

Company: Shell PLC

Submission date: 18th March 2022

Survey questions from BHRRC:

For companies operating or investing in Ukraine

Nature of involvement

1. How long has your company or subsidiary been operating or investing in Ukraine? In summary, can you briefly describe the nature, sector, scale, and geographic area of these operations or investments?

Assessing risks

2. How is your company enhancing its due diligence to identify, prevent, and mitigate heightened human rights risks and comply with international humanitarian law?
 - a. What measures is your company taking to ensure it relies and acts upon robust monitoring of the situation, including through consultation with your workers, affected communities, human rights groups, and/or humanitarian organizations?

Mitigating risks and tracking effectiveness

3. What measures is your company or subsidiary taking to ensure that your business relationships, products, services, operations, or other actions do not contribute to Russian military activities or occupation in Ukraine (including Crimea and occupied parts of Donetsk and Luhansk Oblasts)?
4. Is your company or subsidiary planning to scale-down or suspend your operations in Ukraine? If so, what are the immediate and longer-term steps that your company has taken or is prepared to take to mitigate the negative impacts of this decision on affected communities and your workers?
5. What steps is your company or subsidiary taking to ensure that your risk prevention and/or mitigation measures do not negatively impact Ukrainian civilians?

Exercising leverage

6. Is your company or subsidiary taking any other actions to promote respect for humanitarian law, human rights, democracy, and peace in Ukraine?

For companies operating or investing in Russia

Nature of involvement

1. How long has your company or subsidiary been operating or investing in Russia? In summary, can you briefly describe the nature, sector, scale, and geographic area of these operations or investments?

Assessing risks

2. How is your company enhancing its due diligence to identify, prevent, and mitigate heightened human rights risks and comply with international humanitarian law?
 - a. What measures is your company taking to ensure it relies and acts upon robust monitoring of the situation, including through consultation with your workers, affected communities, human rights groups, and/or humanitarian organizations?

Mitigating risks and tracking effectiveness

3. As the situation in Ukraine unfolds, is your company or subsidiary planning to cease operations in or divest from Russia? If so:
 - a. What have been the key considerations informing this decision and did you consult with your workers and/or other affected stakeholders as part of your decision-making process?
 - b. What are the immediate and longer-term steps that your company has taken or is prepared to take to mitigate any negative impacts of your exit on affected communities and your workers, including addressing any loss of income?
4. If your company or subsidiary chooses to continue operating in Russia, what human rights due diligence has been undertaken and how are you planning to mitigate harm in Ukraine?
5. What kind of due diligence measures does your company use to ensure that it does not have any business relationships with sanctioned Russian individuals and entities? Beyond sanctions compliance, how does your company ensure that it does not have any business relationships with individuals or entities with a track record of rights violating conduct?

Exercising leverage

6. How does your company intend to use your leverage to protect the rights of your workers and communities affected by your operations in Russia, including freedoms of association and expression?
7. Is your company providing any support to Russian activists who are taking action against the war and in support of democracy and peace in Ukraine?

Shell PLC response | 18th March 2022

Shell in Ukraine: key information

- Shell has been present in Ukraine since 2006 and has predominantly downstream activities through majority interests in joint venture companies. Shell operates 132 retail sites in Ukraine. The downstream retail joint venture pays taxes locally and has around 1,500 employees. Shell ceased its exploration activities in Ukraine in 2015.
- The main office for Shell companies in Ukraine is in Kyiv, with smaller retail offices in several locations.

Shell in Russia: key information

- Shell has been present in Russia since 1892 but left in 1918 when activities were nationalised, returning in 1983 to open a representative office. Shell started a lubricants business in Russia in 1992 and is now active in exploration and production, oil and gas

transportation and marketing. There are more than 400 Shell-branded retail sites and Shell provides technical and advisory services to Russian companies.

Please Note: Shell announced its intention (on 8th March) to withdraw from its involvement in all Russian hydrocarbons, including crude oil, petroleum products, gas and liquefied natural gas (LNG) in a phased manner, aligned with new government guidance. As an immediate first step, the company will stop all spot purchases of Russian crude oil. This follows our earlier announcement when we confirmed our intent to exit our joint ventures with Gazprom and related entities, including our 27.5 percent stake in the Sakhalin-II liquefied natural gas facility, our 50 percent stake in the Salym Petroleum Development and the Gydan energy venture. We also intend to end our involvement in the Nord Stream 2 pipeline project.

Assessing Risks:

Human rights are embedded into the Shell General Business Principles (SGBPs). We respect human rights in all aspects of doing business and have embedded human rights in our General Business Principles, Code of Conduct and Shell Supplier Principles. The Shell Supplier Principles include specific labour and human rights expectations for contractors and suppliers. All Shell employees, contractors, and those working in joint ventures that we operate, are expected to understand and work in line with the SGBPs. We encourage suppliers and our partners in joint ventures that we do not operate, to apply equivalent principles

The Board is responsible for maintaining a sound system of risk management and internal control, and for regularly reviewing its effectiveness. A single overall control framework exists for the Company and its subsidiaries.

Mitigating risks and tracking effectiveness:

Shell's General Business Principles require us to comply with all applicable laws and regulations of the countries in which we operate. The situation concerning sanctions is evolving rapidly and we are monitoring it closely.

Our global international trade compliance programme affirms Shell's commitment to trade compliance, including export controls and trade sanctions. In addition to relevant training, the programme provides staff and contractors with tools and resources to comply with applicable trade regulations.

We do not supply Russia's military with products or services, however, during a military conflict there may be circumstances in which our teams may have no choice but to supply military transport. This could be if armed troops demanded fuel or, indeed, if there was a legal obligation under martial law.

We employ 1,500 staff and contractors in Ukraine, and we are doing everything we can to ensure their health, safety, and well-being in this difficult situation. Ukraine-based Shell staff and their

families who choose to travel and can cross the border into Poland will be provided with transport to the Krakow region, approximately 240 km from the border. There, temporary accommodation such as hotels can be arranged for them, together with vouchers for food or food allowance for a *minimum* of two weeks. We're also aware of Ukraine-based Shell staff reaching other destinations. We've extended our offer to provide accommodation and food for a minimum of 2 weeks in all countries for Ukraine-based Shell staff and their families. This support can of course be extended, depending on the situation. Based on the security situation in the country, Shell Ukraine is also looking at providing support for transport to safer regions within Ukraine.

The war in Ukraine is a huge and growing humanitarian crisis. Shell's immediate focus has been to support the people of Ukraine by working with aid organisations in Ukraine itself and its bordering countries, where refugees are heading in their millions.

Shell's immediate efforts have focused on Ukraine and Poland where it has made donations to several humanitarian and aid organisations, including \$2 million to the Ukrainian Red Cross, \$1 million to Polish Humanitarian Action and \$1 million to the Polish fire department to send equipment and medical supplies to their colleagues in Ukraine. We are working with various partners in other neighboring countries (incl. Hungary, Czechia, Bulgaria and Slovakia), to identify the most urgent needs on the ground. Internationally, Shell has contributed \$3 million as humanitarian aid to our global disaster relief partner, Mercy Corps, to help meet the immediate needs of those affected by the war in Ukraine. In addition, Shell has committed to match employee donations to Mercy Corps. In total, Shell has made donations of nearly \$11 million.

Exercising leverage:

Shell announced its intention (on 8th March) to withdraw from its involvement in all Russian hydrocarbons, including crude oil, petroleum products, gas and liquefied natural gas (LNG) in a phased manner, aligned with new government guidance.

The current societal challenges highlight the dilemma between putting pressure on the Russian government over its atrocities in Ukraine and ensuring stable, secure energy supplies across Europe. But ultimately, it is for governments to decide on the incredibly difficult trade-offs that must be made during the war in Ukraine. We will continue to work with them to help manage the potential impacts on the security of energy supplies, particularly in Europe.

We know it is important to keep people up to date with Shell's response to the war in Ukraine, and we have set up a dedicated webpage where people can see the latest announcements from Shell. This can be found at: <https://www.shell.com/war-in-ukraine-shell-response.html>