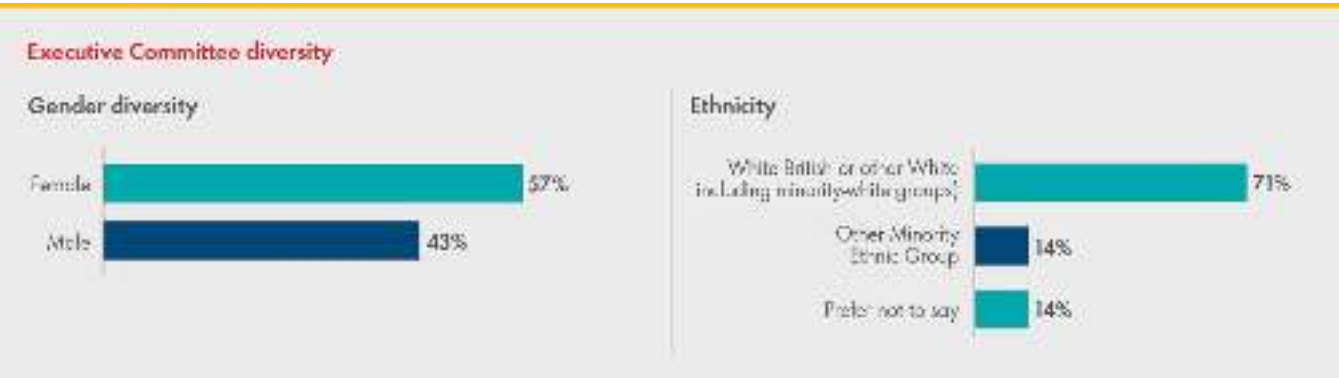


Zoë Yujnovich
Integrated Gas and Upstream Director

Australian, 49.
Appointed October 2021.

Career
Zoë has held various management positions in Downstream, Integrated Gas and Upstream. She served as Upstream Director, and was previously Executive Vice President Conventional Oil and Gas and prior to that Chair and Executive Vice President Shell Australia Pty Ltd. She joined Shell from Rio Tinto in 2014 to lead Shell's Oil Sands business in Canada.

Zoë joined the Board of Unilever plc in March 2025 as an independent Non-Executive Director and member of the Nominating and Corporate Governance Committee and Corporate Responsibility Committee.



Changes to the Executive Committee

On January 23, 2025, Shell announced that Huibert Vigeveno, Downstream, Renewables and Energy Solutions Director, will step down effective March 31, 2025. It was also announced that Andrew Smith will be appointed Director, Trading and Supply, and Machteld de Haan will be appointed Director, Downstream, Renewables and Energy Solutions. Their appointments are effective from April 1, 2025. On March 4, 2025, Shell announced that Zoë Yujnovich, Integrated Gas and Upstream Director, will step down effective March 31, 2025.

On March 4, 2025, Shell also announced that from April 1, 2025, leaders on the Executive Committee representing Integrated Gas; Upstream; Downstream, Renewables and Energy Solutions; Trading and Supply; and Projects & Technology, will each be referred to as President of their respective organisations, rather than Director. Functional leaders on the Executive Committee will be referred to as Chief Officer of their respective functions. The changes to the Executive Committee structure are designed to support our strategy to deliver more value with less emissions, and as part of our ongoing transformation.

Cederic Cremers will be appointed President, Integrated Gas, and Peter Costello will be appointed President, Upstream. Both Cederic and Peter will join the Executive Committee from April 1, 2025. We thank Huibert and Zoë for their outstanding service and wish them success in all that lies ahead.

Shell's financial reporting segments remain Integrated Gas; Upstream; Marketing, Chemicals and Products; Renewables and Energy Solutions; and Corporate.



Andrew Smith
President, Trading
and Supply

Australian, 60.
Appointment effective
April 2025.

Career

Andrew was appointed Executive Vice President, Trading and Supply in 2017. Prior to his current role, Andrew was Vice President, Downstream in Australia and subsequently became the Executive Vice President, Upstream and Country Chair, leading the expansion of Shell's Liquid Natural Gas and Onshore Gas businesses in Australia. Andrew joined Shell in 1986 as a refinery engineer and has worked across all of Shell's integrated value chains including leading Shell's petrochemical manufacturing business in Singapore.



Machteld de Haan
President, Downstream,
Renewables and Energy
Solutions

Dutch, 51.
Appointment effective
April, 2025.

Career

Machteld joined Shell in 1998 and has had several leadership and geographically diverse roles across the Downstream portfolio including Mobility, Strategy, Fleet Solutions, Lubricants and most recently Chemicals and Products. Prior to being appointed to lead Chemicals and Products, Machteld was Senior Vice President, Lubricants Americas, which included being the CEO of Pennzoil Quaker State Company, and subsequently became Executive Vice President, Global Lubricants.



Cederic Cremers
President,
Integrated Gas

Dutch, 46.
Appointment effective
April 2025.

Career

Cederic was appointed Executive Vice President, Liquefied Natural Gas in August 2021. He joined Shell's Retail business in 2002 and has held a variety of finance and commercial roles across Shell upstream and downstream businesses, including General Manager, Shell Chemicals Europe; Vice President, Commercial and New Business Development, Asia; and Executive Vice President and Country Chair, Russia.



Peter Costello
President, Upstream

British, 59.
Appointment effective
April 2025.

Career

Peter was appointed Executive Vice President, Conventional Oil and Gas in November 2021 after serving as Senior Vice President of that same business. Peter joined Shell in 2016 as Vice President, Nigeria and Gabon following the company's combination with BG Group, where he held geographically diverse senior roles across Downstream, Midstream, and Upstream, including President and Country Head, Kazakhstan.

Governance framework

Board of Directors

The Company has a single-tier Board of Directors headed by a Chair, with executive management led by the Chief Executive Officer. The names of the Directors who held office during the year can be found on pages 152-156. Information on the Directors who are seeking appointment or reappointment is included in the Notice of Annual General Meeting.

There is no fixed number of times that the Board may meet in one year. During 2024, the Board met nine times (nine times during 2023) and, as detailed throughout our Strategic Report, including the Section 172 statement and activities undertaken throughout the year, worked to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society. Further information on the Board's work and assessments in relation to strategy, culture, engagement with stakeholders, and its workforce can be found in this section.

The Board's responsibilities are governed by a formal schedule of matters reserved to it and include:

- Approval of overall strategy and oversight of management.
- Changes to the corporate and capital structure.
- Approval of financial reporting and controls, including interim dividends.
- Oversight of risk management and internal control.
- Approval of significant contracts.
- Determining succession planning and new Board appointments.
- Remuneration for the Chair and Executive Directors.
- Corporate governance matters.

Board Committees

Audit and Risk Committee ("ARC")	Sustainability Committee ("SUSCO")
Nomination and Succession Committee ("NOMCO")	Remuneration Committee ("REMCO")

More information on the composition of each of the Board committees, their purpose, roles and activities during the year is provided on the following pages:

ARC	176-187	SUSCO	175-175
NOMCO	171-174	REMCO	188-190

Board of Directors continued

Division of responsibilities

The roles of the Chair, a non-executive role, and the CEO are separate and clearly defined. The Board has agreed on their respective responsibilities and set these out in writing. These documents are available on request from the Company Secretary.

Chair

- Responsible for ensuring that the Board and its committees function effectively. One way in which this is achieved is by ensuring Directors receive accurate, timely and clear information; and
- Responsible for making sure that there is an adequate induction and training programme followed by all Directors (see page 164), with assistance from the Company Secretary.

Deputy Chair/Senior Independent Director

- Sounding board for the Chair;
- Serves as an intermediary for the other Directors and shareholders; and
- Leads the annual appraisal of the Chair's performance.

Non-executive Directors

- Appointed by the Board or by shareholders at general meetings and, in accordance with the Code, seek re-election by shareholders on an annual basis;
- Letters of appointment refer to a specific term of office in accordance with the provisions of the Code and the Company's Articles of Association;
- Upon appointment, Non-executive Directors confirm they are able to allocate sufficient time to meet the expectations of the role. Appointments are subject to a minimum of three months' notice of termination, and there is no compensation provision for early termination;
- The Non-executive Directors bring a wide range and balance of skills and international business experience. Through their contribution to the Board and Board committee meetings, respectively, they are expected to challenge and help develop proposals on strategy and bring independent judgement on issues of performance and risk; and
- At every Board meeting, time is set aside for the Chair and Non-executive Directors to meet without the Executive Directors being present. The Non-executive Directors discuss, among other matters, the performance of individual Executive Directors. A number of Non-executive Directors also meet major shareholders over the course of the year.

Executive Management

Chief Executive Officer (CEO)

- Has overall responsibility for the implementation of the strategy approved by the Board, the operational management of the Company and the business enterprise connected with it; and
- Is supported in this by the EC that he chairs.

Executive Committee (EC)

- Operates under the direction of the CEO in support of his responsibility for the overall management of Shell's business. The CEO has final authority in all matters of management that are not within the duties and authorities of the Board or of the shareholders' general meeting; and
- EC members are listed in the Executive Committee biographies on pages 157-158.

Governance documents available on [shell.com/investors](https://www.shell.com/investors):

- Articles of Association
- Matters Reserved for the Board
- Board Committee Terms of Reference
- Modern Slavery Act Statement
- Shell General Business Principles
- Shell Code of Conduct
- Code of Ethics for Executive Directors and Senior Financial Officers

Board activities

Board activities

The Board works to a yearly meeting plan with corresponding agendas and reading materials, provided digitally in advance of meetings, to support the Board in its oversight of the Group's operations and management. Standing agenda items include reports from the CEO, the CFO and the Chair of each Board committee. Other updates throughout the year come from various businesses and key functions, including Investor Relations; Health and Safety, Security and Environment; Information Technology; Human Resources; and Legal, as well as the Company Secretary. The Board also considers and approves the quarterly, half-year and full-year financial results, shareholder distributions and the associated announcements, and, at most meetings, considers investment, divestment and/or financing proposals and tracks performance. Additionally, the Board reviews the Group's annual Operating Plan, including activities undertaken designed to meet the Group's carbon reduction targets. To enable purposeful discussion and focus on particular aspects of agenda topics, including the impact on key stakeholders, Directors have an opportunity to specify information they require to be provided in advance of Board meetings.

During the year, where possible, Non-executive Directors conduct site visits. The visits are designed to provide them with a deeper insight into certain business operations.

See "Understanding and Engaging with our Stakeholders" on pages 165-166 and in "Workforce Engagement" on pages 167-168.

Some of the activities and areas of Board focus over the year are summarised in the table below. The information in the table is not exhaustive. Information on other topics discussed by the Board and details of the resulting decisions are covered elsewhere, primarily in the Section 172 statement provided earlier in this report on pages 145-148. In some cases, a brief outline has been provided below, and page references are provided for additional information.

Board off-site

Each June, the Board and Executive Committee participate in a three-day programme, known as the "Board off-site", which takes place in a priority country setting and serves to improve Board effectiveness and strategic decision-making. The 2024 Board off-site was held in person in the Netherlands over three days. The event sought to deliver insights into business strategy and operations. It also incorporated a visit to one or more strategic assets and facilitated dialogue with the Netherlands country chair, employees, contractors, regional country chairs, and external stakeholders, including customers and suppliers.

The Netherlands is an important heartland for Shell. The Board and EC members conducted a deep dive into each of Shell's businesses in the country. Around this theme, the event provided for the following key discussion and engagement opportunities:

- visits to the Shell Energy and Chemicals Park Rotterdam and the Holland Hydrogen I construction site;
- engagements with staff; and
- discussions with global energy-geopolitical experts and engagement with the Prime Minister at that time.

Topic	Discussion/activity/updates included	Examples of outcome/progress	Stakeholders considered
Board leadership and company purpose			
External business environment	◦ Received updates on and discussed regional geopolitical issues and market outlook.	◦ Provided opportunity to ask questions on updates on geopolitical issues and market outlook. ◦ Considered feedback from investor community on quarterly financial performance, including business segment results.	A, B, C, D, E, F, G
Strategy	◦ Reviewed and discussed ETS24. ◦ Reviewed and discussed progress of strategy including management recommendations. ◦ Reviewed and discussed the materials and proposed communication for Capital Markets Day 2025 (CMD25). ◦ Directors participated in Board off-site strategy sessions. ◦ Reviewed and discussed the Group's Annual Operating Plan for 2025-2027 (OP24). ◦ Received metrics demonstrating Shell's delivery of CMD23 targets. ◦ Received updates pending the outcome of the Hague Court of Appeal's ruling in the Milieudefensie case.	◦ Alignment on outcomes from Board Off-site strategy sessions. ◦ Received an overview of the business, divestments, projected investments and opportunities. ◦ Approved OP24. ◦ Provided steer on draft CMD25 narrative and messaging.	A, B, C, D, E, F, G

A – investor community B – employees/workforce/pensioners C – regulators/governments D – NGOs/civil society stakeholders/academia/think tanks
E – communities F – customers G – suppliers/strategic partners

Topic	Discussion/activity/updates included	Examples of outcome/progress	Stakeholders considered
Board leadership and company purpose continued			
Climate	- Reviewed and discussed ETS24 metrics. - Discussed and engaged with various stakeholders on the development of ETS24. - Considered shareholder proposed resolutions for the 2024 Annual General Meeting. - Considered how carbon credits, divestments and potential investment opportunities contributed to meeting Shell's carbon reduction targets. - Considered the nature and extent of the broader climate change and energy transition risk across Board proposals and further considered the potential influence on the delivery of Shell's carbon reduction targets.	- Discussed and engaged with various stakeholders on the development of ETS24 and approved for ETS24 to be presented to shareholders for an advisory vote at the 2024 AGM. - Delivering alignment of divestment and investment opportunities with Shell's carbon reduction targets.	A, B, C, D, E, F, G
Culture			
Shell People Survey (2024 results)	In December 2024, the Board reviewed the results of the 2024 Shell People Survey.	Having recognised that the 2024 Shell People Survey results were an indicator of the organisation's health, the Board reflected on the role of people and culture in Shell's transformation.	B
Staff updates	- Received updates from management and Board Committees on organisational changes. - Engagement through various sources such as Shell People Survey results, talent information, conduct and culture risk dashboard, Chief Ethics and Compliance Officer Report, cultural information embedded in investment proposals.	- The Board was kept informed of health, safety and the environment with regard to Shell's staff and activities. - The Board considered the impact of the organisational changes during the year and steps to address Shell People Survey results.	B
Board staff engagements	- Directors participated in in-person staff engagements on site visits. - Received updates from management on staff achievements and outstanding contributions made by our people.	- Gained first-hand insight into the development and culture of operations and maintenance teams, as well as staff perspectives on other matters of interest to our people. - Received practical examples of ways in which staff members were exhibiting Shell's core values and contributing to society. - In addition to the Board off-site in the Netherlands in June 2024, some Board members visited Shell's businesses in Qatar and Oman at the beginning of 2024 and Brazil in April 2024. They engaged with members of staff and got to observe the strategy in action.	B

A – investor community B – employees/workforce/pensioners C – regulators/governments D – NGOs/civil society stakeholders/academia/think tanks
E – communities F – customers G – suppliers/strategic partners

Topic	Discussion/activity/updates included	Examples of outcome/progress	Stakeholders considered
Audit, risk and internal control			
Safety and environment	- Received regular updates from management on safety and environment performance. - Throughout the year, Directors shared reflections and insights on topics related to core values and safety. - Received regular updates from the SUSCO, including site visit reports and engagement with stakeholders.	- Provided with commentary and examples of how safety continues to be upheld as important by staff. - Gained perspective and brought diversity of thought to Board discussions by using learnings and insight gained outside Shell. - Provided with insights into the views and priorities of NGOs, communities and other stakeholders.	B, D, E, F, G
Risk management and internal control	- Reviewed reports on Shell's top risks, external and internal trends and emerging risks. - Provided regular updates on potential impact of external risk factors including geopolitical risk in the Middle East and CrowdStrike cyber incident.	- Considered the effectiveness of the risk management and internal control system. - Received regular updates on Shell's top risks, as well as several risk deep dives, and continued discussions on the risk appetite for these risks. - Received reports on the performance of the Group's cyber defences. - Reflected on progress regarding risk management and controls, pace and inherent risks to the digital transformation strategy, and enhancements to management of climate risk and disclosures.	A, E, F
Auditor appointments	- Received recommendation on reappointment of external auditors. - As part of the external audit tender, received recommendation from the Audit and Risk Committee on the appointment of external auditors for the financial year commencing January 1, 2026.	- Reappointment of external auditors submitted to shareholders for approval. - Approved Audit and Risk Committee recommendation for auditor appointment for the financial year commencing January 1, 2026.	
Composition, succession and evaluation			
Succession planning	Received recommendations from the NOMCO regarding succession plans and Board and committee composition.	- Kept regularly informed about succession planning arrangements. - Approved a recommendation from NOMCO that each Non-executive Director continues to be considered independent. - Please see the "Nomination and Succession Committee" section for further details.	A, B, D, E
Board and committee effectiveness reviews	- Conducted Board dynamics review in September 2024 which explored opportunities for the Board to further elevate its collective performance, noting strengths and opportunities to develop. - In January 2025, examined the Evaluation Report following a survey based on the requirements of the UK Corporate Governance Code facilitated digitally by the Company Secretary, on the effectiveness and performance of the Board, its Committees and the Chair.	- Concluded that throughout the year, the Board, its committees and the Chair continued to operate effectively. - Conducted the annual Board effectiveness review. - Please refer to the "Board evaluation" section for further details.	A, B, D, E, F, G
Board membership, other appointments	Reviewed Directors' tenure, external commitments, conflicts of interests, composition/membership of Board committees and appointments.	- Approved committee membership change, approach to conflicts of interest and appointments to the Board, following recommendations made by the NOMCO. - Approved a renewal of the Directors' terms and tenure, where relevant. - Please see the "Nomination and Succession Committee" section for further details.	A, B, D, E
Talent overview and senior succession review	Received updates on senior succession strategy.	Enhanced insight into Shell talent and future leaders, assurance of robust succession and contingency plans.	B

A – investor community B – employees/workforce/pensioners C – regulators/governments D – NGOs/civil society stakeholders/academia/think tanks
E – communities F – customers G – suppliers/strategic partners

Topic	Discussion/activity/updates included	Examples of outcome/progress	Stakeholders considered
Remuneration			
Remuneration and reward matters	Oversight of matters reviewed and considered by the REMCO.	Received regulatory, political and investor insights and updates relating to reward matters.	A, B, C
Governance matters			
Governance	- Provided with emerging corporate governance developments and updates relating to ethics and compliance matters. - Reviewed the Modern Slavery Act Statement and assurance, and considered other regulatory and legislative requirements. - Reviewed Matters Reserved for the Board and Board Committee Terms of Reference.	- Considered the impact of the 2024 UK Corporate Governance Code. - Approved a single Group Modern Slavery Act Statement for the Group. - Approved updates to the Committee Terms of Reference.	A, B, C, D, E, F
Ethics and Compliance	Reviewed the Chief Ethics and Compliance Officer's annual report.	Ethics and compliance remain forefront in Board considerations and decision-making.	A, B, C, D, E, F

A – investor community B – employees/workforce/pensioners C – regulators/governments D – NGOs/civil society stakeholders/academia/think tanks
E – communities F – customers G – suppliers/strategic partners

Director induction and training

After being appointed to the Board, Directors receive a comprehensive induction tailored to their individual needs. This normally includes site visits and meetings with senior management to enable them to build up a detailed understanding of Shell's business and strategy, and the key risks and issues that Shell faces. Existing Directors are also able to join these visits to keep abreast of business developments and progress. Onboarding will continue to be phased and prioritised based on forthcoming Board agenda items.

A digital onboarding book is provided to each new Non-executive Director. These onboarding books complement the existing digital Directors' Handbook and feature:

- Overviews of scheduled briefing meetings customised to the Non-executive Directors' needs and linked to upcoming Board agenda items;
- Hyperlinks to key Shell publications (external and internal);
- Lists of common Shell acronyms;
- Key current materials on:
 - Shell's safety and core values;
 - Board governance;
 - Group strategy and portfolio;
 - Key businesses and functions; and
 - Climate change and energy transition.
- Biographies of key executives;
- Other elements of the onboarding programme for Non-executive Directors include:
 - Briefing meetings with key executives (both business and functional) customised to Non-executive Directors' needs and phased based on forthcoming Board agenda items;
 - Pairing up new Non-executive Directors in onboarding briefings to optimise learning while also providing opportunities for collegial relationship-building and increasing efficiencies for the executives; and
 - Site visits (either specifically for onboarding or by inviting the new Directors to committees' site visits).

Understanding and engaging with our stakeholders

The Board values and recognises the importance of engagement with our stakeholders. Time is dedicated to listening to different stakeholder views and our commitment to stakeholder engagement is built upon the understanding that knowledge-sharing, widening of experiences and adopting a learner mindset will help us achieve our commercial, environmental and social objectives. The Board remains grateful for the engagement opportunities it has had, including the 2024 AGM.

The Directors have continued to consider stakeholders' views in Board discussions and decision-making, as described on pages 145-148. Engagement with our stakeholders also goes beyond the Board and is continuous. Our broader businesses regularly engage with stakeholders throughout the year, and in the build-up to or during many Shell projects, activities, acquisitions and divestments. This engagement is often governed by formulated policies, control frameworks, regulation and legislation. It may differ by region.

Site visits

The Chair, certain Board committees and Non-executive Directors traditionally visit several Shell operations and overseas offices in a given calendar year. The objective of these visits is to provide the Directors with local context and deepen their understanding in the following ways, where relevant:

- provide insights into asset operations and portfolio positions;
- opportunity to engage directly with stakeholders, including staff, business partners, communities;
- improve the Board's oversight of top risks; and
- assess the Company's culture first-hand.

Visits provide a good opportunity for Board members to engage with each other. For further information in relation to site visits, see "Board Activities" on pages 161-164.

Shareholders

The Chair, the Deputy Chair, the CEO, the CFO and the Executive Vice President Investor Relations and Strategic Planning each meet regularly with major shareholders and report the views of such shareholders to the Board. Committee chairs also seek engagement with shareholders on significant matters related to their areas of responsibility. During the year, Sir Andrew Mackenzie, in his capacity as Chair, met with more than 50 major shareholders, including during four days of roadshows. A variety of topics were discussed with the Chair, including performance, capital discipline and simplification of Shell; governance and Board priorities; and the Company's role in the energy transition. In the early part of the year, the REMCO Chair met with more than 25 shareholders and discussed 2023 pay outcomes and implementation of the shareholder-approved Remuneration Policy for 2024 ahead of the 2024 AGM.

Shareholders can contact Shell directly via the "Contact us" section of the Shell website. This allows investors' questions to be directed to the appropriate Shell team that can assist. The Shell website also provides contact details for our Registrar, Equiniti, shareholder queries, our media team, requests for copies of the Annual Report, and general customer enquiries.

The Company's Registrar operates an internet access facility for registered shareholders, providing details of their shareholdings. Facilities are also provided for shareholders to lodge proxy appointments electronically. The Corporate Nominee service, facilitated by Equiniti, provides a facility for investors to hold their shares in the Company in paperless form.

Shareholder engagement on AGM resolutions

At the 2024 AGM, shareholders voted on two climate-related resolutions: (i) Resolution 22, which was an advisory vote on Shell's Energy Transition Update – shareholders showed strong endorsement, with 78% of shareholders who voted casting votes in favour; and (ii) Resolution 23, a shareholder resolution, submitted by an organisation called Follow This on behalf of a small group of shareholders. The resolution from Follow This was similar to their 2023 submission, which was also rejected by shareholders, as its variations have been every year since first being submitted in 2016. The resolution urged Shell to: "align its medium-term emissions reduction targets covering the greenhouse gas (GHG) emissions of the use of its energy products (Scope 3) with the goal of the Paris Climate Agreement: to limit global warming to well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 °C". We remain committed to constructive engagement with our shareholders, and we believe our climate targets are aligned with the more ambitious goal of the Paris Agreement. The Board did not consider the proposal from Follow This to be in the best interest of the Company, its shareholders as a whole, its customers, and the climate. Resolution 23 received support from 19% of shareholders who voted. Shell is aware that some shareholders voted in support of both Resolutions 22 and 23, despite their conflicting content.

In 2024, the Chair, CEO and CFO hosted meetings with some of our large shareholders. These meetings covered many topics. We recognise and value the importance of stakeholder engagement when considering our energy transition progress. The Board is grateful for the time and contribution of all those stakeholders who provided feedback, and for the overall indications of support for Shell's strategy.

Following the AGM, we engaged with our largest shareholders offering further opportunities to discuss Shell's energy transition strategy and to understand the reasons behind various voting decisions. The Chair subsequently had an opportunity to engage directly with our large institutional shareholders during his roadshow in September 2024.

These discussions have highlighted that some shareholders have outlined societal pressure influencing media coverage and expectations from beneficial owners as reasons for not aligning with the Board recommendation. Others raised questions related to our intention to grow our LNG portfolio, using an LNG volumetric target as an energy transition indicator in the 2024 scorecard, the changes made to our Net Carbon Intensity (NCI) targets, and a new absolute Scope 3 ambition covering oil products.

This feedback was added to the ongoing internal considerations of the Company's climate targets and ambition, along with the outcome of the Milieudéfensie Hague Court of Appeal hearing, Shell's strategy, progress since Capital Markets Day 2023, and the commitments that Shell had made within its energy transition strategy.

Engagements in 2024

Information on engagements the Board has held during the year is summarised below. Information on engagement with other stakeholders including the workforce is provided on pages 167-168. The way in which stakeholder interests were considered in principal decision-making by the Board in 2024 (Section 172 statement) can be found on pages 145-148.

Engagement before event	Event/activity	Director attendance	Outcome/insight
Remuneration roadshow – first-quarter 2024 engagement			
Engagement was undertaken before the meetings so that the Directors were provided with understanding and insight on particular topics of interest.	In March 2024, Neil Carson, Chair of the REMCO, presented the 2023 remuneration outcomes and 2024 remuneration plans to investors. The presentation included summaries on: - reflections on the Company's financial performance, portfolio, and strategic delivery; 2023 remuneration outcome; - Implementation of the shareholder-approved Remuneration Policy for 2024, including impact of ETS24; and - forward-looking agenda.	REMCO Chair	Shareholders were provided with context and an explanation of the REMCO deliberations in arriving at the 2023 pay outcomes and setting the pay framework for 2024. They had the opportunity to ask questions and provide feedback.
Annual ESG update 2024			
Discussion with the Chair of the Board to ensure that key topics would be covered.	This annual engagement took place in March 2024 in London with investors. It included an update on ESG matters of significance, including Shell's 2024 Energy Transition Strategy.	CEO and CFO	Any questions requiring follow-up were addressed outside the presentations. In some cases, follow-up meetings were held with stakeholders and the Chair of the Board.
2024 AGM			
Directors engaged with investors ahead of the event on a number of matters, including those being voted on at the AGM.	As well as the Company giving a balanced report of results and progress at the AGM, shareholders had an opportunity to ask questions in person, via the digital AGM platform, telephone, or submit questions via the Q&A desk outside of the auditorium.	Board	A number of additional engagements including follow-up meetings and answering of queries.
Chair roadshow			
The Chair of the Board engaged with more than 50 large institutional investors during two roadshows in April and September 2024.	The Chair of the Board provided an update on the governance of Shell and gave key investors opportunities to ask questions. Key topics included governance, remuneration, energy transition and business outlook.	Chair	Provided the Chair with an opportunity to listen to key institutional shareholders and to provide Board perspective on topics such as governance, energy transition, business and management performance.
Director visits			
Discussions were held with the respective Directors ahead of the visit to formulate the agenda and encourage a natural, open dialogue in the group sessions.	In June 2024, the Board and Executive Committee visited the Netherlands. More information on this visit can be found on page 161. Two additional Board visits took place in 2024: to Qatar and Oman in January and to Brazil in April. The Chair attended both trips and was accompanied by a sub-set of the Board including representatives of both the Audit and Risk Committee and the Sustainability Committee. The visit programme focused on general Board-related matters plus areas of particular importance to both committees. The Chair also visited Brasilia, and met with the British Ambassador, Minister of Finance and Vice-President of Brazil/Minister for Development, Industry and Trade. In October, the Chair visited China to deliver an energy lecture to Tsinghua University School of Economics and Management, to participate in the School of Economics and Management's Advisory Board, and to present to the finalists of the Shell Eco-marathon. More information on these visits can be found on page 167.	Directors	The Board gained an insight into the development and culture of the operations and maintenance teams. The use and impact of digitalisation tools were highlighted, and the future environmental capabilities of the sites were discussed.

Workforce engagement

As with all the UK Corporate Governance Code's provisions, boards must consider the size and structure of their business, including its international scope, and select an approach to engaging with the workforce that most practically delivers the underlying spirit and ambition of the Code.

The Code states that its use of the term "workforce" is not meant to align with legal definitions of workforce, employee, worker or similar terms. But for a global organisation bound by the laws of more than 70 countries, blurring the clearly prescribed legal definitions that affect complex issues (such as local health, safety, security and environment (HSSE) requirements, work contract terms, legal accountability, employment rights) or merging two definitions of the same term could have a notable impact on the business, its operations and its stakeholder relationships (including with suppliers). As a result, Shell considers its workforce to be employees of companies in the Shell Group. The Board also engages with others outside this group (for example, on site visits), and some of this engagement is shared on page 165.

Although our reporting and formal engagement focuses predominantly on our employees, all individuals working on Shell sites (including Shell offices) are required to undertake certain Shell training (for example, on matters relating to HSSE and the Code of Conduct). Adhering to the Life-Saving Rules and the Code of Conduct compliance obligations is included within our contracts with suppliers. Shell employees, contractors and third parties with whom Shell has a business relationship can report any potential breaches of the Code of Conduct confidentially through several channels, including anonymously through a global helpline operated by an independent provider.

For many years, Shell has recognised the importance of engaging with its workforce. Engagement is especially important in maintaining strong business delivery in volatile times of change. We strive to maintain a dialogue between management and our workforce – both directly and, where appropriate, engagements take place with union and employee representatives at asset and country level, as well as with the Shell European Works Council. Management regularly engages with the workforce through elected employee representatives and a range of formal and informal channels. These channels include webcasts and all-employee messages from the Chief Executive Officer (CEO) and other senior leaders, as well as town halls, team meetings, site visits by the Board and EC, internal social platforms and online publications via our intranet.

The Board considers effective engagement a key element of its understanding of the Company's ability to create value, because it recognises that our people are our greatest asset. Workforce views can help inform the Board on matters such as operational effectiveness, Shell culture, diversity, equity and inclusion, identifying risk and opportunity, and developing and delivering strategy. We believe these engagements enable Shell to maintain a constructive employee and industrial relations environment.

The Board considers the current workforce engagement approach to be effective, and feedback from employees indicates that they too find the interactions valuable and worthwhile. The information provided in the following table gives examples of various methods of Board engagement.

Board's direct engagements with the workforce

Informal engagement – Board

NOMCO members met with various senior leaders and high-potential individuals throughout the year.

Off-site visits

Workforce engagements during Board and/or meetings off-site.

Meeting talent/leadership teams.

The Chair undertaking staff engagement sessions.

Through these more formal engagements, the Chair and other Non-executive Directors (either individually or in groups) have deepened their understanding of how the Company's purpose, strategy and values are embedded in particular businesses, sites and countries. This continues to give insight into progress made, risks and opportunities. The benefits are mutual. The Board obtains direct insight into local business operations and projects, and local strengths and challenges. Our people have a chance to better understand the Board and to provide direct feedback on topics of importance to them, their business or function and their location.

Shell Qatar

In Qatar, the group had discussions on how the business is optimising value through integration and efficiencies, followed by a visit to the Pearl GTL gas-to-liquids plant and the LNG North Field Expansion Project. While the Chair participated in a staff engagement session, the rest of the group visited the Qatar Shell Research Centre. There was a dinner with the extended leadership team of Qatar Shell, and a lunch with the Minister for Energy and senior leaders in QatarEnergy.

Shell Oman

In Oman, the programme entailed deep dives on business strategy, opportunities and risks, diversity, equity and inclusion (DE&I), and social performance. It also incorporated a site visit to the Block 10 oil-producing field, a dinner with the Minister for Energy, and an informal evening with staff.

Shell Brazil

The Brazil programme started in Rio de Janeiro, home to Shell Brasil's head office and where the upstream business in-country operates from. Here the Board members engaged in a roundtable of approximately 10 senior external stakeholders including former senior government officials and thought leaders. While the Chair had a staff engagement session, other Board members met DE&I network leads. Board members then travelled to Sao Paulo to meet with leaders and staff of the Raízen biofuels joint venture for discussions on business opportunities and risks, the potential for biofuels in Brazil and globally, and sustainability considerations.

The programme concluded with a visit to the Bomfim Advanced Biofuels and Renewable Natural Gas Plant and adjacent sugar-cane plantations to hear first-hand about the agricultural activities, technology, challenges and opportunities.

Shell Netherlands

The Board and Executive Committee (EC) visited the Netherlands over three days in June for their annual off-site visit and Board meeting. The visit provided significant opportunities for workforce engagement on our strategy and the energy transition.

Over the three days, the Board and EC engaged with the workforce in a range of different ways, including business briefings covering Shell's integrated value chain in north-west Europe, the mobility business in the Netherlands, the Upstream business in the Netherlands, and how Shell is applying digital innovation to support decision-making and deliver value. They had lunch with 60 staff members from various functions, including those active in DE&I networks, and dinner with 24 members of the leadership team in the Netherlands. As referenced in our Board activities section on page 161, the Board and EC also visited the Shell Energy and Chemicals Park Rotterdam and the Holland Hydrogen I construction site. Here the Board and EC engaged in site interactions and lunch with staff at both sites.

Shell China

In October 2024, the Chair visited China to deliver an energy lecture to Tsinghua University School of Economics and Management, to participate in the School of Economics and Management's Advisory Board, and to present to the finalists of the Shell Eco-marathon, followed by dinner.

Formal reports and information updates to the Board

Shell People Survey

Through the results of the Shell People Survey (an anonymous survey, facilitated externally), the Board was provided with an update on employee engagement levels, and the quality and resilience of leadership across Shell's workforce. The Board was informed of a broad range of subjects, including principal metrics, with particular focus on rewards, working conditions, workload and reputation.

The Board considers the Shell People Survey to be one of its key tools for measuring employee engagement, motivation, affiliation and commitment to Shell. It provides insights into employee views and has a consistently high response rate. In 2024, the response rate was 86%, down 2% from 2023. The Board also considers this engagement to understand, for example, how Shell is using the survey outcomes in: i) data analytics, for example, to identify potential correlative relationships between employee engagement and safety or ethics and compliance incidents; and ii) strengthening Company culture and values. See also "Powering lives" section on page 117.

Senior Succession and Resourcing Review

The annual Senior Succession and Resourcing Review focused on the strength of senior leadership and plans for its development and succession, while highlighting the breadth, depth and diversity of its pipeline, the developing profile of the leadership cadre, and recruitment and attrition levels.

The Senior Succession and Resourcing Review also highlighted the effectiveness of succession planning, the impact of its associated execution, and the data-driven, integrated approach to leadership and leadership development. The review continues to focus on proactive management of Shell's talent pipeline, and on advancing Shell's diversity agenda with increased attention on gender, race and ethnicity, LGBT+ and disabilities.

Assessment of key trends and material incidents

Presented by the Chief Ethics and Compliance Officer. This is based on the established channels for staff and others to file complaints or report on suspected breaches in relation to the Shell General Business Principles (SGBP), the Code of Conduct or any breaches of laws or regulations, including accounting control and auditing concerns.

The assessment covers Shell employees and our wider stakeholder base. The Board (also via the ARC) obtains insight into incidents and reporting levels and remediation. These provide indicators of conduct risks and, together with the related Board reports noted below, suggest the strength of embedding and awareness of the Code of Conduct and SGBP obligations and employees' comfort levels in raising incidents.

Risks

The Board reviewed reports on Shell's top risks, external and internal trends and emerging risks.

Organisational culture

The Board has continued its discussion on the strategy, including powering lives. The Board also focused on diversity, equity and inclusion ambitions.

Chief Ethics and Compliance Officer Report

Data and insights include information from the Global Helpline, the Shell Ethics and Compliance organisation and the Shell People Survey.

The ARC is kept updated when matters highlighted through the Global Helpline are investigated. The ARC is also informed about the associated remediation. See "Audit and Risk Committee Report" on page 176-187.

Assurance activities

Assurance activities, including items raised by businesses and functions (through the Group Assurance Letters process) and assurance (from Internal Audit, HSSE, Ethics and Compliance, Reserves Assurance and Reporting, Financial and Non-Financial Reporting), provide additional evidence to the Board of the commitment to high standards of risk management and internal control. The assurance activities ensure that work can be done safely, within regulatory frameworks.

The information provided within these reports further supports the Board's annual review of the effectiveness of the Group's system of risk management and internal control, and feeds into the Group scorecard, against which staff bonuses are calculated.

The Shell Performance Framework

Significant HSSE, Ethics and Compliance, and more broadly, business control incidents are brought to the attention of senior management, the Board, and, as appropriate, the Board Committees, through regular reporting.

During these discussions, the Board seeks to learn more from incidents and ensure that the business continues to drive safety performance.

Board evaluation

The 2024 Board evaluation was facilitated internally, led by the NOMCO and managed by the Company Secretary.



[A] Separate reports were provided for the non-executive Directors and the Executive Committee. The reports in relation to the ABC, NOMCO, SUSCO and REMCO were used by the respective committees chairs.

Board review process

The 2024 Board evaluation process comprised:

(a) Board Dynamics review

The review, which took place in September 2024, was structured to reflect on the current state of Board practices, focusing on opportunities for the Board to further elevate its collective performance, noting where there are strengths as well as opportunities to develop. The review, supported by the Chief Human Resources Officer and the Company Secretary, involved one-to-one discussions between the Chair and each Non-executive Director as well as plenary discussions with the Board and Executive Committee. A number of key themes and focus areas were identified as part of the review, including: (i) preparing for the next phase of key strategic decision points for the Company; (ii) deepening the Board's relationship with non-Board members of the Executive Committee; (iii) balancing how the Board continues to best act as a collective, while recognising the strengths and diversity of individual members needed to maximise performance; and (iv) continuing to sharpen the onboarding process. A number of actions to address these findings are under way.

(b) Internally facilitated questionnaire-based Board and Committee evaluation

Taking into account the structure and output from the 2024 Board Dynamics review, it was recommended that NOMCO conduct an in-house review (similar to the 2023 process). The form of the questionnaires were appropriately adjusted to reflect the output from the Board Dynamics review and Board members responded to those questionnaires, which were shared at the end of 2024, with results discussed at the January 2025 Board and committee meetings. Separate questionnaires were produced for the evaluation of the Chair, and the Board committees. In addition, the Chair held separate one-to-one discussions with each of the Non-executive Directors to assess their individual performance during the year. To broaden the inputs into the evaluation process, members of the EC participated in the evaluation process, also completing questionnaires relating to their attendance at Board meetings. The Company Secretary produced a feedback summary providing recommendations to the Directors. This report was shared with the Chair, NOMCO and subsequently all Board members.

Insight

The feedback from Board Directors was positive throughout their responses to the evaluation. Views were provided on a number of topics including: composition and diversity; skills, capabilities and competencies; engagement with, and/or challenge of, management; atmosphere in the room; management of meetings; the support the Board and Board committees receive; strategic focus; oversight of risk and risk management; stakeholder engagement; and any priorities for 2025.

Board dynamics

Noting also the Board Dynamics review, the Non-Executive Directors' support and challenge of management rated well, with the Non-Executive Directors welcoming extra informal time with the EC as planned for future meetings.

Board oversight

The Board's oversight in framing and setting the Group's strategy rated highly, as did the Board's understanding of the capacity of the Group to deliver and its monitoring of external developments. Strategy was identified as a continued area of focus for 2025. The Board's oversight of risk and risk management rated highly, with risk appetite and risk mitigation continuing to be a priority. The Board's oversight of the development of senior talent and success planning rated highly, with the process considered to be well organised.

Management of meetings

Themes included continued: (i) focus on interaction between Non-executive Directors and EC members to more fully leverage the skills of individual Non-executive Directors as appropriate outside of the formal Board setting; and (ii) engagement with external speakers to bring diverse and external perspectives into the boardroom on key issues facing Shell.

Overall, the Board was found to be functioning well, with a high level of commitment from both the Non-executive and Executive Directors. There are good personal relationships, amid a collegial spirit, with a high degree of mutual respect. Directors are able to share opinions and offer guidance and feel that they are heard. The agenda has been broad and the committees have complemented the Board agenda to ensure that the Board has covered the areas viewed to be key.

Feedback themes for the committees

The committees were considered to be well chaired and well operated and received excellent input from senior management. All committee reviews provided focus on meeting management and effectiveness, oversight, and performance improvement opportunities. Each committee analysed topics specific to their respective forum. The committees also provided feedback on the implementation of recommendations from the 2023 evaluation process.

Chair evaluation

The Deputy Chair communicated feedback to the Chair, who was considered to have built and maintained strong relationships with the Executive and Non-executive Directors. He was also thought to communicate well, be constructive and open at all times, encouraging all Board members to make a full contribution to discussions. References to his accessibility and openness to input from others were made and these are valued across the Board.

Delivery against the 2024 ambitions

The Board continued to focus on being a well-functioning Board and spent additional time on strategic matters, including with respect to the implementation of ETS24 and the continued delivery on CMD23, focusing on shareholder value and operating expenditure efficiencies. With respect to risk oversight, the Board continued to optimise the work of both the Board and the Audit and Risk Committee on risk-related matters.

Planned enhancements for 2025

The 2024 Board evaluation provided areas of focus or priorities for 2025, including: (i) CMD25 and longer-term strategy; (ii) continued Non-executive Director engagement with members of the EC outside the formal Board setting; and (iii) continued engagement with external speakers to bring diverse and external perspectives to the boardroom on key issues facing Shell. Other items identified which are already being progressed in 2025 include enhancement of Board skills and capabilities; further focus on risk appetite and risk mitigation; and continued improvement to pre-read materials.

Statement of compliance with the UK Corporate Governance Code

The Board confirms that, throughout the year, the Company has applied the principles, both in spirit and in form, and complied with the provisions set out in the current UK Corporate Governance Code issued by the Financial Reporting Council (FRC) in July 2018 (the "Code"), with the exception of Provision 5 noted below. In January 2024, the FRC published a new version of the UK Corporate Governance Code, which will apply to the 2025 Annual Report. A copy of the Code can be found on the FRC's website: [frc.org.uk](https://www.frc.org.uk).

Shell's governance arrangements have been considered alongside the Code. The information set out in the Directors' Report, including the Board committee reports on pages 171-190, is intended to provide an explanation of how the Code's principles were applied practically throughout the year. We also provide clear and meaningful explanation below where we believe stakeholders may benefit from more specific information on a particular Code provision.

Workforce engagement (Provision 5)

The size and diversity of our employee base and wider workforce have complicated the feasibility of implementing any of the three specific workforce engagement methods recommended in the Code. The Board believes that its current approach to workforce engagement continues to be pragmatic and effective, particularly when considered against the required coverage needed for a global organisation, such as Shell. Elsewhere in this Annual Report, we explain how our people are essential to the successful delivery of the Shell strategy, and how the Board recognises the importance of understanding their views through engagement. During the year, the Board and individual Directors were able to visit our sites across the world, which helped the Board engage with parts of the workforce and gain insight into the work, culture and impact of Shell in communities. During these engagements, there were opportunities for the Board to speak with our stakeholders and obtain feedback. The Board also intends to keep the effectiveness of the engagements under review. Stakeholder engagement also continues to be enhanced in management reporting.

More information on the current approach and a description of the channels used by the Board, its committees and the Executive Committee are outlined in "Workforce engagement" on pages 167-168.

AGM voting (Provision 4)

At the 2024 AGM, 21.97% of shareholders who voted voted against a resolution proposed by the Board which related to the approach Shell was taking with regard to its energy transition strategy. Provision 4 of the Code requires certain actions to be undertaken if 20% or more of shareholders vote in a way which is different to what the Board recommended. There are three stages to these actions. First, explain when announcing the voting results what actions the Company intends to take to consult shareholders to understand the reasons behind the voting result. Shell included this explanation with its voting results, published on May 21, 2024. Second, an update on the engagement with shareholders should be published no later than six months after the shareholder meeting. This statement was added to the Shell website on November 1, 2024. Third, a final summary of the engagement and the actions taken should be included within the Annual Report. This information is provided on page 165.

Corporate governance requirements outside the UK

In addition to complying with applicable corporate governance requirements in the UK, the Company complies with the rules of Euronext Amsterdam and Dutch securities laws because of its listing on that exchange. The Company, likewise, adheres to US securities laws and the New York Stock Exchange (NYSE) rules and regulations because its securities are registered in the USA and listed on the NYSE.

Nomination and Succession Committee

Focus areas for 2024

- Non-executive Director and Executive Committee succession.
- In-depth Board Dynamics review, as part of annual Board and Committee evaluation, to accelerate effectiveness.
- Continued talent engagements with key staff and succession candidates.

Priorities for 2025

- Non-executive Director and Executive Committee succession.
- Continued talent engagements with key staff and succession candidates.
- Externally facilitated Board and committee evaluation.



Sir Andrew Mackenzie
Chair of the Nomination and Succession Committee

Committee membership and attendance for 2024



Sir Andrew Mackenzie



Dick Boer



Ann Godbehere

Committee member	Member since	Meetings attended	% of meetings attended
Sir Andrew Mackenzie (Chair of the Committee)	October 1, 2020	4/4	100%
Dick Boer	May 19, 2021	4/4	100%
Ann Godbehere	October 27, 2021	4/4	100%

Purpose

The Nomination and Succession Committee (the "NOMCO") leads the process for appointments to the Board and Senior Management [A] positions, ensures plans are in place for orderly, well-planned succession, and oversees the development of a diverse succession pipeline of candidates. It also reviews the Company's policy, targets and strategy on diversity, equity and inclusion (DE&I), and monitors the effectiveness of these initiatives. It makes recommendations to the Board on corporate governance guidelines, as referred to in the Chair's introduction.

[A] In this section of the report, "Senior Management" refers to the Executive Committee and the Company Secretary, as defined by the UK Corporate Governance Code.

Talent management and succession

The NOMCO is fully engaged with the end-to-end talent management and senior succession planning approach that is deployed within Shell. It plays a key role in senior succession and resourcing. Retaining in-depth knowledge of the individuals within the talent pipeline is a NOMCO priority. The NOMCO makes time to personally meet and engage with numerous individuals within the pipeline. The NOMCO's oversight and input extend from recruitment to leadership identification and from leadership development to leadership appointment, all of which are underpinned by clearly articulated talent priorities and a commitment to advancing DE&I across Shell.

The NOMCO manages Board and supports Senior Management succession under a structured, proactive methodology. The processes have clear and agreed selection principles for short-, medium- and long-term succession and are aligned with Shell's strategic priorities.

For Non-executive Director succession, the NOMCO continues to follow its Principles for the Strategic Composition of the Board, adding factors as they evolve. These principles include both quantitative and qualitative principles, considering:

- the overall aspired Board composition and diversity of age; gender; race; ethnicity; educational, social, geographical and professional backgrounds; skills; knowledge; and experience that align with the Company's strategy including among other criteria consideration of the skills and strengths needed for the energy transition; and
- the values, attitudes, and behaviours expected of Directors.

During the year, the Principles for the Strategic Composition of the Board were reviewed and updated. The NOMCO also focused on the future needs for the Board's composition, including size and tenure, skills and experience, and the DE&I requirements of the UK Listing Rules, FTSE Women Leaders and the Parker Review. The current size of the Board was considered to be appropriate, also taking account of Committee memberships. Greater flexibility around Non-executive tenure continues to be an area of focus. Although Shell does not publish its Principles for the Strategic Composition of the Board, its Board Diversity Policy (which was first published in March 2024) is available on the Company's website. This Policy highlights that Shell aims for a gender balance on the Board, with at least one senior Board position (Chair, CEO or CFO) held by a woman. In addition, Shell's target is to maintain the representation of both men and women at, or above, a minimum of 40% [B]. We believe that this allows Shell to be truly representative of all genders and gender identities and provides flexibility during periods of change. Further, Shell aims to maintain or exceed having at least one Board member from a minority ethnic background. For more details on the progress against these targets see page 174.

[B] These targets align with those set by the FCA under the UK Listing Rules, and all such targets on Board diversity remain subject to applicable equalities legislation, including the Equality Act 2010 (as amended from time to time) and its provisions on discrimination.

See "Other regulatory and statutory information" on page 219.

For Senior Management succession, the selection principles include process-specific elements, such as a clear and proactive approach to identifying and developing succession candidates. The principles also outline the long-term structured nature of the succession planning process. There is also strong focus on ensuring that the principles reflect the leadership qualities required for future business success and that they advance the progress of diversity in all its forms.

Senior Management principles feature in the NOMCO's review of the succession plans which occurs in every committee meeting. Using the principles, the NOMCO implements any changes through a well-defined and diligent process with overall Board engagement. The NOMCO agrees on candidate profiles and meets prospective candidates well ahead of any selection decision being necessary. It also engages the Board early in the process to ensure all Directors have an opportunity to meet and assess prospective candidates. Consequently, some of the leaders with whom the NOMCO and Board engaged extensively in the past became or are about to become members of the Board (Wael Sawan and Sinead Gorman) or the Executive Committee (most recently, Andrew Smith, Machteld de Haan, Cedric Cremers and Peter Costello whose appointments are effective April 1, 2025).

During 2024, the NOMCO's annual in-depth look at the status and succession plans for Senior Management within Shell, along with the review of the talent pipeline in line with the business, was undertaken by the full Board. The Board reflected on the simplification of the senior leadership structure with clear accountabilities achieved in 2024 with a view to the further evolution of the composition of the total workforce and of the organisation's culture as an enabler for performance.

Diversity of leadership

The NOMCO recognises that continuing to improve all types of diversity at each level of the Shell Group is crucial. Shell aims to be an inclusive workplace where everyone feels valued and respected and has a strong sense of belonging. The NOMCO's review of diversity objectives and strategies for the Shell Group as a whole also monitors the impact of diversity and inclusion initiatives.

In February 2021, Shell published its aspirations for DE&I under the Powering lives goal, with a focus on four areas of gender, race and ethnicity, LGBT+ and disability inclusion. For more details on the progress against our ambitions for women hired and women in Senior Leadership, see pages 117-118.

"Senior Leadership" is a Shell-specific measure based on compensation grade levels. This is different from what we are required to report under the Code, which is female representation in Senior Management and their direct reports, where the percentage is 32%.

Nationality diversity, such as Asian and American talent, continues to be managed in accordance with the business outlook and we have a strong focus on progressing race and ethnic minority representation.

In line with the recommendations from the 2023 Parker Review, Shell has reviewed its ambitions for ethnic minority representation at the Senior Management level and aims for 15% Senior Management positions [C] to be occupied by ethnic minority executives by December 2027. As at the end of 2024, 15% of Shell's Senior Management identifies as being from an ethnic minority group.

[C] Senior Management here refers to senior leadership based in the UK and is a Shell measure based on compensation grade levels. We have moved to this Shell definition of Senior Management for 2024 onwards to align with our self-identification data collection and processes.

Although the NOMCO monitors Shell's organisational DE&I strategies and initiatives, it also holds itself accountable for the Board's own diversity and inclusion. Back in 2020, the Board's diverse composition met the Hampton Alexander requirements (now FTSE Women Leaders) and, in 2024, it met the Parker Reviews' objectives by reflecting 42% women representation with three Directors from a minority ethnic background. Shell's Board diversity is aligned with the targets set by UK Listing Rules. The position of CFO is held by a woman and three Directors are from a minority ethnic background.

See "Powering lives" on pages 117-119 for more information on DE&I in Shell.

The People Strategy and diversity, equity and inclusion

Diversity continued to be a key area of focus during the year. In 2024, Shell published a new Board Diversity Policy further to a recommendation by the NOMCO. The policy is aligned to the requirements of the UK Corporate Governance Code and includes our targets for Board diversity, as well as complementing Shell's wider diversity policies and embracing Shell's values, Code of Conduct and sustainability goals. Currently, this policy is not applied to the individual Committees, although we strive to apply diverse representation across the Committees. DE&I across Committee membership remains an ongoing consideration. A copy of the Board Diversity Policy is available on our website, [shell.com/investors/environmental-social-and-governance/board-of-directors](https://www.shell.com/investors/environmental-social-and-governance/board-of-directors).

In relation to Board director appointments and diversity, the NOMCO oversees the development of a diverse pipeline for succession to the Board and monitors that all Board appointments are subject to a formal, rigorous and transparent procedure and that such appointments are based on merit and objective criteria taking into account (among other things) factors such as diversity of gender, age, educational and professional background, social, ethnic and geographical background and cognitive and personal strengths.

To this end, the NOMCO is responsible for engaging an independent executive search consultant, who assists in preparing shortlists of candidates, co-ordinating interviews and seeking references. In accordance with the Board Diversity Policy, the NOMCO only engages with external search firms who are able to align with Shell's approach to DE&I in identifying suitable individuals from diverse pools of candidates.

Under the Board Diversity Policy, the Board commits to:

- Ensuring an inclusive environment: Through inclusive behaviours and practices, we aim to create an environment in which every Board member feels valued, respected and empowered to contribute fully.
- Ensuring support for External Best Practices: The Board endorses and supports external best practices, such as the FTSE Women Leaders Review, Parker Review and others, to maintain and enhance diversity within the Board.
- Ensuring that Board appointments are managed with rigour and transparency: Candidates are evaluated based on merit, skills, experience, qualifications, performance and business considerations, with due regard for diversity factors.
- Ensuring regular Board composition reviews: The Board regularly assesses the composition of the Board, including age, gender, race, ethnicity, educational, social, geographical and professional backgrounds, skills, knowledge and experience, making recommendations for necessary adjustments.

Shell has an inclusive Board environment, comprising individuals that are suitably qualified. They have the required skills, industry expertise, breadth of perspective and high-quality decision-making capabilities to support the strategy and overall direction of Shell.

See "The Board of Shell plc" on pages 152-156 for details about the skills and backgrounds of individual members.

From a gender perspective, the Board comprises five female directors and seven male directors, which equates to 42% female representation (2023: 42%, 2022: 55%). Two of the four main Board committees are chaired by a female director.

While the Board aspires to achieve gender parity, progress against diversity targets is sensitive to the size of the Board. In respect of other forms of diversity, three members of the Board self-identify as being from an ethnic minority background [D]. In accordance with the Board Diversity Policy, the Board firmly believes that diversity fosters a broader range of perspectives, resulting in improved Board effectiveness, decision-making and outcomes.

[D] Ethnic minority refers to an individual who self-identifies as Asian, Black, Mixed/multiple, or other ethnic minority group, in line with UK Office for National Statistics classifications

Committee activity

In addition to its considerations regarding succession, the NOMCO made recommendations on corporate governance guidelines, monitored compliance with corporate governance requirements and made recommendations on corporate governance-related disclosures.

The NOMCO continues to monitor and review this area, considering whether and how current Company governance matters should be strengthened. Further insight on some of the NOMCO's areas of consideration in 2024 is provided below.

Topic of discussion/example of Committee activity	
Succession [A]	
Recommendation	- Changes to the composition of the Board committees. - Appointment of Company Secretary.
Oversight	Shell diversity, equity and inclusion and the Board Diversity Policy.
Engagement	Talent engagements.
Topic of discussion/example of Committee activity	
Talent overview and senior succession review	
Shell Senior Succession and Resourcing Review covering Executive Director and EC succession, EC direct reports, the senior executive group and the overall talent pipeline	- Enhanced insight on Shell talent and future leaders. - Assurance of robust succession and contingency plans.

Topic of discussion/example of Committee activity	
Board membership and other appointments	
Directors' tenure, external commitments, conflicts of interest and succession planning	Non-executive Director appointments and changes to committee membership.
Topic of discussion/example of Committee activity	
Governance	
Regulation, legislation and other governance-related guidance	- Reviewed its Terms of Reference, and the Terms of Reference for other Board committees and the Matters Reserved for the Board. - Received corporate governance updates, including with respect to the UK Corporate Governance Code.
Shell plc matters	- Considered any potential conflicts of interest and the independence of the Non-executive Directors. - Reviewed additional external appointments requested by Directors, with specific focus on the time allocated to all commitments. - Determined the process for the 2024 Board Dynamics review and internal Board Evaluation (see page 169 for an overview of the process and the outcome of the evaluation).

[A] The NOMCO was assisted during 2024 by Russell Reynolds Associates ("Russell Reynolds") and, more recently, by Korn Ferry (UK) Limited ("Korn Ferry"), both of which are external global search companies whose main role was to propose suitable candidates. Neither Russell Reynolds nor Korn Ferry has any connection with the Company other than that of search consultants. The Chair does not participate in discussions regarding his own succession. Russell Reynolds and Korn Ferry are signatories to The Voluntary Code of Conduct for Executive Search Firms, which aims to improve board diversity.

Executive Committee succession

The NOMCO undertakes comprehensive engagement to understand who the candidates are for senior roles, what personally drives them and how they will ensure Shell achieves its strategic ambitions.

Succession for senior roles is planned well in advance and reviewed regularly. Succession planning is a crucial, ongoing consideration and not just an area of focus when an Executive Committee (EC) member change is anticipated. The Board oversees Shell's succession planning process in which selection is the final step of a rigorous, sophisticated and well-planned process.

For Executive Director and EC appointments, the NOMCO has set a structured process:

- Before any potential decision on resourcing, it explicitly describes the requirements of the role and the candidate profile.
- By working in a planned, consistent manner, last-minute surprises are avoided and well-considered decisions are made in line with evolving business requirements.
- It also plans for the unexpected and maintains a list of candidates capable of stepping into senior roles to provide cover if necessary.

The NOMCO spends time getting to know the candidates to ensure that the pipeline is robust, diverse and adaptive. The NOMCO ensures it has visibility of today's and tomorrow's leaders. Over the last few years, the NOMCO has met many leaders and had extensive engagements with each of them. Some of these leaders now sit on the EC, others were appointed to the Board (Wael Sawan and Sinead Gorman).

The NOMCO engages across the executive talent pipeline to ensure it interacts with and becomes familiar with talent at different levels of the organisation; for example, on a regular basis informal engagements are held with employees from a range of businesses, functions and backgrounds prior to a Board meeting. Not only does this engagement support senior succession, it also provides a helpful element of the NOMCO's workforce engagement.

The Board is proud that candidates for the most senior leadership roles have primarily come from within the business, demonstrating that the leadership development and succession process remains effective.

Sustainability Committee

Focus areas for 2024

- Shell's sustainability progress.
- Respecting nature.
- Powering lives.
- Emerging non-financial risks.

Priorities for 2025

- Shell's sustainability performance.
- Respecting nature.
- Powering lives.
- Emerging non-financial risks with a focus on nature and social elements.

Purpose

The roles and responsibilities of the Sustainability Committee (the "SUSCO") are set out in its Terms of Reference, which were last reviewed and revised in December 2024. A copy is available on shell.com.

The updated Terms of Reference revise the SUSCO's Purpose to assist the Board of Directors in fulfilling its responsibilities by reviewing the performance of Shell with respect to sustainability, reviewing and monitoring relevant emerging trends including regulatory developments in sustainability, and reviewing and monitoring the non-financial elements of Shell's strategy, with a focus on nature and social elements.

"The SUSCO focused on Shell's sustainability progress in 2024, with particular attention to Respecting nature and Powering lives."



Catherine J. Hughes
Chair of the Sustainability Committee

Committee membership and attendance for 2024



Catherine J. Hughes



Neil Carson OBE



Bram Schot



Jane Holl Lute



Leena Srivastava

Committee member	Member since	Meetings attended	% of meetings attended
Catherine J. Hughes (Chair)	November 1, 2017	4/4	100%
Neil Carson OBE	June 1, 2019	4/4	100%
Bram Schot	October 1, 2020	4/4	100%
Jane Holl Lute	May 24, 2022	4/4	100%
Leena Srivastava	March 13, 2023	4/4	100%

Overview

The SUSCO meets regularly to review performance on sustainability with focus on Respecting nature and Powering lives.

The SUSCO also reviews selected sustainability topics and matters of public concern and helps the Board review existing and emerging impacts, risks and opportunities including regulatory developments.

As directed by the Board, the SUSCO may also review environmental, social and governance (ESG) and safety matters in more detail.

The SUSCO also reviews and considers external stakeholder perspectives on sustainability issues of relevance to the Group's business.

In line with the strategic importance of the SUSCO's agenda, the Chair of the Board and the CFO attend committee meetings.

Activities

During 2024, the SUSCO reviewed the progress made on sustainability including progress on Respecting nature and Powering lives.

The sustainability topics and matters of public concern considered in particular depth by the committee included biodiversity, nature-based solutions and methane emissions.

The SUSCO provided input to Shell's annual reporting and disclosures on sustainability. The SUSCO Chair held meetings during the year with senior leaders to discuss specific topics.

Site visits

In 2024, members of the SUSCO visited Brazil, Qatar and Oman as part of Board site visits. These visits deepen directors' understanding of how the Company's strategy is being implemented. Members of the SUSCO give particular attention to sustainability topics during these visits. See Board activities on pages 161-164 for further information in relation to Board site visits.

Audit and Risk Committee Report

Dear Shareholders,

I am pleased to present our Audit and Risk Committee (the ARC) Report for 2024.

The ARC assists the Board in fulfilling its oversight responsibilities in areas such as the integrity of financial reporting, the effectiveness of risk management and internal controls, as well as the consideration of ethics and compliance matters. We are responsible for assessing the quality of the audit performed by, and the independence and objectivity of, the external auditor. The ARC also makes a recommendation to the Board on the appointment or reappointment of the external auditor. In addition, we oversee the work and quality of the internal audit function.

Our work programme over the course of a year focuses on a variety of matters that involve a high degree of judgement and/or are significant to Shell's Consolidated Financial Statements. We review with management the sources of estimation uncertainty and other key assumptions against the backdrop of economic and market uncertainty and volatility, climate risk and the energy transition and evolving stakeholder expectations. In addition, we consider the robustness of the risk and internal control framework, results of internal control testing performed throughout the year, and remediation activities.

"The primary role of the ARC is to assist the Board in fulfilling its oversight responsibilities in areas such as the integrity of financial reporting, the effectiveness of risk management and internal controls, as well as the consideration of ethics and compliance matters."



Ann Godbehere
Chair of the Audit and Risk Committee

Topics addressed in 2024 included: deferred taxes and tax exposures; the impact on tax balances and disclosures as a result of windfall and minimum taxes around the world; significant portfolio developments; litigation; impairment trigger assessments; impairment charges and reversals; accounting for complex contracts; dividend distribution capacity; and mark-to-market derivatives accounting, including the impact of volatile gas and power markets.

We received briefings from the Chief Internal Auditor on the outcomes of significant audits and notable control matters. We also received briefings from the Chief Internal Auditor and the Executive Vice President (EVP) Controller on the effectiveness of Shell's risk management and internal control system.

The impacts of climate change and the energy transition continue to touch on many aspects of the ARC's work, including the financial statement impacts. The ARC also considered sustainability-related disclosures required in accordance with the Corporate Sustainability Reporting Directive (CSRD).

The ARC, recognising the evolving nature of climate change risks and responses, concluded that climate change has been appropriately considered by management in key judgements and estimates and agreed with the disclosure made by management.

As noted in last year's report, during 2023, the tender process for the appointment of the external auditor was commenced, with a view to reaching a conclusion during 2024. We completed the process during 2024 and the ARC recommended to the Board that EY be re-appointed as the Company's external auditor in respect of the financial year ending December 31, 2026. Further information with respect to this process is set out on page 186.

During 2024, the ARC received updates on the implementation of the Shell Performance Framework. Focus topics for 2024 included Trading and Supply; CSRD implementation, Shell's Carbon Management Framework, regulatory developments, for example in relation to UK corporate governance reforms, fraud and sustainability reporting regulations; information risk management, including cyber security; and pensions.

As part of its oversight of compliance with applicable legal and regulatory requirements, including monitoring ethics and compliance risks, the ARC discussed with the Group Chief Ethics and Compliance Officer activities undertaken in the ethics and compliance programme related to compliance with data privacy laws and regulations and artificial intelligence (AI), and steps taken to manage those risks.

In 2024, members of the ARC visited Oman, Qatar and Brazil as part of Board site visits. These site visits deepen directors' understanding of risks and opportunities, as well as their understanding of how the Company's strategy is being implemented. See "Understanding and engaging with our stakeholders" for further information in relation to Board site visits.

On a final note, the ARC recognises the strong commitment and dedication of the financial and non-financial reporting teams and would like to thank them for all their efforts during 2024.

Ann Godbehere
Chair of the Audit and Risk Committee
March 25, 2025

Focus areas for 2024

- External audit tender.
- Information risk management, including cyber security.
- CSRD implementation.
- Regulatory developments, including corporate governance reforms, fraud and sustainability reporting regulations.
- Trading and Supply.
- Carbon Management Framework.
- Pensions.

Priorities for 2025

- Trading and Supply.
- Regulatory developments, including corporate governance reforms, fraud and sustainability reporting regulations.
- Information risk management, including cyber security.
- Pensions.
- Treasury.

Committee membership and attendance for 2024



During 2024, the members and meeting attendance of the ARC were as follows:

Committee member	Member since	Meetings attended	% of meetings attended
Ann Godbehere (Chair)	May 23, 2018	6/6	100%
Dick Boer	May 20, 2020	6/6	100%
Cyrus Taraporevala	March 2, 2023	6/6	100%
Sir Charles Roxburgh	March 13, 2023	6/6	100%
Catherine J. Hughes	May 23, 2023	6/6	100%

[A] In addition to the six meetings, as part of its activities in 2024, the ARC held additional meetings in relation to the external audit tender process.

All ARC members are financially literate, independent Non-executive Directors. In respect of the year ended December 31, 2024, for the purposes of the UK Corporate Governance Code, Ann Godbehere qualifies as: a person with "recent and relevant financial experience" and competence in accounting, and, for the purposes of US securities laws, an "audit committee financial expert".

The experience of the ARC members outlined on pages 152-156 demonstrates that the ARC as a whole has competence relevant to the sector in which Shell operates, and the necessary commercial, regulatory, financial and audit expertise required to fulfil its responsibilities. The ARC members have gained further knowledge and experience of the sector as a result of their Board membership and through various in-person and virtual site visits since their respective appointments.

The ARC invites the CFO, the Legal Director, the Chief Internal Auditor, the EVP Controller, the Vice President Group Appraisal and Reporting and Deputy Controller and the external auditor to attend each meeting. The CEO, the Chair of the Board and the Company Secretary may also attend ARC meetings. Other members of management attend when requested on specific topics or to provide input on more detailed technical matters that may arise. The ARC regularly holds private sessions separately with the Chief Internal Auditor and the external auditor without members of management present (except for the Legal Director who may attend). Outside of the formal ARC meetings, the Chair of the ARC meets regularly with each of the following: the CFO, the EVP Controller, the Chief Internal Auditor and the external auditor.

Committee remit

The roles and responsibilities of the ARC are set out in its Terms of Reference and are reviewed annually (last reviewed and updated in December 2024, a copy of which can be found on shell.com). The key responsibilities of the ARC include, but are not limited to:

Risk management and internal control

- assisting the Board in reviewing the emerging, principal and other significant risks facing the Group;
- monitoring the effectiveness of the risk management and internal control framework; and
- reviewing proposed related party transactions as described within the Terms of Reference.

Financial reporting

- reviewing the integrity of the financial statements, including annual reports, half-year reports and quarterly financial statements;
- reviewing the potential impacts on the consolidated financial statements of the implementation of the Company's strategy, climate change and the energy transition;
- advising the Board whether, in the ARC's view, the Annual Report taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- reviewing and discussing with management the appropriateness of judgements involving the application of accounting principles and disclosure rules;
- providing oversight in respect of material non-financial reporting disclosures with respect to corporate sustainability as applicable to the Company's annual reports, half-yearly reports and quarterly results releases;
- reviewing management's assessment of going concern and longer-term viability; and
- reviewing, in conjunction with management, the Company's policies with respect to earnings releases, financial and non-financial performance information and earnings guidance provided to investors and financial markets.

Compliance and governance

- reviewing the functioning of the Shell Global Helpline and reports arising from its operation; and
- overseeing compliance with applicable legal and regulatory requirements, including monitoring ethics and compliance risks.

Internal audit

- monitoring the qualifications, expertise, resources and independence of the internal audit function;
- approving the internal audit function's charter and the annual internal audit plan to ensure alignment with the key risks of the business;
- reviewing with the Chief Internal Auditor, the Company's management and the external auditors any significant matters arising from internal audits and assessing management's response to internal audit findings and control weaknesses as appropriate, including potential improvements and agreed actions; and
- assessing internal audit's performance and effectiveness each year.

External audit

- reviewing and monitoring the independence and objectivity of the external auditor;
- considering the annual external audit plan and approving related remuneration, including fees for audit and non-audit services;
- assessing the performance and effectiveness of the external auditor and the audit process, including an assessment of the quality of the audit; and
- recommending to the Board that it put to the Company's shareholders for approval at the Annual General Meeting (AGM) a resolution to appoint, reappoint, or remove the external auditor.

The ARC's responsibilities as set out in its Terms of Reference form the basis of the ARC's annual work plan, which is adjusted as appropriate throughout the year. In addition, the ARC annually identifies certain business and function areas to focus on during that year. The focus areas generally encompass aspects of risk management and internal control, financial reporting and compliance. The ARC is authorised to seek any information it requires from management and external parties and to investigate issues or concerns as it deems appropriate. The ARC may also obtain independent professional advice at the Company's expense. No such independent advice was requested in 2024.

The ARC keeps the Board informed of its activities and recommendations, and the Chair of the ARC provides an update to the Board after every ARC meeting. The ARC discusses with the Board if it is not satisfied with or believes that action or improvement is required concerning any aspect of financial reporting, risk management and internal control, compliance or audit-related activities.

Focus areas for 2024

The ARC met with senior leaders from various business and function areas to discuss the adequacy, design and operational effectiveness of risk management and controls related to the critical activities carried out by their respective business or function. The discussions included information on any enhancements to strengthen controls and how areas identified for improvement had been addressed; the monitoring of activities around key risks; and the steps being taken to identify new or emerging areas of risk.

In addition to the significant accounting and reporting considerations discussed on pages 181-182, the business and function areas reviewed by the ARC in 2024 included the following:

- Shell Performance Framework – the ARC received updates on progress with the implementation of the Shell Performance Framework (SPF) following its introduction in July 2023. The ARC discussed with management how the SPF is being applied in practice, including simplification of standards and cultural change from a performance, discipline and simplification perspective.
- Trading and Supply (T&S) – the ARC was briefed in relation to the T&S organisational mandate, governance and oversight committees, including in relation to financial risk management and stress-testing. The ARC also received an update regarding process, data and transformation systems.
- CSRD implementation – the ARC received regular updates in relation to the additional disclosures required by the CSRD, including the challenges with the reporting, the double materiality assessment and assurance requirements.
- Regulatory developments – the ARC was briefed regularly regarding regulatory developments and their implications for Shell, including for example, in the UK, in relation to the 2024 Corporate Governance Code and the Economic Crime and Corporate Transparency Act 2023. In addition to CSRD, the ARC was briefed in relation to other UK, US and EU sustainability reporting developments.
- Pensions – the ARC received an overview of the pensions landscape, including the defined benefit landscape, and was updated in relation to the transfer of certain US pensions liabilities which was completed in January 2024 and proposals in relation to the Dutch pension arrangements.

Site visits

During the year, members of the ARC visited Oman, Qatar and Brazil as part of Board site visits. See "Understanding and engaging with our stakeholders" for further information in relation to Board site visits.

Risk management and internal control

The ARC assists the Board in reviewing the emerging, principal and other significant risks facing the Group and in fulfilling its responsibilities in relation to risk management and internal control. In order to monitor the effectiveness of the procedures for internal control over financial reporting, compliance and operational matters, the ARC reviews reports on risks, controls and assurance, including the annual assessment of the system of risk management and internal control. The ARC also reviews management's evaluation of the internal control of financial reporting as required under Section 404 of the Sarbanes-Oxley Act (SOX 404). The ARC updated the Board on compliance with internal controls across the Shell Group and on any major matters for which action or improvement was recommended.

Activities performed	Frequency
Risk management and internal control	
Review the emerging, principal and other significant risks facing the Group.	P
Review the policies and practices and monitor the effectiveness relating to Shell's risk management and internal control system.	P
Receive briefings on regulatory developments.	P
Review management's SOX 404 assessment.	P
Discuss significant matters arising from completed internal audits with the Chief Internal Auditor, management and the external auditors.	Q
Assess management's responses to significant audit findings, recommendations and notable control weaknesses, including potential improvements and agreed actions.	P
Review significant legal matters with Shell's Legal Director.	P
Review the oil and gas reserves control framework.	A
Review Shell's information risk management.	P
Review Shell's tax function, key tax risks and Shell's approach to the evolving area of tax transparency.	P

A = Annually Q = Quarterly P = Periodically

Throughout the year, the ARC and management discuss Shell's overall approach to risk management and internal control, including compliance, tax and information risk management matters and the adequacy of disclosure controls and procedures. The ARC receives regular reports from the EVP Controller on the status of actions to address control weaknesses identified via business control incidents and the trends in other measures used to monitor the robustness of the risk management framework and internal control systems.

The ARC is also briefed on litigation and other matters (see Note 32 to the "Consolidated Financial Statements" on pages 308-310 and "Other regulatory and statutory information" on page 222).

For 2024, reviews included overall assessment of the risk landscape, including controls, exception reporting and SIAI observations as well as deep dives on specific areas. The ARC also regularly reviews the status of management's SOX 404 testing of controls and remediation actions to address any identified weaknesses. The ARC and management also discussed the steps taken to maintain an effective control environment and to further demonstrate "management in control" during the year.

It is important that the ARC monitors and learns about relevant evolving external developments in a timely fashion. Accordingly, the ARC is regularly briefed on developments in the legal, regulatory and financial reporting landscape that could affect the Company.

In 2024, the ARC dedicated time to the following topics:

- Tax risks – In addition to the regular review of Shell's tax provisions, the ARC received updates regarding developments in the external tax landscape, including windfall and minimum taxes and how different jurisdictions are seeking to incentivise investment when entering new markets and businesses. Management outlined for the ARC the steps being taken to manage tax risks and exposures arising from differing viewpoints on complex tax laws.
- Information risk management, including cyber security – The ARC was briefed in relation to Shell's information risk management framework, against the backdrop of a deteriorating external threat environment and evolving global regulatory landscape, including SEC cyber-security disclosure rules.
- Oil and gas reserves control framework – The ARC annually reviews the framework that supports Shell's internal reporting and external disclosures of oil and gas reserves. The ARC also reviews the processes and controls that prevent and/or mitigate the risks of non-compliance with regulatory reporting requirements. This annual review of Shell's oil and gas reserves control framework supports the ARC's review of Shell's reported proved oil and gas reserves discussed later in this report.

In addition to the above, the ARC also had quarterly discussions with the Chief Internal Auditor regarding the Company's risk management and internal control system, significant matters arising from the internal audit assurance programme and management's response to internal audit findings and control weaknesses, including potential improvements and agreed actions.

The ARC similarly holds discussions with EY, the external auditor, on a quarterly basis regarding how risks to audit quality are addressed, key accounting and audit judgements, results from audit procedures and management's response to any significant audit findings and any material communications between EY and management.

Financial reporting

The ARC receives comprehensive reports from management and the external auditor on quarterly, half-yearly and annual financial reporting, accounting policies and areas of significant judgements and other reporting matters.

Activities performed	Frequency
Financial reporting	
Review Shell's accounting policies and practices, including compliance with accounting and reporting standards.	Q
Assess the appropriateness of key judgements and the interpretation and application of accounting principles.	Q
Review the potential impact on the consolidated financial statements of the implementation of the Company's strategy, climate change and the energy transition.	P
Consider the integrity of the year-end financial statements and recommend to the Board whether the audited financial statements should be included in the annual and statutory reports.	A
Consider the integrity of the half-year report and quarterly financial statements.	Q
Review management's assessment of going concern and longer-term viability.	Q
Review Shell's policies with respect to earnings releases; financial and non-financial performance information and earnings guidance; and significant financial reporting matters.	Q
Review Shell's policies with respect to oil and gas reserves accounting and reporting including the outcome of the oil and gas reserves booking/debooking process.	A
Review the internal controls for financial reporting.	P
Advise the Board of the ARC's view on whether, taken as a whole, the Annual Report is fair, balanced and understandable and provides the information necessary for shareholders to assess Shell's position and performance, business model and strategy.	A

A = Annually Q = Quarterly P = Periodically

The ARC reviewed the Company's 2024 quarterly unaudited interim financial statements, half-year report, Annual Report and Form 20-F with management and the external auditor.

Shell uses alternative performance measures (APMs) to provide greater insights into its financial and operating results. The ARC regularly considers the APMs used in Shell's reporting, the reconciliations to IFRS financial statements and explanations for changes from the previous quarter and year. The ARC reviews the overall presentation of APMs with management to ensure they are not given undue prominence. The ARC discusses adjusting items with management including any changes to methodology.

The APMs disclosed by Shell are subject to the same internal control process as applied for other financial reporting.

Fair, balanced and understandable assessment

The ARC advised the Board that in its view the 2024 Annual Report including the financial statements for the year ended December 31, 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess Shell's position and performance, business model and strategy (see "Other regulatory and statutory information" on page 223). To arrive at this conclusion, the ARC critically assessed drafts of the 2024 Annual Report including the financial statements and discussed with management the process undertaken to ensure that the relevant requirements were met. This process included: verifying that the contents of the 2024 Annual Report are consistent with the information shared with the Board during the year to support their assessment of Shell's position and performance; ensuring that consistent materiality thresholds are applied for favourable and unfavourable items; considering observations from the external auditor; and receiving assurance from the Executive Committee (EC).

Going concern and viability statement

The ARC reviewed the Directors' half-year and full-year statements with respect to the going concern basis of accounting. As noted in the viability statement, the Board reviews the strategic plan which takes account of longer-term forecasts and a wide range of outlooks. Key assumptions included: the impact of commodity prices; exchange rates; production levels, product demand and schedules of growth programmes; the financial framework; Shell's business portfolio developments including consideration of the impacts of various possible energy pathways and scenarios for changes in societal expectations in relation to climate change and Shell's commitment to the Paris Agreement goals; the project funnel to support future growth; and using severe but possible scenarios to run models of the financial impact if certain of Shell's principal risks materialised. The ARC considered the mitigating measures and sensitivities that management had applied to the modelling of scenarios when evaluating the viability statement. The ARC also considered the merits of extending the viability statement beyond a period of three years and concluded that the three-year period selected by the Board for the review of Shell's prospects, in line with the Operating Plan, remained appropriate. Particularly noting that assumptions do go well beyond the three-year period and do take into account climate change and energy transition, the ARC supported the going concern basis of accounting and the inclusion of Shell's viability statement in "Other regulatory and statutory information" on page 217. The ARC considered such statement to be in line with best practice guidance issued by the Financial Reporting Council (FRC).

Financial Reporting

continued

Significant accounting and reporting considerations

The ARC assessed the following significant accounting and reporting areas, including those related to Shell's 2024 Consolidated Financial Statements. The ARC was satisfied with how each of the areas below was addressed. As part of this assessment, the ARC received reports, requested and received clarifications from management, and sought assurance and received input from the internal and external auditors.

Issue	Committee activity and outcome
Climate change and energy transition	
Risks related to climate change and the energy transition are regularly monitored to ensure impacts are reflected within Shell's financial statements.	The ARC discussed with management key regulatory requirements including (but not limited to) the EU, ISSB, and SEC disclosure requirements and their implications or potential implications for Shell's external disclosures.
The external landscape related to non-financial disclosures continues to evolve. In the absence of one global standard for climate-related reporting there are growing demands from various regulatory and voluntary bodies all with their own expectations for disclosures.	The ARC reviewed Note 4 to the "Consolidated Financial Statements" summarising the key climate risk impacts on the Consolidated Financial Statements as well as the impairment sensitivity disclosures using price outlooks based on different climate change scenarios, including external scenarios. See Note 4 to the "Consolidated Financial Statements" on pages 255-265. The ARC was briefed on the non-financial reporting external landscape developments and regulatory requirements. In this connection, the ARC considered the potential implications required for Shell's external disclosures going forward. The ARC reviewed regulatory sustainability disclosures including the new CSRD disclosures within the "Sustainability Statements" section, and other non-financial disclosures as part of the Annual Report review. The ARC was also briefed on the EU Taxonomy disclosures included within "Sustainability Statements" section. Updates regarding climate change and energy transition risk factor have been included on pages 137-138.
Impairment and impairment reversals	
The carrying amount of an asset should be tested for impairment or impairment reversal whenever events or changes in circumstances indicate that the recoverable amount for that asset may have changed, for example if there is a change in the outlook for commodity prices or refining margin assumptions, or in the event of revisions to future activity plans and developments. On classification as held for sale, the carrying amounts of property, plant and equipment (PP&E) and intangible assets must also be reviewed.	The ARC reviewed the impairment assessments that were performed each quarter, and the methodology applied in conducting impairment assessments. The ARC considered continued volatility in global risk-free interest rates, alongside other input assumptions, in assessing market expectations of the expected rate of return on various assets for the purposes of impairment testing. This included reviewing the outcomes of periodic reassessments of the weighted average cost of capital during the year, including management's conclusion on the reasonability of the discount rate applied as at December 31, 2024. The ARC was satisfied the discount rate applied throughout the period was appropriate. The ARC considered the updated oil and gas price outlooks against market developments and benchmarks. The 2024 commodity price outlook was reassessed to determine whether revised price premises would result in a trigger for impairment or impairment reversal. Based on the analysis performed, no triggers were identified. The ARC also reviewed other circumstances that may indicate that the recoverable amount of assets have changed, such as those related to revision of future plans and developments, exploration and evaluation assets, held-for-sale classification for asset disposals and margin assumptions. The ARC also reviewed the outcomes of goodwill testing. See Notes 2, 11, 12 and 13 to the "Consolidated Financial Statements" on pages 245-255, 274-275, 275-276 and 277-279.
Gas and power markets and derivatives accounting	
External events during the year affected trading activities. The impacts on financial outcomes of Integrated Gas, and Renewables and Energy Solutions included, for example, significant derivatives movements.	The ARC reviewed Trading and Supply activities and developments, including analysis of the trading strategies employed, their impact on financial metrics, and the associated accounting treatment applied. The ARC reviewed the impacts of volatile gas and power markets including the impact on mark-to-market valuation of derivatives, income for the period and adjusted earnings, as well as the resulting cash flow movements. See Note 26 to the "Consolidated Financial Statements" on pages 298-304.

Financial Reporting

continued

Issue	Committee activity and outcome
Taxation	
The determination of tax assets and liabilities requires the application of judgement as to the ultimate outcome, which can change over time. In particular, uncertain tax treatments require management to assess the more-likely-than-not outcome, and the recognition of deferred tax assets requires management to make assumptions regarding future profitability. As a result, they are inherently uncertain.	The ARC considered the uncertain tax positions and discussed management's assumptions of future taxable profits. The ARC also evaluated the appropriateness of the recognition of deferred tax assets and tax liabilities. The ARC recognises that assumptions regarding future taxable profits are inherently uncertain because they involve assessing factors such as the potential impacts of climate change and the energy transition. The ARC deemed the assessments of uncertain tax exposures and the recognition of deferred tax assets and tax liabilities to be reasonable. On June 20, 2023, the UK substantively enacted the OECD Pillar Two Model Rules (Rules), effective as from January 1, 2024. The ARC has been updated on the implementation of the rules and the Pillar Two tax charges throughout the year. See Notes 2 and 23 to the "Consolidated Financial Statements" on pages 245-255 and 287-290.
Portfolio activities	
In implementing our strategy, several portfolio developments occurred in 2024.	The ARC discussed the accounting implications of these developments and the recognition of: (i) decommissioning and restoration provisions; (ii) deferred tax balances; (iii) impairment; and (iv) assets held for sale. The ARC also considered complex accounting treatments arising from acquisitions and divestments, including the proposed sale of Shell Energy and Chemicals Park Singapore and the recognition of UK North Sea assets as held for sale at December 31, 2024. See Notes 2 and 25 to the "Consolidated Financial Statements" on pages 245-255 and 297.
Provisions, contingent liabilities and disclosures	
Provisions, including decommissioning and restoration provisions, are one of the main components of the balance sheet liabilities. The quantification of these provisions requires judgements on input parameters which include, but are not limited to, discount rates and estimated future decommissioning and restoration costs. Contingent liabilities, arising from uncertain future events, are assessed for recognition or disclosure in line with reporting standards.	The ARC reviewed the input parameter assumptions and judgements used in arriving at the decommissioning and restoration provisions. The discount rate is reviewed regularly and the ARC considered the extent to which the rate applied remained appropriate in the context of volatile US Treasury yields. The ARC was satisfied that the rate applied remained appropriate as at December 31, 2024. The ARC reviewed provisions, contingent liabilities and disclosures related to litigation, based on quarterly updates, for inclusion in the quarterly unaudited interim financial statements, half-year report, Annual Report and Form 20-F. The ARC also reviewed other provisions. The ARC has continued to receive updates on the withdrawal from Russian oil and gas activities throughout 2024 including implications for the financial statements.
Retirement benefit obligations	
Retirement benefits are an important component of both assets and liabilities on the balance sheet. The quantification of these assets and liabilities requires judgements on input parameters which include, but are not limited to, actuarial assumptions and discount rates.	The ARC reviewed the management of risks in relation to retirement benefits in 2024, including financial, operational and regulatory developments. The ARC reviewed the key assumptions (including discount rates and inflation) and sensitivities as part of the Annual Report review and the enhanced disclosures made in this Report. The ARC also considered the accounting treatment for complex retirement benefit transactions, including the buy-out of pension liabilities in the USA and anticipated changes arising from the Future of Pensions Act in the Netherlands. See Note 24 to the "Consolidated Financial Statements" on pages 290-296.
Other matters	
Other significant accounting and reporting matters assessed.	The ARC considered segmentation requirements under IFRS 8 following the change announced to the Executive committee. The ARC also reviewed: the year-end reported proved oil and gas reserves, including management judgements and adjustments made to reflect changes in geological, technical, contractual and economic information (including yearly average price assumptions) and the effectiveness of financial controls.

Compliance and governance

Activities performed	Frequency
Compliance and governance	
Monitor the receipt, retention, investigation and follow-up actions of complaints received, including those from the Shell Global Helpline.	P
Review with the Chief Ethics and Compliance Officer the implementation and effectiveness of the ethics and compliance programme and function.	A
Consider compliance with applicable external legal and regulatory requirements.	P
Perform an evaluation of the ARC's performance and effectiveness and report the results to the Board.	A
Review and, if required, update the ARC's Terms of Reference.	A
Review the Chief Financial Officer's significant business and investment transactions for potential conflicts or related party transactions.	A
Assess the Chief Financial Officer's performance.	A

A = Annually Q = Quarterly P = Periodically

Ethics and compliance

In 2024, the ARC received an update from the Chief Ethics and Compliance Officer on how a range of macro factors and external trends and developments were affecting conduct risk at Shell. The Chief Ethics and Compliance Officer summarised the specific emerging ethics and compliance risks, with a particular focus on trade compliance and data privacy, and management's actions to manage and mitigate them. The Chief Ethics and Compliance Officer briefed the ARC on communications to staff from both senior leaders and mid-level management reinforcing the importance of adherence to and affirming Shell's commitment to the Ethics and Compliance framework and Code of Conduct throughout the year.

As part of the overall assessment of the system of risk management and internal control, the ARC discussed with the Chief Ethics and Compliance Officer their annual report on compliance matters. The report included an overview of the effectiveness of the Shell ethics and compliance programme in managing ethics and compliance risk in Shell's business activities, regulatory developments and compliance activities. The ARC also reviewed investigations of cases involving ethics and compliance concerns. The ARC discussed management's findings in such cases to satisfy itself that a rigorous process had been followed, with appropriate disciplinary action being taken where necessary, and that management had embedded learnings into Shell's systems and controls.

Whistleblowing investigations

The ARC is responsible for establishing and monitoring the implementation of procedures for the receipt, retention, investigation and follow-up actions of complaints received, including those from the Shell Global Helpline. The ARC reviewed whistleblowing reports and internal audit reports and considered management's responses to the findings in these reports. In 2024, 2,025 allegations and enquiries were made through the Shell Global Helpline (2023: 2,134), of which approximately 39% were submitted anonymously (2023: 41%). In 2024, a total of 555 investigations were closed (2023: 470), of which 62% were found substantiated (2023: 54%) and were highest in the areas involving harassment, information and records management, conflicts of interest and protection of assets.

Regulatory developments

The ARC was briefed on regulatory developments in areas including: (i) sustainability and climate-related disclosures; (ii) accounting and reporting developments; (iii) environmental liabilities; (iv) treasury activities; and (v) the 2024 UK Corporate Governance Code.

ARC annual evaluation

The ARC undertakes an annual evaluation of its performance and effectiveness. As in 2023, in 2024 the Company Secretary facilitated the ARC's performance evaluation. Each ARC member responded to a confidential anonymised questionnaire about the ARC's performance covering questions on: the management of the ARC in areas such as the annual cycle of work and the agenda for meetings; the quality of the information provided to the ARC; the effectiveness of the ARC's oversight in areas such as financial reporting, risk management policies and practices and internal controls, and the work of internal and external audit; rating the ARC's performance in reviewing and assessing significant accounting/reporting issues; and how to improve the ARC's performance. The ARC considered that there had been significant progress on the feedback from the 2023 evaluation, including with respect to risk management and presentation; structure of internal audit updates and further enhancement of pre-read for ARC meetings. See also the Board evaluation section on page 169. Two themes from the 2024 evaluation process were identified as areas of focus for 2025, including further focus on litigation risk and Trading and Supply risk in a more challenging environment and continued enhancement of pre-read for ARC meetings. The ARC concluded that its performance in 2024 had been effective and that it had fulfilled its role in accordance with its Terms of Reference.

In preparing its work plan for 2025, the ARC has included the following focus areas in addition to the standing items: Trading and Supply; regulatory developments, including corporate governance reforms, fraud and sustainability reporting regulations; information risk management, including cyber security; Pensions and Treasury.

Internal Audit

Activities performed	Frequency
Internal Audit	
Evaluate the quality, efficiency and effectiveness of the internal audit function including the competence, qualifications, expertise, compensation and budget.	A
Review and approve the internal audit function's remit, charter and audit plan.	A
Assess the performance of the Chief Internal Auditor.	A

A = Annually Q = Quarterly P = Periodically

Each quarter, the ARC discusses with the Chief Internal Auditor the Company's risk management and internal control system, any significant matters arising from the internal audit assurance programme and management's response to significant audit findings and notable control weaknesses, including planned improvements and agreed actions. In 2024, the Chief Internal Auditor's reports were developed with the use of artificial intelligence (AI). The ARC also holds private sessions separately with the Chief Internal Auditor without members of management, except for the Legal Director, who may attend. Outside of the formal ARC meetings, the Chair of the ARC meets regularly with the Chief Internal Auditor.

Internal audit remit

The internal audit function is an independent assurance function which supports Shell's continuous efforts to improve its overall control framework. The internal audit function contributes to the maintenance of a systematic and disciplined approach to evaluate and improve the design and effectiveness of Shell's risk management, and control and governance processes. The primary role of the internal audit function's assurance and investigation activities is to safeguard value by protecting Shell's assets, reputation and sustainability in relation to the organisation's defined goals and objectives.

The ARC defines the responsibility and scope of the internal audit function and approves its annual plan. The Chief Internal Auditor reports functionally to the Chair of the ARC and administratively to the Chief Financial Officer. The Chair of the ARC approves, in consultation with the Chief Financial Officer, all decisions regarding the performance evaluation, appointment or removal of the Chief Internal Auditor. A new Chief Internal Auditor was appointed with effect from March 2025.

Annual internal audit plan and assessment of internal audit's effectiveness

The ARC considered and approved the internal audit function's annual audit plan, including these focus areas for 2024:

- People – talent and capability (professional audit development and technical capabilities).
- Operational excellence – further enhance the planning, execution and reporting processes.
- Competitiveness – increase value by tailoring its structure and targeting critical risks areas.
- Innovative technology – further leveraging innovation and new technologies, such as AI and data analytics.

The Chief Internal Auditor updated the ARC quarterly on the approved 2024 internal audit plan and discussed whether the plan remained fit for purpose in addressing the most critical areas of risk. The ARC assessed the performance of the internal audit function as effective. The ARC also assessed the performance of the Chief Internal Auditor as effective.

The Chief Internal Auditor periodically assesses whether the purpose, authority and responsibilities of the internal audit function continue to enable it to accomplish its objectives. The results of this periodic assessment are communicated to the EC and the ARC. The Chief Internal Auditor also confirms to the ARC the continued validity of the charter of the internal audit function or puts forward proposals for updates to it. The Chief Internal Auditor maintains an internal quality assurance and improvement programme, including an annual assessment of the effectiveness and efficiency of the internal audit function's activities and evaluations of conformance with the standards of the Chartered Institute of Internal Auditors (CIIA). The Chief Internal Auditor discusses the results of this annual assessment with the EC and the ARC. The Chief Internal Auditor also provided the ARC with an update on the status of implementation of the Institute of Internal Auditors new Global Internal Audit Standards which took effect on January 9, 2025, and noted the steps taken to meet the intent of these new standards.

At least every five years, the effectiveness and quality of the internal audit function are independently assessed externally, and the Chief Internal Auditor reviews the report with the EC and the ARC. An independent assessment of the internal audit was conducted at the end of 2022. The 2022 assessment confirmed that the internal audit conformed with the CIIA standards and the 2020 Internal Audit code of practice and identified some opportunities for further improvement. The next external assessment is planned to take place in 2027.

External Auditor

Activities performed	Frequency
External Audit	
Review and approve the engagement letter for the external auditor's annual audit of the Company's consolidated and parent company financial statements.	A
Approve the remuneration for audit and non-audit services, including pre-approval of permissible non-audit services.	Q
Consider the annual external audit plan and monitor the execution and results of the audit.	P
Monitor the qualifications, expertise, resources and independence of the external auditor.	A
Review the Company's representation letter prior to signing by management.	P
Assess the performance, objectivity and effectiveness of the external auditor, the audit process, the quality of the audit, the external auditor's handling of key judgements and the external auditor's response to questions from the ARC.	P
Recommend to the Board that the reappointment of the external auditor be put to the Company's shareholders for approval at the AGM.	A

A = Annually Q = Quarterly P = Periodically

Annual external audit plan and assessment of external audit's effectiveness

EY reviewed with the ARC its audit strategy, scope and plan for the 2024 audit, highlighting areas which would receive special consideration. In particular, the ARC and EY discussed how the audit would take into consideration risks associated with:

- Trading and Supply complexity;
- Revenue recognition fraud risk (unauthorised trading and management override);
- Climate change and the energy transition;
- Oil and gas reserves;
- Impairment assessments;
- Litigation;
- Decommissioning and restoration obligations;
- Accounting for divestments;
- Pensions; and
- Taxation.

EY defines significant audit risks as those areas where there is a higher likelihood of a material error and which therefore require special audit attention. In EY's view, the significant audit risks are Trading and Supply complexity and the risk of unauthorised trading or management override.

The ARC considered the annual audit plan, which included assessing whether the planned materiality levels and proposed resources to execute the audit plan were consistent with the scope of the audit.

EY regularly updated the ARC on the status of its procedures and preliminary findings, providing an opportunity for the ARC to monitor the execution and results of the audit. The ARC and EY discussed how risks to audit quality were addressed, key accounting and audit judgements, material communications between EY and management and any issues arising from them. EY also reviewed with the ARC its risk assessments, materiality, scope and observations and conclusions in relation to Shell's CSRD disclosures.

Quarterly, the ARC meets privately with EY representatives without management (except for the Legal Director who may attend) being present in order to encourage open and transparent feedback from both parties. In addition, the Chair of the ARC meets separately with the external auditor on a regular basis.

As part of its oversight of the external auditor, the ARC annually assesses the performance and effectiveness of the external auditor and the audit process. This includes assessing the quality of the audit, how the auditor handled key judgements, and the auditor's response to the ARC's questions. The assessment also involves the ARC evaluating the objectivity and independence of EY and the quality and effectiveness of the external audit process.

The ARC's evaluation of the performance and effectiveness of the external auditor and the audit process includes the following key criteria:

- professionalism, competence, integrity and objectivity during the audit, including handling of areas involving judgement and estimates;
- EY's quality assurance procedures and internal quality control procedures;
- audit quality priorities and actions taken as part of maintaining a sustainable audit quality programme;
- constructive challenge of management and key judgements;
- efficiency, covering aspects such as service level and innovation in the audit process, use of data analytical and digital audit tools, and opportunities for improvement;
- quality of the audit team's leadership;
- the most recent EY Transparency Report;
- thought leadership and actions, especially in the areas of climate change; and
- compliance with relevant legislative, regulatory and professional requirements.

In addition to reflecting on its own experiences, including interactions with the external auditor throughout the year, the ARC considered and discussed the results of management's internal survey relating to EY's performance over the financial year 2024, which reflected a broadly comparable performance to 2023 and the views and recommendations from management and the Chief Internal Auditor.

As part of the current assessment of effectiveness, the ARC has taken into consideration the guidance issued by the FRC, including the guidance on oversight of the external audit set out in "Audit Committees and the External Audit: Minimum Standard".

Taking into account the above, the ARC is satisfied that EY continued to provide a high-quality and effective audit in its ninth year as auditor and maintained its objectivity, integrity and impartiality. As required under UK and US auditing standards, the ARC received a letter on independence-related matters from EY. EY also informed the ARC in writing of any significant relationships and matters that may reasonably be thought to affect its objectivity and independence. The ARC and EY discussed such relationships and matters and determined that they did not impair EY's objectivity, integrity and impartiality.

External Auditor continued

Audit Committees and the External Audit: Minimum Standard

In May 2023, the FRC published "Audit Committees and the External Audit: Minimum Standard". This Audit and Risk Committee Report describes how the ARC has complied, to the extent applicable, with the provisions of the Minimum Standard during the year (in particular the "External Auditor" section of this report). There were no shareholder requests for certain matters to be covered in the audit during the year and there were no regulatory inspections of the quality of the Company's audit. An explanation of the Group's accounting policies is provided on pages 245-255.

Reappointment 2025

The ARC is responsible for considering whether there should be a rotation of the independent registered public accounting firm in order to ensure continuing auditor quality and/or independence, including consideration of the advisability and potential impact of conducting a tender process for the appointment of a different independent public accounting firm. The ARC is also responsible for making a recommendation to the Board, for it to put to the Company's shareholders for approval in the General Meeting, on the appointment, reappointment, or removal of the external auditor.

At the AGM in May 2024, shareholders approved a resolution to reappoint EY as external auditor until the conclusion of the next AGM. EY was first appointed at the AGM in May 2016 after a competitive tender process. The lead audit partner, Gary Donald, has been in post since the start of the 2021 audit. Under UK legal requirements, the Company may retain EY as its external auditor for 20 years (see External audit tender below). For the 2024 financial year, the Company has complied with The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

In its oversight of the external audit, the ARC considered whether it would be appropriate to conduct an audit tender in respect of the 2025 audit.

The ARC reflected on:

- its continued satisfaction with the quality and independence of EY's audit;
- any new external auditor would need a transition period to develop sufficient understanding of the business given Shell's size and complexity;
- frequent changes of external auditor would be inefficient and could lead to increased risk and the loss of cumulative knowledge;
- a change in auditor would be expected to have a significant impact on Shell, including on the Finance function; and
- any change in auditor should be scheduled to limit operational disruption.

The ARC also considered EY's leadership and activities in the area of climate change.

After due consideration the ARC determined that it would not be appropriate to re-tender for the 2025 external audit at this time. The ARC has recommended to the Board that at the 2025 AGM the Board should propose that EY be reappointed as the external auditor of the Company for the year ending December 31, 2025. The ARC's recommendation is free from third-party influence and there are no contractual obligations that restrict the ARC's ability to make such a recommendation.

External audit tender

The ARC acknowledges the UK legal requirements relating to mandatory audit rotation and audit tendering (with a requirement to undertake a formal process after ten years). As EY was appointed in 2016, the Company was required to tender for the audit no later than the financial year commencing January 1, 2026. The tender process, led by the ARC, was commenced during 2023 and completed in 2024. The ARC believes that this timeline for the re-tender was in the best interests of shareholders in order to provide enough time for an orderly transition in the event that a new audit firm was selected. In conducting the tender process, the ARC considered the guidance on tendering set out in the FRC's "Audit Committees and the External Audit: Minimum Standard". All members of the ARC were involved throughout the external audit tender process.

Selection criteria

To enable an objective selection, weighted selection criteria were endorsed by the ARC in advance, with the choice of auditor being based on quality, including independence, challenge and technical competence and not price or perceived cultural fit. Minimum requirements which had to be met were independence; ethics and compliance; investigations by regulators; and legal terms and conditions. Whilst the audit fee was considered as part of the criteria, it was not a decisive factor, with the commercial scoping assessed subsequent to and separately from the quality assessment.

Selection process

The ARC gave careful consideration to the potential candidate firms which included UK challenger firms with a "public interest entity" auditor registration. A request for information (RFI) was submitted to six shortlisted firms in November 2023.

Following evaluation of the responses to the RFI, as well as the ARC having met in February 2024 with the proposed lead partners from firms which responded positively to the RFI, the ARC chose candidate firms for the next stage. This decision was based on quality, team and relevant experience for a company the size, scale and complexity as Shell.

External Auditor continued

At its meeting in March 2024, the ARC discussed and endorsed the selection criteria and weighting for the audit tender. A Request for Proposal was issued to candidate firms in May 2024, followed by a series of management information sessions. The candidate firms had access to a data room, management across the organisation and visited various locations. The ARC met with representatives from the candidate firms in July 2024 to address any queries which the firms wished to raise and provide an opportunity for the ARC to raise any queries.

In September 2024, final proposals were submitted by the candidate firms. To support the ARC, scoring was performed on all criteria by a steering committee headed by the VP Group Appraisal and Reporting and Deputy Controller and comprising of (E)VPs of businesses and functions. The ARC received input from management, including on the scoring criteria, ahead of final meetings between the ARC and the candidate firms in December 2024. As part of the process, public reports published by the FRC and other regulators were also considered.

ARC Recommendation

Following the meetings and review of each of the candidate firms' proposals and presentations, the ARC made its selection on the basis of its assessment of the abilities of each of the candidate firms. At the Board meeting in December 2024, the ARC recommended two possible audit firm options to the Board, with the ARC's preference to appoint EY, and supporting justifications. The ARC's recommendation was accepted by the Board and a resolution proposing the appointment of EY as the external auditor for the financial year 2026 will be put forward to the shareholders for approval at the 2026 AGM.

Non-audit services

The ARC maintains an auditor independence policy (AIP) in respect of the provision of services by the external auditor. Under the AIP, the ARC will only approve services to be carried out by the external auditor or its affiliates where such services do not present a conflict of interest risk in fact or in appearance. The ARC regularly reviews this policy for necessary changes in response to changes in related standards and regulatory requirements.

This policy is designed to safeguard auditor objectivity and independence. It addresses the provision of audit services, audit-related services and other non-audit services and stipulates which services require specific prior approval by the ARC.

The policy also defines prohibited services in line with applicable rules and regulations. Our external auditors are not allowed to provide prohibited services due to independence concerns. For certain non-prohibited services, because of the knowledge and experience of the external auditor and/or for reasons of confidentiality, it may be more efficient or prudent for the external auditor to provide such services.

The ARC reviews quarterly reports from management on the audit and non-audit services reported in accordance with the policy or for which specific prior approval from the ARC is being sought. Under the AIP, no prior approval by the ARC is required for any additional audit service contract not individually exceeding \$500,000. All non-audit services where the fee for an individual contract exceeds \$100,000, including audit-related services, require individual prior approval by the ARC. For audit or non-audit service contracts that do not exceed the relevant threshold, the matter is approved by management by delegated authority from the ARC and is subsequently presented for approval by the ARC. The ARC is mindful of the overall proportion of fees for audit and non-audit services in determining whether to approve such services.

The scope of the non-audit services contracted with the external auditor in 2024 consisted mainly of interim reviews and other audit-related assurance services. The associated compensation for these audit-related services and other non-audit services amounted to 5% and 5%, respectively, of the external auditor's audit and audit-related remuneration.

Fees

After due consideration, the ARC approved the auditor's remuneration, satisfying itself that the level of fees payable in respect of the audit and non-audit services provided was appropriate and that an effective, high-quality audit could be conducted for such fees.

See Note 35 to the "Consolidated Financial Statements" on page 312 for details of the auditor's remuneration.

Directors' Remuneration Report

This report

The Directors' Remuneration Report for 2024 has been prepared in accordance with relevant UK corporate governance and legal requirements, in particular Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). The Board has approved this report.

As in previous years, this report is split into three sections: Chair's letter, Annual Report on Remuneration and Directors' Remuneration Policy (Policy). The Policy was last approved by shareholders at the 2023 AGM with 94.6% support. No changes are being proposed to the Policy this year and it is reproduced in full on pages 208-215 for ease of reference, and to provide context to the decisions taken by the Remuneration Committee (REMCO) during the year.

"2024 saw a sharpened focus on performance, discipline and simplification."



Neil Carson

Chair of the Remuneration Committee

Dear Shareholders,

Almost two years ago, at Capital Markets Day 2023 (CMD23), we set out how we will deliver more value with less emissions through our guiding principles of performance, discipline and simplification. In 2024, Shell delivered another set of strong financial results, with income of \$16.5 billion, cash flow from operations (CFFO) of \$54.7 billion, our second best year on record, and free cash flow* (FCF) of \$39.5 billion. These results have enabled us to deliver consistent distributions to shareholders, while also continuing to strengthen our financial resilience. We set four financial targets at CMD23, and have made progress against each of them, including reducing structural costs* by \$3.1 billion since 2022 and delivering total shareholder distributions* of 41% of CFFO for the year, at the upper end of the 30-40% of CFFO range set out at CMD23.

Strong operational performance across our portfolio underpinned our financial results. In Integrated Gas and Upstream, performance has increased year-on-year. At Prelude and QGC in Australia, we achieved record availability, resulting in our highest ever production. In Chemicals, utilisation improved thanks to the ramp-up of operations at Shell Polymers Monaca in the USA. In Marketing, we achieved the strongest annual Adjusted Earnings* since 2020 at \$3.9 billion.

We have continued to grow our LNG portfolio and made good progress against the commitment to bring projects online with a total peak production of more than 500 thousand barrels of oil equivalent a day by 2025. We have also focused on high-grading our mobility network, increased our margins in lubricants and, when it comes to power generation, focused on areas where we have a competitive advantage.

At Shell, safety is extremely important and we continually work to keep our people safe. I am saddened by the tragic incidents that occurred at Shell-operated ventures in 2024. One person lost their life in the Netherlands in 2024 and another in India in 2025, following an incident in 2024. In late 2023, an incident occurred in Nigeria which resulted in a fatality in early 2024. The REMCO agreed this would be assessed as part of 2024's reflections on safety. The REMCO reflected on all three tragic incidents and Shell's broader safety performance, as it always does, when it determined the final pay outcomes for 2024, and applied downward discretion to the annual bonus outcome.

* Non-GAAP measure (see page 445).

2024 remuneration outcomes 2024 annual bonus

The overall mathematical outcome of the annual bonus scorecard was above target at 1.66, adjusted to 1.64 to reflect a delayed tax payment due to a third-party error. After careful consideration of the factors leading to the tragic fatalities in respect of the year and reflection on Shell's overall performance in 2024, including safety performance, the REMCO used downward discretion to determine a final bonus outcome for Executive Directors of 1.61. Further information is on page 194.

See pages 193-195 for the complete scorecard with all targets, ranges and weightings, and a detailed discussion of performance against targets.

Vesting of the 2022 LTIP awards

Overall, the mathematical outcome of the Long-term Incentive Plan (LTIP) was 136% of target. The REMCO was satisfied that no windfall gain had arisen. The REMCO also believes the vesting outcome to be representative of Shell's performance over the period.

See page 196 for full details of LTIP targets and weightings, and a discussion of performance against targets.

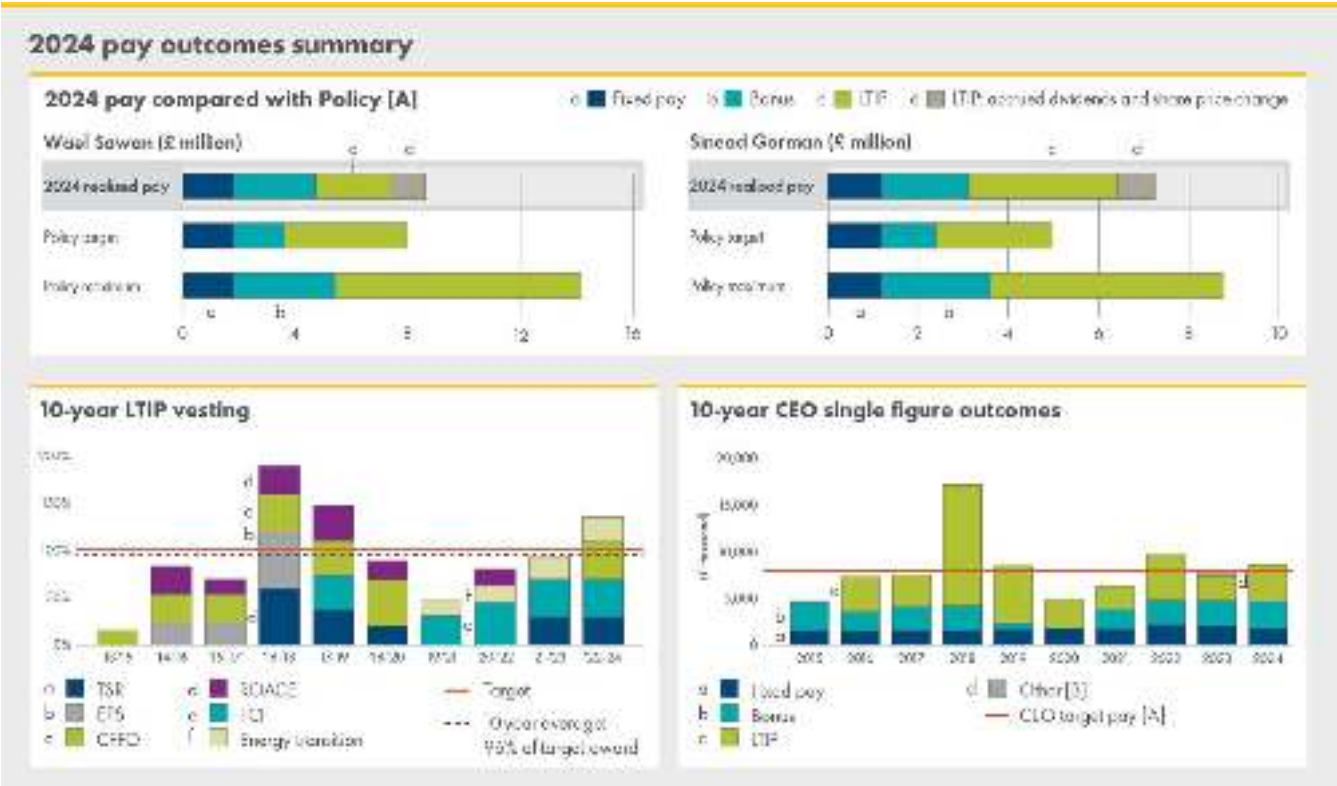
Finalising the 2024 pay outcomes

In finalising pay outcomes, the REMCO considered Shell's wider performance and context during 2024 and over the LTIP performance period, paying particular attention to:

- The strong financial performance in 2024, with CFFO of \$54.7 billion and FCF* of \$39.5 billion, which has enabled Shell to invest in its businesses, reduce debt and enhance shareholder distributions.
- The shareholder experience, including cash dividends of \$8.7 billion and share repurchases of \$13.9 billion in 2024, resulting in total shareholder distributions* of \$22.6 billion for the year and \$71.4 billion over the LTIP performance period (2022-2024), and absolute and relative total shareholder return (TSR) performance over the same periods.

- Shell's performance beyond the formulaic outcomes of the variable pay structures, including safety (and fatalities), reputation, ethics and compliance, and feedback from the Audit and Risk Committee (ARC) and the Sustainability Committee (SUSCO).
- Shareholders' views on remuneration matters, as shared with the REMCO during engagements in March 2024, including positive feedback on the safety framework.
- The employee experience, where the REMCO noted the above-target vesting outcome for 2024 under the Performance Share Plan (PSP), used to make discretionary share awards below Senior Executive level and the average employee salary increases.
- Comparisons between the 2024 outcomes and historical remuneration levels.
- The alignment of the 10-year average outcomes of the annual bonus scorecard (1.13) and LTIP (96% of target) to the target level, demonstrating the effective design of the structures and the integrity of the target-setting process.

This resulted in a single figure outcome of £8.6 million for the CEO and £7.3 million for the CFO. The REMCO was satisfied that the shareholder-approved Remuneration Policy had operated as intended, and these outcomes were appropriate in the context of Company performance and the target pay opportunity.



[A] Policy target and maximum based on the shareholder-approved 2023 Remuneration Policy in respect of the annual bonus and the LTIP. Salary, pension and benefits are based on latest data.
[B] Incremental remuneration in respect of 2022 for services as CEO Designate, in anticipation of becoming CEO in 2023.
* Non-GAAP measure (see page 445).

2025 remuneration

2025 salaries

Effective January 1, 2025, Wael Sawan and Sinead Gorman received a salary increase of 5.5%, and their salaries for 2025 are £1,535,000 and £1,014,000, respectively. In reviewing their salaries, the REMCO considered carefully the external environment, including the increases provided to Shell's workforce in the key markets of the UK (5.5%), the USA (3.0%) and the Netherlands (3.6%). The Executive Directors' increases for 2025 were positioned in line with the average UK increase. The REMCO also recognised the multiplier effect on total remuneration.

2025 annual bonus

The REMCO is satisfied that the current mix of financial and non-financial measures remains well aligned with Shell's strategic and operational priorities. No change is proposed for 2025.

2025 Performance Share Award performance conditions

From 2025, performance-related long-term incentive awards under the Shell Share Plan will be referred to as Performance Share Awards (PSA). Other than the name, the terms and conditions of the awards remain unchanged. The performance conditions and weightings will be unchanged for the 2025 awards. The measures will be cash generation, TSR, organic free cash flow (OFCF) and "Shell's journey in the energy transition", and they will be weighted equally. Cash generation and TSR performance will be measured against the energy majors as before, and OFCF will be measured on an absolute basis against annual operating plans.

2026 Remuneration Policy

The current Remuneration Policy (the Policy) was last approved at the 2023 AGM, and a new Policy will be put to a shareholder vote at the 2026 AGM. A new Policy provides an opportunity for the REMCO to reflect deeply on the nature of Shell's business and how to best position remuneration to support Shell's strategic objectives, including CMD25. Deliberations on Policy design have started, with discussions around structure, the appropriate level of quantum, and governance. The REMCO intends to begin engaging with shareholders this summer.

Looking ahead

The 2025 AGM will be my last as the REMCO Chair, as I will be stepping down from the REMCO following the AGM. It has been a privilege to chair the REMCO over the past five years, and I wish my successor, Cyrus Taraporevala, every success for the future.

I hope that you find that this report presents a clear account of the REMCO's decisions for the year. I thank shareholders for their support and am grateful for their ongoing dialogue.

Neil Carson

Chair of the Remuneration Committee

March 25, 2025

Annual Report on Remuneration

Remuneration at a glance

2024

Fixed pay and shareholding		Annual bonus	Long-term Incentive Plan
Base salary		2024 annual bonus	
Wael Sawan (CEO)	Stead Gorman (CFO)	Wael Sawan	Stead Gorman
£1,455,000	£961,000	£2,925,000	£1,930,000
Pension		2024 bonus scorecard outcome	
The Executive Directors are eligible to participate in the defined contribution UK Small Pension Plan with an employer contribution rate of 20% of salary or take this as a pension cash alternative, consistent with other new employees.		Mathematical outcome: 1.66	
Benefits		Adjusted to 1.64 to reflect a delayed tax payment due to a third-party error.	
Typically include car allowance, home-to-office transport, and medical insurance.		Given the fatalities in respect of 2024, and a fatality in early 2024 following an incident in 2023, this was reduced to 1.61	
Shareholding		No individual performance factor used in bonus calculation.	
		Bonus delivery	
		50% delivered in cash 50% delivered in shares	
		Shares are subject to a three-year holding period which extends beyond an Executive Director's tenure.	
		Malus and clawback provisions apply.	
		2022 – 2024 LTIP vesting outcome	
		Wael Sawan	Stead Gorman
		£3,899,299	£4,135,682
		Vesting outcome	
		Performance condition Outcome Vesting	
		CFO growth ⑤ ④ ③ ② ① 40%	
		TSR ⑤ ④ ③ ② ① 30%	
		ROACE growth ⑤ ④ ③ ② ① 2%	
		FCF 40%	
		Energy transition 26% 126% (out of a 200% maximum)	
		Shares are subject to a three-year holding period which extends beyond an Executive Director's tenure.	
		Malus and clawback provisions apply.	

2025

Fixed pay and shareholding		Annual bonus	Performance Share Awards	
Base salary		Target % of base salary		
Wael Sawan (CEO)	Stead Gorman (CFO)	Wael Sawan	Stead Gorman	
£1,535,000	£1,014,000	125%	125%	
↑ 5.5%	↑ 5.5%	Maximum	250%	
Pension		Scorecard architecture		
No change for 2025.				
Benefits		Performance conditions		
No change for 2025.				
Shareholding		Target awards % of base salary		
		Wael Sawan	Stead Gorman	
		300%	270%	
		Maximum	600%	540%
		Performance conditions		
		a Relative cash generation (CFO/average capital employed) (weighted 25%)		
		b Relative TSR (25%)		
		c Absolute OCF (25%)		
		d "Shell's journey in the energy transition" (25%)		
		Performance against the relative performance conditions is measured against other energy majors (i.e. Chevron, ExxonMobil and TotalEnergies).		
		[A] Equity legislation		

The Annual Report on Remuneration sets out:

- remuneration at a glance, page 191;
- the REMCO's responsibilities and activities, page 192;
- Directors' remuneration for 2024, pages 193 and 200; and
- the statement of the planned implementation of Policy in 2025, page 205.

The REMCO is not proposing any changes to the Policy this year. It is reproduced in full [A] over pages 208-215 for ease of reference and to provide context to the decisions taken by the REMCO.

[A] The Non-executive Directors' letters of appointment table was updated in early 2024.

The base currency in the Directors' Remuneration Report is British pound sterling (GBP), which is the base salary currency for the Executive Directors. Where amounts are shown in other currencies, an average exchange rate for the relevant year is used, unless a specific date is stated, in which case the exchange rate for the specific date is used.

REMCO membership and attendance for 2024



Biographies can be found on pages 152-156; and the REMCO meeting attendance is set out below:

REMCO member	Member since	Meetings attended	% of meetings attended
Neil Carson (Chair)	June 1, 2019	5/5	100%
Dick Boer	May 23, 2023	5/5	100%
Jane Holl Lute	May 23, 2023	5/5	100%
Bram Schot	May 24, 2022	5/5	100%
Cyrus Taraporevala	October 30, 2024	1/1	100%

The REMCO's key responsibilities include determining:

	Senior Management [A]		
	Executive Directors	Executive Committee	Company Secretary and EVP Controller
Performance framework	✓	✗	✗
Remuneration Policy	✓	✓	✗
Actual remuneration and benefits	✓	✓	✓
Annual bonus and long-term incentive measures and targets	✓	✓	✓

[A] In the Directors' Remuneration Report, Senior Management is defined as Executive Directors, other EC members, Company Secretary, and EVP Controller.

The REMCO is also responsible for determining the Chair of the Board's remuneration. The REMCO monitors the level and structure of remuneration for senior executives below Senior Management. When setting the Policy for Executive Director remuneration, the REMCO reviews and considers workforce remuneration and related policies, and how pay and benefits align with culture. In exercising its responsibilities, the REMCO takes into account a variety of stakeholder considerations.

The REMCO operates within its Terms of Reference, which are reviewed annually (last reviewed in December 2024), and are available on shell.com.

A perspective on Shell was provided by:

- Chief Executive Officer (CEO);
- Chief Human Resources and Corporate Officer, who also acted as Secretary to the REMCO; and
- Executive Vice President Performance and Reward.

The Chair of the Board was consulted on remuneration proposals affecting the CEO. The CEO was consulted on proposals relating to the Chief Financial Officer (CFO) and Senior Management.

The REMCO met five times in 2024 and its activities included:

- determining vesting of the 2021 LTIP award for Senior Management;
- determining 2024 target bonus opportunities and 2024 LTIP awards for Senior Management;
- setting 2024 annual bonus and LTIP performance measures and targets;
- approving the 2023 Directors' Remuneration Report;
- reviewing 2025 bonus and PSA performance measures and targets;
- reviewing the Remuneration Policy ahead of renewal at the 2026 AGM;
- engaging with major shareholders and proxy bodies on remuneration matters;
- setting exit and appointment remuneration in relation to changes in the Executive Committee; and
- monitoring external developments and assessing the impact on remuneration decisions.

After a competitive tender process during the year, Ellason was chosen to provide external advice on developments in market practice around remuneration. The choice of Ellason was based on its knowledge of investors' expectations and familiarity with UK market practices. Ellason is a member of the Remuneration Consultants Group and operates according to that group's code of conduct when advising clients. The REMCO is satisfied that the advice provided was objective and independent. The total fees in relation to the advice were £38,770 (excluding value-added tax). The REMCO also reviewed market benchmarking data and analysis prepared by Shell's internal HR function on market developments in executive pay.

Directors' remuneration for 2024

Single figure of total remuneration for Executive Directors (audited)

	Wael Sawan [A]		Sinead Gorman	
	2024	2023	2024	2023
Salaries [B]	1,455	1,400	961	925
Taxable benefits [C]	45	378	32	197
Pension [D]	291	280	192	185
Total fixed remuneration	1,791	2,058	1,186	1,307
Annual bonus [E]	2,925	2,710	1,930	1,720
LTIP [F]	3,899	2,601	4,136	834
Total variable remuneration	6,824	5,311	6,066	2,554
Other [G]	—	571	—	—
Total remuneration	8,615	7,940	7,251	3,861
in US dollars	11,012	9,873	9,269	4,801
in euros	10,177	9,128	8,566	4,439

[A] Wael Sawan was appointed CEO and a Board Director effective January 1, 2023.

[B] Base salary: Wael Sawan's base salary for 2024 was set at £1,455,000 (+3.9% from 2023). Sinead Gorman's base salary for 2024 was set at £961,000 (+3.9% from 2023).

[C] Benefits: in respect of 2024, Wael Sawan's benefits included car allowance (£29,890) and travel-related benefits (£12,107). Sinead Gorman's benefits included car allowance (£29,890).

[D] Pension: Wael Sawan and Sinead Gorman received cash in lieu of pension contributions equal to 20% of base salary in 2024.

[E] Annual bonus: the full value of the bonus in respect of performance in 2024, comprising both the 50% delivered in cash and 50% bonus delivered in shares. For 2025, the market price of shares on February 26, 2025 for London-listed shares (£26.30) was used to determine the number of shares delivered, resulting in 29,479 ordinary shares for Wael Sawan and 19,451 ordinary shares for Sinead Gorman, net of tax.

[F] LTIP: the amounts reported for 2024 relate to the 2022 LTIP award, which vested on March 6, 2025, at the market price of €30.74 and £25.52 for Amsterdam-listed and London-listed ordinary shares, respectively. The value in respect of the LTIP is calculated as the product of: (i) the number of shares of the original award multiplied by the vesting percentage, plus accrued dividend shares, and (ii) the market price of ordinary shares at the vesting date. The market price of the Amsterdam-listed shares is converted into GBP using the exchange rate on the vesting date. Share price appreciation accounted for €887,645 for Wael Sawan and £362,888 for Sinead Gorman. The amount shown for Wael Sawan relates to an award made prior to his appointment to the Board, and is shown here for transparency. The performance measures are the same as those applying to LTIP awards made to Executive Directors.

[G] Incremental remuneration in respect of 2022 for services as CEO Designate, in anticipation of becoming CEO in 2023. Wael Sawan did not perform the role of CEO during the CEO Designate time period. Amount includes pro rata salary and performance bonus, plus time-limited relocation-related costs.

Notes to the table: Single figure of total remuneration for Executive Directors (audited)

Pension

During the year, Wael Sawan and Sinead Gorman were eligible to participate in the defined contribution UK Shell Pension Plan with an employer contribution rate of up to 20% of salary, or take this as a pension cash alternative. The UK Shell Pension Plan or associated pension cash alternative is available to new Shell employees in the UK at the same contribution levels and currently around two-thirds of UK employees participate in these arrangements. The majority of the remainder participate in a legacy defined benefit plan, which closed to new members in March 2013.

Annual bonus

The annual bonus is intended to reward the delivery of short-term targets derived from the Operating Plan. The REMCO reviews the bonus measures, weightings and targets annually to evolve with Shell's strategy and circumstances, and to ensure that the targets remain stretching but realistic. For 2024, the mathematical bonus outcome was 1.66, adjusted to 1.64 to reflect a delayed tax payment due to a third-party error. The REMCO reviewed performance against the scorecard, as below. Further information is on page 195.

Financial delivery (35% weighting): We delivered \$54.7 billion of CFFO against our target of \$46 billion, driven by strong operational performance and price impact. For the purpose of the scorecard, the CFFO for 2024 was reduced to \$54.2 billion to reflect a delayed tax payment due to a third-party error. As a reminder, the REMCO has a long-standing policy of not adjusting CFFO to take account of changes in energy prices and currency fluctuations. This policy supports alignment between pay outcomes and the shareholder experience.

Operational excellence (35%): A key underpin of our performance, operational excellence ensures we deliver for our customers and drive financial performance:

- Asset management excellence: Upstream controllable availability was outstanding, particularly in Kazakhstan, Nigeria, Norway, Oman and the USA, partially offset by lower performance in the UK. Midstream availability was also outstanding, thanks to excellent performance in Australia, Qatar and Oman. Refining and Chemicals availability exceeded the plan, mainly due to improvements at Shell Polymers Monaca in the US and Bukom refinery in Singapore.
- Project delivery excellence: The overall score for project delivery was slightly above target. Highlights for the year include the successful start-up of 10 projects, half of which came on-stream ahead of schedule. This was offset by the project delivery on budget being below target.
- Customer excellence: Customer satisfaction index was above target, following our focus on prioritisation and continuous improvement of e-commerce platforms. Our Brand share preference continued to be outstanding, performing ahead of target in all regions.

Overall the outcome for operational excellence was above target.

"Shell's journey in the energy transition" (15%):

- LNG volumes [A]: Performance is measured based on liquefaction volumes. The score was above target, reflecting strong operational performance. This was driven mainly by volume increases in Australia and Atlantic LNG, partly offset by lower volumes in Nigeria and Egypt due to feedgas constraints.
- Reducing operational emissions: Performance is assessed based on GHG abatement projects that result in ongoing Scope 1 and 2 emission reductions such as flare reduction and energy efficiency projects, site closures, decommissioning and transformations, and increasing the use of renewable energy in our operations. This metric does not include the impact of divestments and acquisitions. We had an outstanding outcome, with 1,028 thousand tonnes of GHG emission reductions from abatement, renewable energy, and permanent shutdowns or conversions ('right-sizing'). This was mainly due to catalyst improvements at Pearl GTL in Qatar, the Forcados Yokri Gas Project in Nigeria, and optimisation of a liquefaction control system at QGC in Australia.
- Supporting customer decarbonisation: We have continued to grow our network of electric vehicle charge points, exceeding our 2024 scorecard target. In 2024, we added 19,100 charge points, which brings the total number to around 73,000.

[A] Equity liquefaction.

Overall the score on the "Shell's journey in the energy transition" measure was above target.

Safety (15%): It remains our priority to run our day-to-day operations safely and ensure the well-being of all our people.

- Process safety continues to be measured through the number of Tier 1 and 2 operational safety incidents. The score for 2024 was slightly ahead of target. There were 90 Tier 1 and 2 operational process safety events (compared with 63 in 2023).
- Personal safety SIF-F performance is assessed based on the number of serious incidents which might occur in Shell's businesses based on the work plan for the year and our knowledge of industry incident rates. Our ultimate goal is zero harm to people working for Shell. Overall, 2024 SIF-F performance showed an improvement compared with 2023, which is testament to the ongoing focus of our employees on keeping colleagues safe.

Overall, the score on the safety measure was above target. While the underlying safety performance was strong, we tragically lost colleagues during 2024. The REMCO reflected carefully on these events and Shell's broader safety performance and determined that the bonus outcome should be adjusted downwards to 1.61 (see "The REMCO's reflections on safety" below).

The REMCO's reflections on safety

Safety is Shell's first priority and our strategy is underpinned by this. It is critical that our operations run safely every day and that we strive to ensure the well-being of all of our people.

In 2024, Shell used serious injury, illness and fatality frequency (SIF-F) as our scorecard measure for personal safety performance. SIF-F tracks the frequency at which injuries with life-changing consequences occur under Shell operational control. This allows us to focus the attention of management and the organisation on the most serious incidents. To be clear, our ultimate goal has been and remains zero harm to people.

Following discussions with shareholders in 2023, the REMCO adopted a discretionary framework to guide its decisions regarding the impact of fatalities on remuneration. The framework takes account of multiple reflection points, as set out below. This framework supports holistic and detailed consideration of the circumstances of each incident, and consistent and fair judgement of safety performance over time.

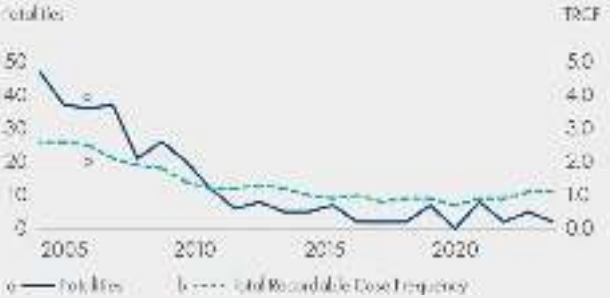
Circumstances

There were two recordable fatalities under Shell's operational control in respect of 2024. There was a fatal incident in the Netherlands at Shell Energy and Chemicals Park Moerdijk in June 2024, which remains under investigation. A colleague injured in a snake bite incident in India in May 2024 tragically died in January 2025. This incident also remains under investigation. Further, in Nigeria, a vessel crew member who was injured in a fire incident in December 2023 died in February 2024. There have been no regulatory consequences and the outcome of the investigation was that the incident was not considered a repetitive failure.

Wider safety context

Safety performance has improved significantly over time. The 2024 results support our belief that structural improvements have been made. The focus has continued to be on strengthening controls for routine activities, simplifying pre-work assessments, and leveraging technology for risk identification. Beyond the metrics, management has worked to continue to embed the Safety Refresh in Shell assets and businesses, and good results have been observed. There were no material safety events outside of the reporting framework.

Personal safety performance 2003–2024



Conclusions

The scorecard result on safety is a strong outcome which reflects the work throughout the organisation on the Safety Refresh, which promotes a learner mindset through deeper understanding of human performance principles and destigmatising errors. The sustained performance over the past few years demonstrates potentially lasting improvement. After careful consideration of Shell's holistic safety performance in 2024 including the outcome of the formal metrics, the in-year fatalities and the incident in December 2023, and Shell's long-term progress on safety, the REMCO has determined that the scorecard outcome for Executive Directors should be adjusted downwards to 1.61. The reduction in the bonus outcome as a result of the adjustment is equal to about 4% of salary for both Executive Directors.

Safety incidents that occur in 2025 will be assessed as part of the REMCO's considerations of performance outcomes for 2025.

The table below summarises the 2024 annual bonus scorecard measures including their weightings, targets and outcomes.

2024 annual bonus scorecard measures and weightings

Performance Measures	Weighting	Unit	Threshold (score of 0 out of 2)	Target (score of 1 out of 2)	Outstanding (score of 2 out of 2)	Outcome	Score (out of 2)
Financial delivery (35%)							
Cash flow from operations [A]	35%	\$bn	36	46	56	54	1.82
Operational excellence (35%)							
Asset management excellence [B]	15%	%		See note below			1.80
Project delivery excellence [C]	10%	%		See note below			1.04
Customer excellence [D]	10%	Index		See note below			1.70
"Shell's journey in the energy transition" (15%)							
LNG volumes [E]	5%	Million tonnes per annum	27.5	28.7	30.1	29.1	1.29
Reducing operational emissions	5%	Thousand tonnes CO ₂	525	700	875	1,008	2.00
Supporting customer decarbonisation	5%	Number of EV charge points	60,000	70,000	80,000	72,800	1.28
Safety (15%)							
Personal safety	7.5%	SIF cases per 100 million working hours	4.5	3.6	2.7	1.5	2.00
Process safety	7.5%	Number of events	115	92	69	90	1.09
Scorecard outcome							1.64
Adjusted outcome							1.61

[A] In determining the CFFO outcome, a discretionary adjustment was made to reflect a tax payment scheduled for the end of December 2024, which was unintendedly delayed until early January 2025 due to a third-party error. This has a downward impact of 0.02 on the 2024 scorecard.

[B] Upstream controllable availability: 88.0% (Threshold 82.6%, Target 84.6%, Outstanding 86.6%); Midstream availability: 91.4% (Threshold 86.1%, Target 88.1%, Outstanding 90.1%); Chemicals and Refinery availability: 92.1% (Threshold 90.7%, Target 91.7%, Outstanding 92.7%). Performance assessment is equally weighted between Upstream, Midstream, and Chemicals and Refining.

[C] Projects delivered on schedule: 81% (Threshold 40%, Target 70%, Outstanding 100%); project delivery on budget: 104% (Threshold 108%, Target 102%, Outstanding 96%). Performance assessment is equally weighted between projects delivered on schedule and on budget.

[D] Customer Satisfaction Index: 8.3 (Threshold 7.6, Target 8.1, Outstanding 8.6); Brand Share Preference: 15.0% (Threshold 13.1%, Target 13.7-13.8%, Outstanding 14.5%). Performance assessment is equally weighted between Customer Satisfaction Index and Brand Share Preference.

[E] Equity liquefaction.

Accordingly, the REMCO decided the final bonus outcome should be 161% of target and 80.5% of maximum. This results in a bonus of £2,925,000 for Wael Sawan and £1,930,000 for Sinead Gorman.

2024 bonus outcome calculation

Wael Sawan			
Target bonus: £1,455,000 (base salary) x 125% = £1,818,750	×	2024 scorecard result 1.61	= £2,925,000 [A]
Sinead Gorman			
Target bonus: £961,000 (base salary) x 125% = £1,201,250	×	2024 scorecard result 1.61	= £1,930,000 [A]
[A] Rounded down to the nearest £5,000. This figure is subject to a three-year holding period which extends beyond the Executive Director's term.			

Long-term Incentive Plan vesting: 2022 LTIP

In 2022, Wael Sawan and Sinead Gorman were granted conditional share awards under the LTIP [A]. The table below summarises the performance conditions, weightings, targets and outcomes.

[A] Wael Sawan was not an Executive Director at the time of the award, but his award is disclosed here for transparency. Ben van Beurden, the CEO at the time, was also granted an award under the LTIP in 2022. The vesting of this award is discussed in the "Payments to past Directors" section on page 202.

2022 LTIP vesting outcomes – performance measures

Performance conditions		Weighting	Threshold	Target	Maximum	Outcome (out of the maximum 200%)	Vesting outcome (% of target award)
Relative Performance measured against the other energy majors last, Chevron, ExxonMobil and TotalEnergies	CH2 growth	20%	High	High	High	③ ① ③ ③ ①	200%
	SR [A]	20%	High	High	High	③ ① ③ ③ ①	100%
	ROACE growth	20%	High	High	High	③ ① ③ ③ ①	0%
Absolute Performance measured against Internal financial and strategic targets	FCF	20%	\$54bn	\$69bn	\$94bn	\$122.0bn	200%
	Energy transition	20%		See below			100%
							136%

[A] TSR over the performance period was 54.6%.

The REMCO reviewed Shell's broader performance over the performance period, and also reflected on the share price at award and on vesting, noting that the share price had increased by 28% in respect of the CEO's award, and that appreciation accounted for 19% of the total value of the CEO's LTIP at vesting, and was satisfied that no windfall gain had arisen.

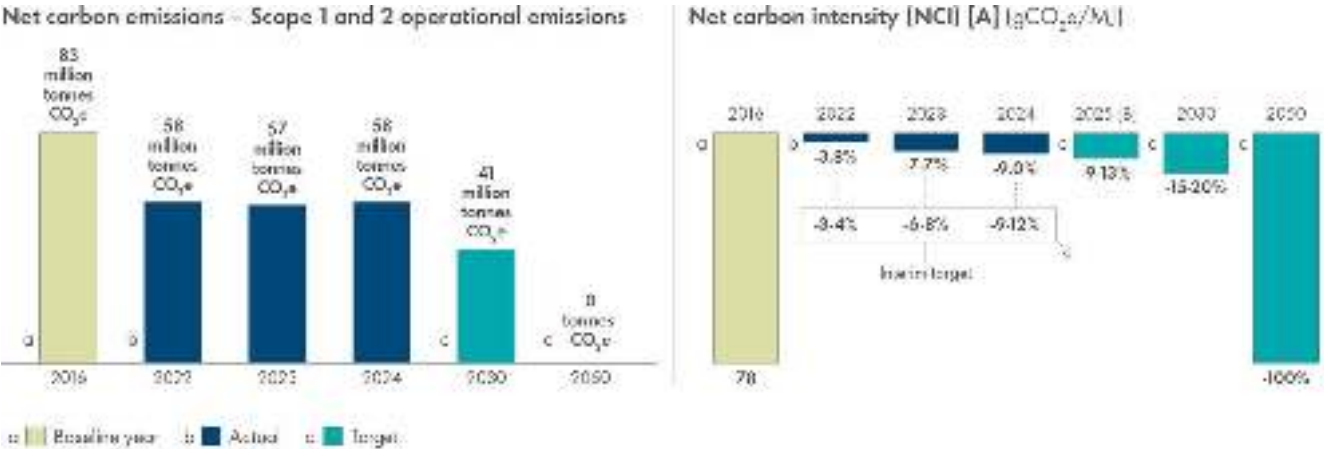
The REMCO decided that the LTIP outcome was consistent with the target opportunity and intended operation of the plan under the Policy and appropriate, and therefore no adjustment to the vesting outcome was required. Accordingly, the REMCO decided that the LTIP should vest at 136% of target (equivalent to 68% of maximum).

2022 LTIP vesting outcome

Wael Sawan			
Vesting outcome: [A] $98,000 \times 136\% =$ 133,280 ordinary shares €3,209,382	+	Change in share price: [B] $133,280 \times €6.66$ €887,645	Accrued dividends: [C] 18,251 ordinary shares €561,038
			Total LTIP Vesting: 151,531 ordinary shares €4,658,065 €3,899,299 [D]
Sinead Gorman			
Vesting outcome: [A] $105,675 \times 136\% =$ 143,718 ordinary shares €3,304,795	+	Change in share price: [B] $143,718 \times €2.53$ €362,888	Accrued dividends: [C] 18,338 ordinary shares €467,998
			Total LTIP Vesting: 162,056 ordinary shares €4,135,682
[A] Based on the closing price of awards of €24.08 for Wael Sawan and €22.00 for Sinead Gorman (rounded to the nearest whole number) as the "Award price". [B] Calculated based on the opening share price on March 6, 2025, (being the 2022 LTIP vesting date), minus the share price at the date of award. For Wael Sawan: €30.74 – €24.08 = €6.66. For Sinead Gorman: €25.59 – €22.00 = €3.59. [C] Based on the opening share price on March 6, 2025, of €10.124 for Wael Sawan and €25.52 for Sinead Gorman. [D] Converted from EUR to GBP using a spot exchange rate on March 6, 2025.			

Our carbon targets

In 2024, we continued on our path to become a net-zero emissions energy business by 2050. At the end of 2024, we had reduced our Scope 1 and 2 operational emissions by 30%, and the NCI of our energy products by 9.0% from our 2016 baseline.



[A] Average intensity, weighted by sales volume, of the energy products we sell, on an equity boundary, net of carbon credits. Estimated total GHG emissions included in NCI reflect well-to-wheel emissions associated with energy products sold by Shell. This includes the well-to-tank emissions associated with the manufacturing of energy products by others that are sold by Shell. In 2024, we revised the 2016 baseline NCI values and other historical NCI values. As a result, the percentage reduction achieved in 2023 was revised from 6.3% to 7.7%. (See "NCI baseline and restatement policy" on page 98).

[B] Targets set by the REMCO. Shell continually evaluates and updates its energy transition strategy, including its interim targets.

2022 LTIP energy transition performance condition: outcome

Outcomes for the energy transition performance condition are determined by the REMCO based on quantitative performance and a qualitative assessment focused on Shell's short-term NCI reduction target and those elements that we understood at the time would make the most impact on achieving our goals over the three-year performance period relating to NCI: the growth of our power business, the growth of lower-carbon products, and the development of systems to absorb, capture and store carbon. This approach to the LTIP is intended to support experimentation and learning as to what actions will help deliver net-zero emissions in a profitable way. Accordingly, the REMCO uses the performance indicators as guidance, rather than applying a formulaic vesting outcome, when making its decisions.



Net carbon intensity (NCI) – performance indicator met

We achieved our short-term target for the 2022-2024 LTIP cycle to reduce our NCI by 9-12% compared with the 2016 baseline, with a 9.0% reduction by 2024, demonstrating strong year-on-year progress towards our longer-term targets. In making its decision, the REMCO reviewed how the target was met including changing product sales mix, the use of emission offsets, such as carbon credits, and the retirement of Renewable Energy Certificates, recognising the importance of these in the energy transition.



Growing the power business – performance indicator met

A key element of the early cycles of the LTIP was to encourage learning about how to profitably decarbonise and the REMCO paid close attention to how management has refined the strategy for renewable power generation, energy marketing, and gas and power trading over the performance period. The emphasis has changed from a focus on growing the customer base and creating renewable generation capacity to a capital-light, sales-led strategy focusing on the Trading and Energy Marketing business as drivers of value creation. We are applying a more selective and disciplined approach to investment, prioritising investments that enable our trading and optimisation capabilities, especially in the area of flexible power management. Shell has further developed its marketing (B2B) and power trading businesses in key markets in Europe, the USA, Australia and Brazil over the performance cycle. This focus has also seen Shell divest its consumer power retail business in Europe and step back from renewable power generation opportunities that no longer fit our strategy or deliver sufficient returns. In considering the vesting outcome, the REMCO noted the work done to pivot the renewable generation, energy marketing, and gas and power trading strategy to deliver value for shareholders, the steps taken to bring renewable electrons to market, as well as the outcomes of 306 TWh/yr of total power sales achieved against an original target of 310-380 TWh/yr, of which 21% was renewable power (target 21%-31%), and considered the target as met.



Growing new lower-carbon product offerings – performance indicator partially met

Shell is one of the world's largest energy traders and blenders of biofuels and is continuing to invest in low- and zero-carbon products such as hydrogen and biofuels, working closely with customers to identify the products they need to decarbonise. Metrics for the performance cycle were designed to encourage development across this range of offerings, with ambitious targets set for developing advanced biofuels and hydrogen. For advanced biofuels, the REMCO originally set a target of investment in five or six advanced biofuels projects by the end of the performance period. While two were achieved, the pipeline of opportunities did not convert into commercially viable projects as technology derisking proved costly and demand for these products did not materialise as expected. Shell continues to invest in new technologies, but with discipline and a focus on the most viable markets to ensure we deliver value for shareholders. The decision to pause on-site construction work at the biofuel facility at the Shell Energy and Chemicals Park Rotterdam (the Netherlands) is a reminder of the importance of ensuring we get the basics right. On hydrogen, the REMCO originally set a target of 750 MW of capacity to be achieved by the end of the performance period. The Holland Hydrogen I (the Netherlands) and Refthyne II (Germany) projects together provide 300 MW of production capacity and are important platforms for future hydrogen development. This is below the 750 MW target; however, in taking a balanced view on the outcome, the REMCO considered this a good result as the regulatory frameworks and business models for hydrogen continue to develop. An important element of the REMCO's deliberations has been reflection on the fact that the policy environment and market for many of these offerings are emerging more slowly than anticipated, which speaks to the overall pace of the energy transition. The REMCO needs therefore to find the right balance between holding management accountable to targets versus supporting commercial decision-making to ensure shareholder value creation. Overall, the REMCO assessed the outcome on this metric as partially met.



Develop emission sinks – performance indicator partially met

The development of systems that capture and store or absorb carbon is required as part of the global response to climate change to reduce and compensate for emissions where there are not currently scalable low-carbon alternatives. The REMCO originally set a target of 25-30 mtpa CO₂e offset by carbon credits through carbon-neutral customer offerings. The outcome was 2 mtpa, as low customer demand and also operational challenges contributed to a target miss on this sub-metric. Technologies related to carbon capture and storage are necessary to reduce emissions where there are few low-carbon alternatives and a target of four-five was also set for maturing CCS projects. This was achieved with four projects: Northern Lights Phase 1B (Norway), Porthos (the Netherlands), where Shell is a launch customer, Polaris, and Atlas (both Canada). The REMCO considered this a positive result and evidence of Shell developing the organisational capability to develop this type of large-scale project, which will play an important role in Shell decarbonising its operations. The REMCO considered the overall outcome on this metric to be partially met.

Overall, the REMCO determined that the energy transition measure (accounting for 20% of the award) should vest at 130% of target.

Consideration of 2024 single figure outcomes

In determining the final single figure outcomes for 2024, the REMCO also considered the personal performance of the Executive Directors.

Personal performance

2024 was another year of strong and decisive leadership from the Executive Directors. A key deliverable for the year was the Energy Transition Strategy 2024 (ETS24), published in March 2024, setting out the important role Shell intends to play in providing the energy the world needs today, and in helping to build the low-carbon energy system of the future. The Executive Directors played a pivotal role in the shaping of the strategy, and communicating it to our shareholders and other key stakeholders. The resolution was supported by 78% of shareholders who voted through an advisory vote at the 2024 AGM.

Performance, discipline and simplification continued to be our guiding principles during 2024, and the Executive Directors have modelled these values in their leadership, improving how we work across the organisation. Key successes are noted throughout this report, particularly on page 193 on the 2024 annual bonus and page 196 on the 2022 LTIP vesting outcome, and additional comments are provided below.

Wael Sawan has steered Shell through another successful year. The focus has been on delivering against the financial and climate targets set out at Capital Markets Day 2023 (CMD23), establishing a track record in consistently meeting our external commitments. In Integrated Gas and Upstream, we have seen improvement in operational performance and the successful start to a number of projects. In Downstream and Renewable Energy Solutions, there has been continuous high-grading of the portfolio to support a profitable energy transition. Wael Sawan has demonstrated clear and decisive leadership, driving growth where we have a competitive advantage, and making tough decisions to pause and address performance challenges where needed (for example, pausing the biofuels project in the Netherlands). By the end of 2024, key achievements included:

- delivery against CMD23 commitments, including total shareholder distributions* in 2024 of 41% of CFFO (\$22.6 billion), at the upper end of the promised 30-40% of CFFO through the cycle, and structural cost reduction* of \$3.1 billion since 2022 against the commitment of \$2-3 billion by the end of 2025;
- continued high-grading of the portfolio, including agreement to sell our Energy and Chemicals Park in Singapore and our Nigerian onshore subsidiary, The Shell Petroleum Development Company of Nigeria Limited (SPDC);

- delivery of improved operational performance, including Prelude significantly increasing its controllable availability since its turnaround last year;
- final investment decisions made across a number of low-carbon projects, including the Polaris and Atlas (Phase 1) CCS projects in Canada, and the hydrogen project Refhyne II in Germany;
- continuing Shell's role in shaping the broader energy conversation through engagements at events including CERAWEEK, ROG.e, ADIPEC, and the Center for Strategic and International Studies;
- continued focus on safety and climate performance, including the achievement of a 30% reduction of Scope 1 and 2 operational emissions, and a 9.0% reduction in NCI vs. the 2016 baseline; and
- driving Shell's performance, discipline and simplification, growing business empowerment across all organisational levels.

Working closely with the CEO, Sinead Gorman has continued to demonstrate her skills as a leader, helping to drive a high-performance culture and a learner mindset. The year is characterised by strong financial results, a healthy balance sheet and capital discipline. Sinead Gorman has steered the Finance function's disciplined capital stewardship and effective management of Shell's financial framework, allowing Shell to meet its organisational objectives and commitments to shareholders. By the end of 2024, Sinead Gorman's key achievements included:

- together with the CEO, delivery of strong financial results with net income of \$16.5 billion, Adjusted Earnings* of \$23.7 billion, and CFFO of \$54.7 billion, our second best year on record, against plan target of \$46 billion;
- strengthening the balance sheet by reducing net debt* to \$38.8 billion, and enhancing the resilience of the Company;
- playing a critical role in shaping ETS24, securing the advisory vote from shareholders in support of this strategy at the 2024 AGM;
- continuing to drive capital discipline, with cash capital expenditure in 2024 below the target range for the year and creating a culture in which a focus on value creation is central; and
- continued focus on climate performance, including the achievement of a 30% reduction of Scope 1 and 2 operational emissions, and a 9.0% reduction in NCI vs. the 2016 baseline.

* Non-GAAP measure (see page 445).