

INNOVATIVE ENERGY SOLUTIONS **FOR THE PHILIPPINES**

Shell Pilipinas Corporation Annual Sustainability Report 2022

DISCLAIMER

Cautionary Note

The companies in which Shell plc directly and indirectly owns investments are separate legal entities. In this 2022 Shell Pilipinas Annual Sustainability Report, "Shell," "Shell Group," and "Group" are sometimes used for convenience where references are made to Shell plc and its subsidiaries in general. Likewise, the words "we," "us," and "our" are also used to refer to Shell plc and its subsidiaries in general or to those who work for them. These terms are also used where no useful purpose is served by identifying the particular entity or entities. "Subsidiaries," "Shell subsidiaries," and "Shell companies" as used in this 2022 Shell Pilipinas Annual Sustainability Report refer to entities over which Shell plc either directly or indirectly has control. Entities and unincorporated arrangements over which Shell has joint control are generally referred to as "joint ventures" and "joint operations," respectively. "Joint ventures" and "joint operations" are collectively referred to as "joint arrangements." Entities over which Shell has significant influence but neither control nor joint control are referred to as "associates." The term "Shell interest" is used for convenience to indicate the direct and/or indirect ownership interest held by Shell in an entity or unincorporated joint arrangement, after exclusion of all third-party interest.

Forward-Looking Statements

This 2022 Shell Pilipinas Annual Sustainability Report contains forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995) concerning the financial condition, results of operations and businesses of Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Shell to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections, and assumptions. These forward-looking statements are identified by their use of terms and phrases such as "aim," "ambition," "anticipate," "believe," "could," "estimate," "expect," "goals," "intend," "may," "milestones," "objectives," "outlook," "plan," "probably," "project," "risks," "schedule," "seek," "should," "target," "will," and similar terms and phrases. There are a number of factors that could affect the

future operations of Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this 2022 Shell Pilipinas Annual Sustainability Report, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell's products; (c) currency fluctuations; (d) drilling and production results; (e) reserves estimates; (f) loss of market share and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, judicial, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; (m) risks associated with the impact of pandemics, such as the COVID-19 (coronavirus) outbreak; and (n) changes in trading conditions. No assurance is provided that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this 2022 Shell Pilipinas Annual Sustainability Report are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Additional risk factors that may affect future results are contained in Shell plc's Form 20-F for the year ended December 31, 2022 (available at www.shell.com/investor and www.sec.gov). These risk factors also expressly qualify all forward-looking statements contained in this 2022 Shell Pilipinas Annual Sustainability Report and should be considered by the reader. Each forward-looking statement speaks only as of the date of this 2022 Shell Pilipinas Annual Sustainability Report, April 14, 2023. Neither Shell plc nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied, or inferred from the forward-looking statements contained in this 2022 Shell Pilipinas Annual Sustainability Report.

Shell's net carbon intensity

Also, in this 2022 Shell Pilipinas Annual Sustainability Report, we may refer to Shell's "Net Carbon Intensity," which includes Shell's carbon emissions from

the production of our energy products, our suppliers' carbon emissions in supplying energy for that production and our customers' carbon emissions associated with their use of the energy products we sell. Shell only controls its own emissions. The use of the term Shell's "Net Carbon Intensity" is for convenience only and not intended to suggest these emissions are those of Shell plc or its subsidiaries.

Shell's net-Zero Emissions Target

Shell's operating plan, outlook and budgets are forecasted for a ten-year period and are updated every year. They reflect the current economic environment and what we can reasonably expect to see over the next ten years. Accordingly, they reflect our Scope 1, Scope 2, and Net Carbon Intensity (NCI) targets over the next ten years. However, Shell's operating plans cannot reflect our 2050 net-zero emissions target and 2035 NCI target, as these targets are currently outside our planning period. In the future, as society moves towards net-zero emissions, we expect Shell's operating plans to reflect this movement. However, if society is not net zero in 2050, as of today, there would be significant risk that Shell may not meet this target.

Forward-Looking Non-GAAP measures

This 2022 Shell Pilipinas Annual Sustainability Report may contain certain forward-looking Non-GAAP measures such as cash capital expenditures and divestments. We are unable to provide a reconciliation of these forward-looking Non-GAAP measures to the most comparable GAAP financial measures because certain information needed to reconcile those Non-GAAP measures to the most comparable GAAP financial measures is dependent on future events some of which are outside the control of Shell, such as oil and gas prices, interest rates and exchange rates. Moreover, estimating such GAAP measures with the required precision necessary to provide a meaningful reconciliation is extremely difficult and could not be accomplished without unreasonable effort. Non-GAAP measures in respect of future periods which cannot be reconciled to the most comparable GAAP financial measure are calculated in a manner which is consistent with the accounting policies applied in Shell plc's consolidated financial statements. The contents of websites referred to in this 2022 Shell Pilipinas Annual Sustainability Report do not form part of this report. We may have used certain terms, such as resources, in this 2022 Shell Pilipinas Annual Sustainability Report that the United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. Investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575 available on the SEC website www.sec.gov.

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About the Title and Cover

Shell Pilipinas Corporation ("Shell Pilipinas," "SPC," "the Company," "the Corporation") is optimistically heading towards a future that demands more from us as a business: more innovation to drive competitiveness, more solutions to changing energy needs, and more concern for society as a whole. Our confidence comes from the trust we've earned from our customers, partners and stakeholders. For years, we have been consistently finding ways to innovate, decarbonize, and grow — all to further our Powering Progress strategy.

The cover title reflects our efforts to maintain competitiveness and thought leadership as we move forward. It also reiterates our commitment to contribute to the betterment of the nation. The art is a representation of the tomorrow we wish to shape — our generation and the next, basking in the warmth of a sustainable world. Through our various businesses and constant innovation, and with our corporate values as our guide, we at Shell Pilipinas vow to strengthen our efforts to get the Philippines closer to this vision.



We are now

SHELL PILIPINAS CORPORATION

This introduces the Company's wider future-forward approach towards energy transition that will broaden it beyond petroleum, pivoting towards a more sustainable, cleaner energy solutions for the Filipino people, community and environment.



In Picture: The first Shell "Site of the Future" located at Acienda Silang, Cavite was awarded by the European Chamber Commerce of the Philippines with the 2022 Europa Award for Smart and Safer Mobility for creating innovative, sustainable smart solutions that help address the issues and challenges in the local transport industry.

The world is evolving and so is Shell in the Philippines. Through our 108-year history, we have been offering our customers more than just high-quality products and services.

We are on the cusp of a revolution in energy with the launch of the first of a series of Electric Vehicle (EV) charging stations (with Shell Recharge), our Carbon Offset offerings for our Fleet and driver customers alike, and in recent years, operating our assets using low carbon energy solutions. Our Tabangao terminal is running on 100% Renewable Energy and a sizeable footprint of our mobility stations nationwide is now solar powered, amongst others.

We are prepared to bring our global technology expertise on other offerings and solutions, should the market need arise.

As we continue to adapt to changing customer and stakeholder needs, so must our corporate name. We are now SHELL PILIPINAS CORPORATION, ready to meet the energy challenge and embrace opportunities in decades to come.

We are excited to deliver more as we evolve and transform in the delivery of our five-year strategy.

See the official disclosure [here](#).

INTRODUCTION FROM THE CHAIRMAN

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Welcome to Shell Pilipinas' seventh Annual and Sustainability Report.

2022 saw the consolidation of our efforts to pursue the major goals that support our Powering Progress strategy. We made significant strides in generating value for our shareholders, powering lives, respecting nature and contributing to Shell's goal to become a net-zero emissions business, by providing innovative energy solutions for the Philippines.



GROWTH AND VALUE

Amid the pandemic and Russia-Ukraine war, Shell Pilipinas made impactful decisions to develop into a more resilient business. This includes the transformation of our Tabangao facility in Batangas from a refinery into an import terminal. To further strengthen our supply chain and pave the way for a more stable supply of energy in Southern Mindanao, we started building our fourth import terminal in Darong, Davao.

Despite the prolonged economic uncertainties, I am proud that we maintained our financial resilience and closed 2022 with net income of Php4.1Bn. This was achieved by streamlining our organisation, rebalancing our portfolio as well as improving both our fuel and non-fuel

sales performance with comprehensive customer-centric offerings. I am pleased that our Shell V-Power remains our most preferred premium fuel nationwide.

As a priority, we resumed our dividend distribution after a two-year hiatus and we look forward to continuing our positive trajectory in the coming years.

TRANSITION AND SOLUTIONS

3-3

To provide more and cleaner energy solutions, Shell Pilipinas increased the distribution of innovative low carbon products such as Shell Helix Ultra 0W per 17A and Shell Rimula R4L lubricants for vehicles, and Shell Bitumen FreshAir for roads.



We are proud that the recently inaugurated Cebu-Cordova link expressway, the longest bridge in the country, was paved using the pioneering Shell Bitumen FreshAir.

By improving the carbon offset through our nature-based projects, we can provide our customers nationwide with the choice to drive carbon neutral. We have achieved another significant milestone by introducing Shell Recharge, the first-ever electric vehicle charging service, at our Mamplasan station.

Our service stations continue to be transformed to mobility destinations with elevated customer experience by expanding our convenience offers to more customers like bikers, pedestrians and travelers. These locations are designed to lower carbon emissions as they utilise more eco-friendly equipment like solar panels, LED lighting, inverter air conditioners and other more sustainable materials.

Our innovative solutions also extend to non-fuel convenience retailing by tailoring store format according to the market. These include Shell Select, Deli2go, Select Express and Helix Oil Service Center.

Our digitalisation initiatives cover accessible payment options for customers, targeted communications with investors and our enhanced Shell Go+ loyalty app which to date has two million users.

Compared with 2016, we reduced more than 90% of our carbon emissions from our operations by the end of 2022 with the closure of the refinery and other low carbon investments. We aim to further reduce this through partnerships and sustainable business ventures. Our integration with Shell Energy Philippines has powered the Tabangao Import Facility with 100% renewable energy.

LIVES AND LIVELIHOODS

We remain fully committed to the United Nations Sustainable Development Goals (UN SDG). Pilipinas Shell Foundation Inc. (PSFI), which celebrated its 40th anniversary in 2022, serves the community through programmes on nutrition and food security, education, livelihood, health and safety, environment, and energy. The Movement Against Malaria, one of its most notable



programmes, supported 93% reduction of cases in the past two decades.

In the latest Shell People Survey (SPS), it was heartwarming that our high employee engagement as well as diversity and inclusion scores of 85 and 88 respectively, further strengthened compared to 2021.

Shell Pilipinas seeks to improve lives and livelihoods by contributing to local communities, championing inclusion and providing vital energy through our products and services. We are determined to make a positive impact on the Philippine society.

BALANCE AND BEYOND

Shell Pilipinas stands ready to play its role in a balanced energy transition, profitably and purposefully. As we strive

to provide reliable, affordable and sustainable energy, we remain grounded by our core values of honesty, integrity and respect for people.

My sincere appreciation to our staff and employees, our partners, management and the board for their service and dedication. Together with our best-in-class assets, leading brand and customer relationships as well as diverse and high-performance talent, we will power progress for the Filipinos.

Min Yih Tan
Chairman of the Board

ABOUT THE REPORT

2-2, 2-3, 3-3

Shell Pilipinas Corporation is primarily engaged in the business of importation and marketing of petroleum products, including gasoline, diesel, jet fuel, fuel oil, lubricants, and bitumen. Shell Pilipinas represents the downstream operations of the Shell companies in the Philippines (SciP), a network of companies involved in oil importation, distribution, marketing, energy trading and other services. SciP is part of Shell group, a global group of energy and petrochemicals companies operating in over 70 countries. Shell Pilipinas imports, transports, distributes, and markets a wide range of high quality fuels, lubricants, bitumen, and other specialty oil-based products. Its mobility network continues to expand, with more than 1,150 service stations catering to motorists nationwide. The Company also provides non-fuel retail offerings through its fast-growing network of vehicle service centres, Select convenience stores, and Deli2Go outlets nationwide.

Innovative Energy Solutions for the Philippines is the seventh Annual and Sustainability Report (ASR) of Shell Pilipinas Corporation. This ASR covers Shell Pilipinas' environmental, social, safety, governance, and financial performance in 2022.

This report has been prepared in accordance with the GRI Standards, following the industry sector-specific Oil and Gas Sector Disclosures. The report also complies with the Sustainability Reporting Guidelines for Publicly Listed Companies of the Philippine Securities and Exchange Commission (SEC).

This report also includes reporting guidelines and indicators developed by the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB).

Reporting Framework

GRI Standards, TCFD, and SASB

Reporting Period

January 1 to December 31, 2022

Reporting Cycle

Annual

Reporting Scope

Shell Pilipinas Corporation

Contact

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HOW DO WE REPORT?

3-3

1

Consultations and Alignment

The Company's business unit heads reported on stakeholder concerns and the accomplishments of the Company during the reporting period.

2

Stakeholder Review and Materiality Assessment

Based on feedback from stakeholders via existing engagement mechanisms, the material topics were identified and were narrowed down.

3

Data Gathering and Review

Subject matter experts in Shell Pilipinas were asked to answer data templates from internationally recognised sustainability frameworks and were also invited for one-on-one interviews to contextualise their performance data.

4

Writing and Evaluation

The manuscript underwent internal revisions, review, and approval from the business representatives and business unit heads.

5

Layout and Final Review

The manuscript is laid out and subjected to final approvals before publication.

6

Publication and Dissemination

The printed and digital copies of the 2022 ASR are distributed to shareholders and other stakeholders, especially during the Annual Stakeholders' Meeting and other engagements.

By undergoing this process, we ensure the completeness, accuracy, balance, clarity, comparability, reliability, and timeliness of this report's content. Involving internal and

external stakeholders in this process also ensures stakeholder inclusiveness and the materiality of the topics, especially within the greater sustainability context of our business.



ABOUT SHELL PILIPINAS

2-1, 3-3

Shell Pilipinas Corporation (SPC, Shell Pilipinas, or the Company, the Corporation) is primarily importing and marketing petroleum products, including gasoline, diesel, jet fuel, fuel oil, lubricants, bitumen, non-fuels retail, and services.

Shell Pilipinas represents the downstream operations of the Shell companies in the Philippines (SciP), a network of companies involved in oil importation, distribution, marketing, energy trading and other services. SciP is part of Shell plc, a global group of energy and petrochemicals companies operating in over 70 countries.

Shell Pilipinas imports, transports, distributes, and markets a wide range of high quality fuels, lubricants, bitumen, and other specialty oil-based products. Its mobility network continues to expand, with more than 1,150 service stations catering to motorists nationwide. The Company also provides non-fuel retail offerings through its fast-growing network of vehicle service centres, Select convenience stores, and Deli2Go outlets nationwide.

Shell Pilipinas has an integrated supply chain network nationwide composed of 24 fuel terminals and supply points, 10 lubricant warehouses, two specialty facilities, and three import facilities. In 2021, Shell Pilipinas also inaugurated the Shell Import Facility Tabangao (SHIFT) in Tabangao, Batangas. This transformation from a refinery to an MR-capable import facility will enhance the Company's capacity to meet fuel demand in South Luzon and Northern Visayas.

The Articles of Incorporation of the Corporation has been amended to reflect the shift of the Tabangao Refinery to a full importation facility. SPC's Primary Purpose is now:

"To purchase, acquire, import, manufacture, refine, transport, use, and store any and all kinds of petroleum and petroleum products, components, additives, lubricants, bitumen, chemical and/or petrochemical products; and to market, distribute, and sell at wholesale, export, exchange, deal in, and dispose of such products and by-products which may be produced, developed, or made therefrom."

SEC also approved the amendment of Shell Pilipinas' secondary purpose to include retail trade:

"To the extent permitted by law, to buy, trade, exchange, distribute and sell, at wholesale and/or retail, all kinds, types, and classes of goods, wares, merchandise, products, and other articles of trade, whether tangible or intangible, including, but not limited to, goods, food, foodstuffs, food products, beverages, electrical supplies, office equipment, rubber and synthetic products, hydrocarbon products, chemical, chemical products, and credits or certificates."

See the official disclosures [here](#).



HEAD OFFICE

41st Floor, The Finance Centre
26th Street corner 9th Avenue,
Bonifacio Global City (BGC),
Barangay Fort Bonifacio, Taguig City 1635

HISTORY AND OWNERSHIP

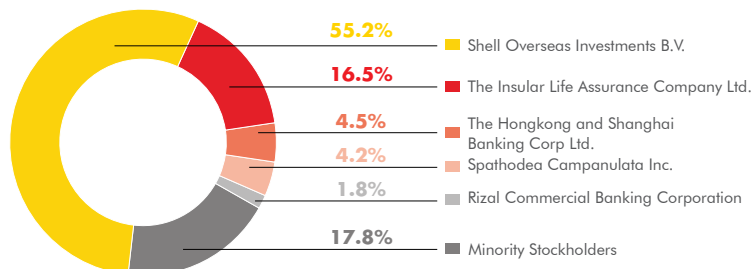
3-3

Shell Pilipinas traces its roots back to Asiatic Petroleum Company (Philippine Islands) Ltd., an importer and retailer of motor gasoline and kerosene. The organisation underwent several structural and name changes, culminating as Pilipinas Shell Petroleum Corporation in 1973. The Company's corporate name was changed to Shell Pilipinas Corporation (SPC) in 2023. The Tabangao Refinery began its commercial operations in 1962, with an initial nameplate capacity of 30,000 barrels per day (bpd). Modernisation and expansion activities between 1993 and 1995 further increased the oil refinery's nameplate capacity to 110,000 bpd. It was one of only two oil refineries in the Philippines.

In 2020, the Company permanently ceased its refining operations, and shifted into a full-import supply chain model. It transformed its Tabangao Refinery into a 100% import terminal aptly called SHIFT. The new supply strategy is supported with two other import terminals – one in Northern Luzon and one in Northern Mindanao.

Today, Shell Pilipinas continues to be one of the most recognisable, trusted and preferred brands in the country, serving thousands of motorists every day through its network of more than 1,150 service stations nationwide.

SHELL PILIPINAS SHAREHOLDINGS STRUCTURE



As of December 31, 2022

SHELL COMPANIES IN THE PHILIPPINES



SHELL COMPANIES IN THE PHILIPPINES

- Shell Pilipinas Corporation ([SPC](#))
- Shell Energy Philippines, Inc ([SEPH](#))
- Shell Shared Services (Asia) BV – [Manila Branch](#)

OUR MISSION

To power progress together with the Filipino by providing more and cleaner energy solutions.

OUR VISION

A world-class investment

We aim to maximise cash generation while maintaining competitive results built upon a strong financial framework and capital discipline.

Shared value with society

We aim to be a good neighbour who manages the social impact of our activities and shares wider benefits to society. We aim to deliver energy responsibly and safely, while looking after the welfare of our employees, business partners, customers, local communities, and the environment.

Trusted partner in nation-building

We aim to be a reliable partner in nation-building by fulfilling the country's requirement for sustainable energy products and services.

OUR VALUES

We operate our business and maintain ties with business partners according to our values and business principles.

OUR CORE VALUES

Honesty - Staff and Business Partners are encouraged to speak up and celebrate those who do the right thing.

Integrity - By committing to our policies and rules, we empower our Staff and Business Partners to say "No".

Respect for People - Our people have the opportunity to progress irrespective of gender, ethnicity, or other differences.

OUR BUSINESS PRINCIPLES

Economic competition
Business integrity
Political activities
Health, safety, security, and the environment (HSSE)
Local communities
Communication and engagement
Compliance

Please visit <https://pilipinas.shell.com.ph/about-us/what-we-do.html> for more information on our history and values, and how we apply the Shell General Business Principles and Code of Conduct.

OUR BUSINESS

Shell Pilipinas provides innovative and clean energy solutions to industrial and retail customers.

OUR BUSINESS STRATEGY

1. Strong cash generation at competitive returns.
2. Disciplined capital expansion & cost management.
3. Leading position in corporate governance, talent management, & move towards low carbon operations.

For more information please visit <https://pilipinas.shell.com.ph/2021-strategy-day.html>



OUR CLASSES OF BUSINESS

2-6, 3-3



Mobility

Shell Pilipinas maintains a strong, nationwide, mobility network that offers high-quality fuels designed for optimal vehicle performance, efficiency, and emissions technology. Recognising that our customers' needs go beyond fuel, our non-fuel retailing business operates convenience stores and vehicle service centres that cater to motorists' need for non-food and food products and maintenance services such as oil change and repair.



Commercial Business

Our business includes wholesale commercial fuels, aviation fuel, lubricants, bitumen, and road transport. Beyond product differentiation and competitive customer value propositions, Shell Pilipinas also provides end-to-end technical services for our customers.



Supply and Distribution

Shell Pilipinas operates an integrated supply chain network that encompasses procurement, import, storage, and distribution of finished petroleum products through different modes of transport, such as vessels and trucks. Our nationwide network includes strategically located fuels storage terminals and supply points, warehouses, and import facilities. Through this integrated network, Shell Pilipinas ensures the safe, timely, and reliable delivery of our products to our customers.

OUR VALUE CHAIN

2-6, 3-3



Legend

CLASS OF BUSINESS

- Supply and Distribution
- Commercial Business
- Mobility

STAKEHOLDERS



Customers



Business Partner



Employees



Community



Shareholders

UN SDG Legend:



REVIEW OF STAKEHOLDERS' CONCERNS

2-26, 2-29, 207-3, EM-EP-210a.0



Shell Pilipinas understands that, to maintain our societal license to operate, we must nurture strong and productive relationships with our stakeholders. We have established robust and regular stakeholder engagement channels that allow us to understand their needs and concerns and to ensure that our responses are timely and relevant.

In line with the development of this report, our various business units reviewed and consolidated the stakeholder feedback received through these various channels. The feedback was elevated to our ASR Committee which is composed of the

Company's Vice President for Finance/Treasurer/Chief Risk Officer, Vice President for Corporate Relations, and Managing Counsel and Chief Compliance Officer, to undertake the materiality assessment process and the finalisation of our material topics.

Aside from stakeholder concerns and expectations, other significant factors informed our materiality assessment, such as current trends in the global energy, convenience retail, and our customers' industry (including its respective ecosystems), Shell plc's ambitions, and our own sustainability scorecard.

207-3

STAKEHOLDER GROUP	OUR RESPONSIBILITIES	STAKEHOLDER CONCERNS	ENGAGEMENT CHANNELS	COMPANY RESPONSE
Customers	We strive to develop and provide products and services that meet customers' needs in terms of quality and price, and that are also compliant with local and international standards.	<ul style="list-style-type: none"> Financial growth and resilience Tight cash flow Delayed payments Safety in mobility stations Supply reliability 	<ul style="list-style-type: none"> Customer feedback mechanisms (i.e., Voice of the Customer survey, other consumer surveys, tenders, visits, research data) 24/7 customer service call centre 	<ul style="list-style-type: none"> Engagement and training support Flexibility and leniency in payment collections Digital payment channels Regular safety audit and PNP partnership
Business Partners	We seek to develop partnerships that will be mutually beneficial. We work with companies that share our values and promote the application and adoption of the Shell Pilipinas General Business Principles, or their equivalent.	<ul style="list-style-type: none"> Road safety 	<ul style="list-style-type: none"> Supplier quality assessment and feedback Business reviews Day-to-day operation logs 	<ul style="list-style-type: none"> Road safety programmes Provision of HSSE-related programmes (i.e., defensive driving courses)
Employees	We endeavour to be the employer of choice. To this end, we provide safe and good working conditions, competitive terms of employment, and respect and uphold the human rights of our employees.	<ul style="list-style-type: none"> Job security, financial wellness, mental health, and physical safety Overall productivity and welfare of entire workforce Awareness of professional and career development opportunities in Shell Pilipinas 	<ul style="list-style-type: none"> Annual Shell People Survey Voice of Territory Managers Voice of District Managers Voice of Retail Service Champions Quarterly town hall meetings Safety Day activities Engagements with Country Chair 	<ul style="list-style-type: none"> Compliance with Worker Welfare Guide Roll-out of various fit-for-purpose Care Plans Flexible working arrangements Ergonomic support for home office setup Provision of financial support and emergency loans
Society	We take pride in being a good neighbour by ensuring that we also invest in community development projects, as well as foster collaboration in ensuring health, safety, security, and environmental protection in areas of operation.	<ul style="list-style-type: none"> Employment opportunities for local communities Health and environmental concerns Disaster resilience and emergency response (i.e., typhoon response) Food security Lack of regular income Road safety 	<ul style="list-style-type: none"> Community feedback register and mechanisms Socio-economic profiling and perception Community dialogue and town hall meetings (Ugnayan sa Barangay) Community bulletins Community programmes Regular dialogue and communication with the local and national governments, and the media 	<ul style="list-style-type: none"> Entrepreneurship, agriculture, and livelihood (Shell LiveWIRE) development programmes Community Skills Training (SKIL) and Job Referral System (Job Link) Health and safety programmes (MAM, PROTECTS, BiyaHERO) Scholarships and youth-related programmes Disaster Response and assistance (Project SHELTER) Road Safety Programs (BiyaHERO) Science Technology Engineering Mathematics (STEM) education opportunities (NXplorers) Access to Energy programme (SINAG) Environmental awareness and conservation initiatives
Government/Regulatory Bodies	We strive to be a partner in nation-building through strict compliance with applicable local laws and international standards.	<ul style="list-style-type: none"> Compliance with health and safety guidelines Ensure that proper attention is given to health, safety, security, and the environment. 	<ul style="list-style-type: none"> Email, online meetings, and virtual engagements 	<ul style="list-style-type: none"> Compliance with all applicable laws and regulations Dialogue and communication when there are changes in the requirements of the regulatory body
Shareholders	We have a responsibility to protect the interests of our shareholders and ensure healthy and long-term competitive returns.	<ul style="list-style-type: none"> Business continuity Sustainability Company innovations and growth opportunities Dividend payment 	<ul style="list-style-type: none"> Investors' conferences Quarterly analysts' and investors' briefings Annual Shareholders' Meetings One-on-one meetings 	<ul style="list-style-type: none"> Next five-year strategy cascade through Strategy Day Sustainability-related programmes and projects Effective Business Continuity Plan (BCP) and Enterprise Resource Planning (ERP)

MATERIAL TOPICS

3-1

We define material topics as areas that are most important to the business and our different stakeholders. These topics range from governance to operations, environmental impacts, health and safety, and social investments, and are anchored on the Shell General Business Principles. In particular, we consider how our business can address concerns and contribute to sustainable development.

Also informing and guiding our approach are the Shell core values of honesty, integrity, and respect for people.

ACHIEVING NET-ZERO EMISSIONS	RESPECTING NATURE	POWERING LIVES	GENERATING SHAREHOLDER VALUE
<ul style="list-style-type: none"> ▪ Product & Service Offerings ▪ Development and Innovation ▪ Evolving Customer Demands ▪ Digital Transformation ▪ Energy Transition 	<ul style="list-style-type: none"> ▪ Environmental Compliance & Impact including Biodiversity 	<ul style="list-style-type: none"> ▪ Local Community Development ▪ Employee Management ▪ Social impact of operations on host communities, business partners, and local government ▪ Social Investment ▪ Customer Service ▪ Promotion of sustainable development 	<ul style="list-style-type: none"> ▪ Corporate Governance ▪ Transparent, Accurate and Responsible Reporting ▪ Economic Performance ▪ Supply Chain Management ▪ Asset Integrity and Process Safety ▪ Brand Management

This 2022, SPC focused on making improved disclosures that are more relevant and aligned with the standards. More information are disclosed on its Corporate Governance matters, including the leadership's mechanics in the Company's sustainability management.

In line with this, we have also adopted the recommendations from the TCFD to report climate-related risks and opportunities in our business activities as part of our efforts to promote transparency in our sustainability reporting.

By adopting these improvements and recommendations, we communicate how financial risks and opportunities related to climate change are part of our risk management and overall strategic planning processes — helping in the transition to a more sustainable, lower-carbon economy.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

3-3, 305-5, 201-2, EM-RM-530a.1, EM-EP-530a.1

THEMES	RECOMMENDED TCFD DISCLOSURES	RESOURCES
GOVERNANCE	<p>Disclose the organisation's governance around climate-related risks and opportunities.</p>	<p>Shell Pilipinas' Board of Directors provides oversight and guidance on matters of corporate governance.</p> <p>Specifically, the Board Audit and Risk Oversight Committee ensures that there is an effective and integrated risk management process in place, including that of climate-related risks.</p> <p>On the other hand, the Sustainability Committee's duties include the review of external and internal sustainability-related risks and opportunities. The Committee reports this to the Board, including its recommendations to address the risk/opportunities. The Committee is also accountable in reviewing the Company's Sustainability Report prior to its issuance.</p>
STRATEGY	<p>Disclose the actual potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.</p>	<p>Shell Pilipinas is 55% owned by Shell plc. The Company leverages on Shell plc's Energy Transition Strategy in identifying the climate-related risks and opportunities for the Company. Shell plc publishes an annual Energy Transition Report to update the aforementioned.</p> <p>Shell Pilipinas' target is aligned with Shell plc's target to become a net-zero emissions energy business by 2050. We support the more ambitious goal of the UN Paris Agreement, which is to limit the rise in global average temperature this century to 1.5 degrees Celsius above pre-industrial levels. Shell plc discusses its approach to reach this target in its annual Sustainability Report.</p> <p>Shell Pilipinas has set its strategic priorities, including its plan to offer low carbon products, and shift to low carbon operations, as a response to Philippines' transition to a lower-carbon economy in the future. This was communicated during its 2021 Strategy Day. The Company discloses its material sustainability compliance, innovations, and efforts in its Annual Sustainability Report – a requirement of the Philippine Securities and Exchange Commission for publicly listed companies.</p>
RISK MANAGEMENT	<p>Disclose how the organisation identifies, assesses, and manages climate-related risks.</p>	<p>The Company has a robust Enterprise Risk Management (ERM) policy that states the processes in place and the responsibilities/accountabilities of each Management-level member in the identification, assessment, response, and monitoring of risks involved in running the business, including climate-related risks. The Chief Risk Officer supervises the entire ERM process – see page 36 of the Corporate Governance Manual for the extent of responsibility.</p> <p>Aside from the Management team, independent assurance providers (External Audit, Internal Audit and Corporate Assurance and Audit Department (CAAD)) conduct periodic reviews to assess the design and operating effectiveness of risk management and internal control processes.</p> <p>The President and Chief Executive Officer, and Corporate Audit and Assurance Manager issue an attestation on the adequacy and effectiveness of internal controls. Based on these attestations and assurance from internal and external auditors, the Board Audit and Risk Oversight Committee assesses the adequacy of Shell Pilipinas' controls, governance, and risk management.</p>
METRICS AND TARGETS	<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>	<p>Shell Pilipinas supports the Shell Group's target to become a net-zero emissions energy business by 2050, in step with the Philippine society. Additional relevant sustainability targets were shared in the recently disclosed Shell Pilipinas 2021 Strategy Day (Strategy Day webpage, slides 26-27). The targets are included as a staple agenda in all levels of the Board and Management team's recurring meetings, including the progress and necessary interventions to achieve progress. The targets evolve as necessary considering the risks & opportunities tied to it.</p> <p>"The historical greenhouse gas (GHG) Scope 1 & 2 emissions are reported on page 51 of this report. Further management discussions can be found on page 52."</p>



SUSTAINABILITY AT SHELL PILIPINAS

- Our Approach to Sustainability
- Support for International Agreements
- Sustainability Scorecard
- 2022 Highlights
- Our Awards
- Message from the President and Chief Executive Officer
- 2022 Financial Highlights
- Report from the Chief Financial Officer

OUR APPROACH TO SUSTAINABILITY

2-22

Sustainability at Shell Pilipinas means aiming to provide more and cleaner energy solutions in a responsible manner – in a way that balances short- and long-term interests, and integrates economic, environmental and social considerations. We have worked to embed this sustainability commitment into our strategy, our business processes and decision-making.

Today, we continue to build on these foundations while driving change across the organisation to help society meet its most pressing challenges. We seek the views of various groups and individuals about the role of a company like Shell in addressing these challenges.

In February 2021, the Shell Group announced Powering Progress, that sets out Shell's strategy to accelerate the transition of our business to net-zero emissions. Powering Progress is designed to integrate sustainability with our business strategy.



Powering Progress has four main goals in support of our purpose to power progress together by providing more and cleaner energy solutions.

ACHIEVING NET-ZERO EMISSIONS

Working with our customers and sectors to accelerate the energy transition to net-zero emissions.



RESPECTING NATURE

Protecting the environment, reducing waste and making a positive contribution to biodiversity.



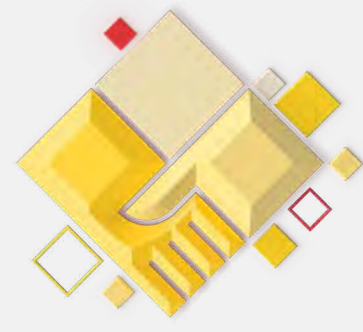
POWERING LIVES

Powering lives through our products and activities, and supporting an inclusive society.



GENERATING SHAREHOLDER VALUE

Growing value through a dynamic portfolio and disciplined capital allocation.



SUPPORT FOR INTERNATIONAL AGREEMENTS

2-22, 2-28, 3-3

The UN SDGs seek to address the world's biggest challenges, including ending poverty, improving health and education, making cities sustainable, and tackling climate change. Governments are responsible for prioritising and implementing approaches that meet the SDGs, but achieving these tasks will require unprecedented collaboration and collective action across businesses, governments, and civil society. As such, Shell Pilipinas will play its part in helping governments and societies achieve the SDGs.

Shell Pilipinas is also committed to respecting human rights, as set out in the UN Universal Declaration of Human Rights and the International Labour Organization Declaration on

Fundamental Principles and Rights at Work. The Company is also a founding member of the UN Global Compact Network in the Philippines and we also support a number of external voluntary codes that promote responsible business practices.

Finally, we fully support the UN Paris Agreement on climate change, of which the Philippine government is also a signatory. The goal of the agreement is to keep the rise in global average temperature this century to well below two degrees Celsius above pre-industrial levels, and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.

SHELL PILIPINAS – SUSTAINABILITY WEEK 2022

To further enact our Powering Progress strategy in the country, Shell Pilipinas held its first-ever Sustainability Week in November 2022. The event centres on exploring the ways Shell Pilipinas contributes to two specific Powering Progress goals: Respecting Nature and Achieving Net-zero Emissions. It also underscored where Shell Pilipinas is on its journey, commitments and partnerships in gearing up in delivering more sustainable products and operations.

The four-day series engaged all Shell Pilipinas employees who either joined in person or online the week-long activities which included webinars on the urgent need for corporate action on environmental challenges, Shell Pilipinas' current lower-carbon products and services, the transition to low carbon operations,

and culminated with the ceremonial switching of our Mobility station in Mamplasan to using 100% renewable energy. Booths of partner businesses were also opened for the week, including those of Coca-Cola, NetSolar, Artelia, Sparks Philippines, Suds Sustainable Pods, as well as PSFI which aims to strengthen our collaboration in sustainable development.

The Sustainability Week helped foster a culture where sustainability is ingrained in the work that we do, and in the innovative ideas created to propel the energy transition forward. It has likewise inspired all the staff members to apply sustainability concepts personally and with their families too, as we all have a role to play in the protection of our planet. This is the first engagement of its kind in the Shell Group.



SUSTAINABILITY SCORECARD

305-1, 305-2, 201-1, EM-RM-110a.1, EM-RM-140a.1, EM-EP-110a.1, EM-EP-140a.1

	2017	2018	2019	2020	2021	2022
Economic in Php billion						
Value Generated ¹	171.4	219.5	219.3	162.4	179.1	290.9
Capital Investments	4.1	4.1	6.2	3.1	2.8	5.6
Value Distributed ²	163.7	219.3	213.7	157.4	172.5	282.1
Environment Energy in Gigajoule (GJ)						
Purchased Power	37,044.1	42,588.0	30,030.2	48,433.8	130,926.2	89,744.6
Greenhouse Emissions in tons of carbon dioxide equivalent (tCO ₂ e)						
Direct (Scope 1) emissions ³	322,851.3	369,210.8	341,033.1	164,207.5	1,111.0	1,195.2
Indirect (Scope 2) emissions ⁴	3,120.4	3,566.6	3,037.8	5,354.5	13,233.3	1,990.2
Water in million cubic metres						
Total Freshwater Withdrawn ⁵	2.0	1.9	1.9	1.5	0.7	1.4
Waste in tons						
Hazardous waste generated and disposed ⁶	1,037.3	654.0	409.2	557.5	5,319.5	2,632.9
Non-hazardous waste generated and disposed	93.1	1,835.7	207.5	1,056.2	416.0	495.5
Social						
Total Employees	706	703	707	606	489	489
Male	459	453	461	405	304	305
Female	247	250	246	201	185	184
Total Community Investment (in Php million)	41.8	31.0	50.0	113.1	83.8	97.9

¹ Economic Value Generated refers to revenue from net sales (gross sales from products and services minus discounts and rebates) and other income of Shell Pilipinas.

² Economic Value Distributed includes operating costs, employee wages and benefits, payments to capital providers, payments to the national government, community investments, etc.
[Formula: Economic Value Generated - Economic Value Distributed = Economic Value Retained]

³ Direct (Scope 1) GHG emissions indicated would cover the entire operational, maintenance and project fuel consumption scope of all PH terminals under Shell operational control.

⁴ Indirect (Scope 2) emissions indicated would cover the electricity consumption of all operation, maintenance and project requirements of all PH terminals under Shell operational control.
Significant improvement vs 2021 due to SHIFT being 100% renewable.

⁵ Slight increase vs 2021 due to inclusion of scope from other PH Terminals

⁶ Figures indicated would cover wastes from all PH terminals under operational control. High figure of hazardous wastes is expected given the ongoing decommissioning and cleaning of previous Refinery assets in SHIFT.

2022 HIGHLIGHTS

203-1, 203-2



NO POVERTY

Integrated Farming Bio-systems (IFBS)

- Five farmer groups received infrastructure, equipment and input support
- 136 farmers acquired knowledge and skills on agricultural technologies
- 91 farmers applied new skills and knowledge on agricultural technology
- 170 farmers increased land use
- 336 farmers trained in IFBS
- 170 farmers who applied their learnings
- 134 farmers with increase in harvest
- 127 farmers with increase in income

Rice Competitiveness Enhancement Fund (RCEF)

- 10 farmers with increase in income
- 10 farmers with increase in rice production
- 100 farmers trained in RCEF programme
- 19 farmers who applied learnt technologies

Future Filipino Farmers

- 12 farmers adopted sustainable farming technologies
- 12 farmers that have increased their income
- 20 farmers trained in sustainable farming technologies

Palawan Eco-Agro Park (PEAP)

- 61 farmers applied learnt skills in El Nido Food Terminal (ENFT) operations
- 345 farmers applied organic farming practices in their own farms.
- 532 farmers increased sales from ENFT operations
- 177 farmers attended IFBS
- 331 farmers increased their income at least 20%

Shell Training Farm

- Three Shell Training Farms in operation all over the country



ZERO HUNGER

- 2.4% prevalence of wasting among children under 5 years old (target: 5.0%)
- 25.8% prevalence of stunting among children under 5 years old (target: 34.7%)
- 11.8% prevalence of children under 5 years old who are underweight (target: 17.1%)
- 46% of farmers trained who applied sustainable farming technologies
- 13% increase in average farm income and household monthly income



GOOD HEALTH AND WELL-BEING

Movement Against Malaria Programme

- 228 municipalities with complete Malaria monthly implementation reports; 93% reduction of Malaria cases since programme inception

HIV Philippines Response in Optimizing Testing, Empowered Communities, Treatment, and Sustainability (PROTECTS) programme

- Implemented in 301 sites covering 11 regions in the Philippines
- 65% individuals out of 102,150 who know their HIV status are currently undergoing treatment in 2022
- 64% out of 158,400 estimated annual HIV infection know their status in 2022
- 97% individuals out of 17,169 viral load tested among People Living with HIV are with suppressed viral load

Biyahero (Be-A-Hero) Campaign

- 40 people trained in First Aid Response
- 36 people trained on Basic Fire Safety
- 155 people trained on Basic Road Safety
- Five people trained on Disaster Management
- 43 people trained on Water Safety
- 123 road safety manuals distributed to community/partners
- Four schools engaged on road safety trainings
- Two organised Emergency Response Teams

TAKEDA Patients Assistance Programme

- 55,505 patients assisted



QUALITY EDUCATION

Shell NXplorers

- 33 schools engaged
- 458 students and 73 teachers trained

Shell-Phildev Scholarship

- Eight new scholars admitted into the programme
- Five scholar graduates hired by Shell
- Five scholars graduated

Gas Mo, Bukas Ko

- 107 individuals trained in technical-vocational courses
- 65 individuals completed Leadership Enhancement and Attitude Development (LEAD) workshop
- 141 individuals remained employed for one year after completing PSFI-supported livelihood training

Shell Employees Dependent Scholarship Programme

- 116 active scholars

UNLAD SA PASADA

- Six individuals trained in technical-vocational courses
- 36 individuals trained on entrepreneurship
- Nine individuals completed the LEAD workshop



GENDER EQUALITY

38% of employees are female

Woman CEO

Shell Tabangao Ladies Circle

- 31 active high school scholars by providing monthly allowances and once a year set of uniform and school supplies
- 11 (10 high school, one college) graduates who have been provided with monthly allowances and once a year set of uniform and school supplies
- 10 new scholars admitted into PSFI's STLC programme
- 11 partner schools where active scholars are enrolled



CLEAN WATER AND SANITATION

Terminal operation effluents adhere to effluent regulations set forth in DAO 34 and 35, DAO 2016-08, Clean Water Act, and GEMS

Roots to Shoots

- Established one functional and competent BOWADI operations and maintenance team with Operations and Maintenance Plan
- 100% of targeted households who have increased access to sanitation facilities



AFFORDABLE AND CLEAN ENERGY

Carbon Offset Program

- First energy company in the Philippines to offer the Carbon Offset Offering to both B2B fleet customers and B2C motorists

Save, Invest, Nurture Access to Energy (SINAG)

- 28 individuals trained on basic electrical installation and maintenance
- Six microgrid sites in Palawan repaired and maintained for upkeep
- 16 solar powered street lights installed in Tacloban and Batangas

EV Charging Station

- First ever Shell Recharge site launched, located at SLEX Mamplasan, a branch on the northbound side of the South Luzon Expressway; the site is powered with 100% Renewable Energy in partnership with Shell Energy Philippines



DECENT WORK AND ECONOMIC GROWTH

Research and Development for Agriculture (R&D)

The research and development team of PSFI aims to develop new and innovative methods to increase livelihood opportunities and income for communities through Aquaponics

- 302 bags of bio-fertilizers produced in the farm
- One compendium of research study
- One experimental trial on sustainable farming methods
- 11 farmers practice producing their own bio-fertilizer
- 351 farmers used microbial inoculants
- 691 packs of microbial inoculants distributed to beneficiary farmers
- 934 packs of microbial inoculants produced in the farm
- 2,161 participants attended the forum/learning session

Sanakayan sa Kakayahang Industriyal (SKIL)

- Five female and 40 male students benefitted from the scholarship on vocational courses (e.g. food production, security guard)
- 366 participants completed the programme/ training vocational courses (e.g., food production, security guard)
- 114 participants gained employment immediately after completing a PSFI-supported livelihood training
- Two programme participants are working for Shell, a JV partner, or in the value chain
- 28 individuals completed the LEAD workshop
- 20 individuals gained SOIA certification after participating in PSFI's safety training programme
- 156 individuals gained TESDA certification after participating in PSFI safety training programme
- 659 non-SKIL individuals endorsed for employment

Sanakayan sa Kakayahang Industriyal (SKIL)

- 46 non-SKIL scholars gained employment
- Five SKIL scholars engaged in business after

completing training

Shell LiveWire – Community Enterprise Development

- 83 established non-energy sector businesses supported
- 43 jobs created for individuals who participated in PSFI's livelihood programme
- 314 participants completed entrepreneurship and employability skills programme/training

Shell LiveWIRE – Innovation Acceleration

- 11 businesses/enterprises established or supported the Shell LiveWIRE acceleration programme
- One business established in the energy sector
- Four enterprises established or supported the Shell LiveWIRE acceleration programme which gained access to Shell's value chain
- 20 individuals trained on entrepreneurship
- Two industry partners are providing grants to inventors and innovators, and event secretariat

- 19 jobs created through SLW Acceleration Program

Good Neighbor

- 50 participants gained employment immediately after the livelihood training. Two barangays supported during coastal cleanup
- 17 schools supported by providing cleaning materials, hygiene products (alcohol, face masks, dispensers) and manpower for Brigada Eskwela



SUSTAINABLE CITIES AND COMMUNITIES

Eco-brick Projects

- One ecohub established to repurpose plastic wastes in Shell's fence line communities



CLIMATE ACTION

Disaster Risk Response (DRR)

- 17 individuals trained on capacity building during Data Labelling Training
- 1,500 pieces of seven-litre mineral water provided to families affected by Abra Earthquake
- 500 relief food packs containing canned goods, rice, water and hygiene kits provided during Tropical Storm Paeng relief operations in Quezon and Cavite
- 639 families affected by Looc, Mandaue fire incident received relief food packs and hygiene kits
- 1,500 families affected by December 25 flooding in Misamis Occidental and Oriental received relief food packs (900) and hygiene kits (600)

Lower carbon alternative options are being installed in our network of more than 1,150 sites nationwide which include solar panels in our sites' canopy, and the use of inverter technology.

Turismo at Negosyo dulot ng Ingat Kalikasan (TANDIKAN)

- 291 participants completed programme/ training (e.g., environmental education training, IEC training, Community Based Sustainable Tourism Training)

Turismo at Negosyo dulot ng Ingat Kalikasan

- 15 community-based sustainable tourism sites monitored
- 1,835 people reached by the awareness campaign on environmental conservation
- 11,950 trees planted (mangrove, fruit trees, and forest species)

Ridge to Reef Program

- 700 metres of coastal areas cleaned
- 1,500 metres of land planted with endemic trees along the downstream river bank
- 710.1 kilograms of trash collected
- 500 bamboos planted
- 730 endemic trees planted (Lambago)
- 64 households benefitted from alternative livelihood
- 25 individuals trained on managing mangrove nursery establishment
- 3,000 mangrove seedlings grown in a nursery
- 6,050 mangrove trees planted
- 30,000 square metres of land planted with mangroves



LIFE BELOW WATER

Tubattaha Conservation Program

- 150 patrols trained
- 15 rangers trained

OUR AWARDS

GLOBAL AWARDS

ASIA-PACIFIC STEVIE AWARDS



- Grand Stevie Award – Shell companies in the Philippines
- Silver Stevie Award for Innovation in Community Relations or Public Service Communications – Shell: Stitching Lives and Livelihood for the Women of Batangas
- Silver Stevie Award for Most Valuable Corporate Response – Project Shelter: Shell Helps 800,000 Filipinos in Pandemic Response
- Bronze Stevie Award for Innovative Achievement in Organization Recovery – The Big Refinery Shift: Ensuring Energy Security in the Philippines
- Bronze Stevie Award for Innovation in Customer Service Management, Planning & Practice – Every Journey Has a Plus with Shell Go+

INTERNATIONAL CUSTOMER EXPERIENCE AWARDS

- Best Innovation in CX – Avelia: One of the world's first blockchain powered digital book-and-claim solutions for scaling sustainable aviation fuel (SAF)
- Best Customer Experience in the Crisis – How Customer Operations Aviation Brings Shell's Net Zero Ambitions To Life Amidst Crisis

PROPERTY GURU ASIA PROPERTY AWARDS

- Best Eco-Friendly Commercial Development – Shell's Site of the Future
- Recognition in ESG (Environmental, Social, and Governance) – Shell Mobility's Transformation

NATIONAL ASSOCIATION OF CONVENIENCE STORES 2022

- Asian Convenience Retail Sustainability Award – Zero Emissions Goal by 2050 initiative

FINALIST/SHORTLISTED

IR MAGAZINE AWARDS

(Shortlisted)

- Best overall investor relations (small cap)
- Best investor relations officer (small cap) – Angelica Castillo
- Best annual report (small cap)



GOLD STANDARD AWARDS

(Finalist)

- Issues Management and Crisis Communications – The Big Refinery Shift: Ensuring Energy Security in the Philippines
- Corporate Citizenship (Philanthropy) – Shell Philippines: Responding to disaster and extending care in the aftermath of Typhoon Odette

LOCAL AWARDS AND RECOGNITIONS

EUROPA AWARDS 2022

- 2022 Europa Award for Smart and Safer Mobility – Site of the Future

PUNONGBAYAN AND ARAULLO GRANT THORNTON

- Highest possible rating for the practice of internal audit – SPC-Corporate Assurance and Audit Department



GCASH DIGITAL EXCELLENCE AWARD

- Industry Pioneer – Shell Pilipinas Corporation

LINKEDIN'S TOP 15 COMPANIES IN 2022

- Ranked 3rd in LinkedIn's best workplaces in the Philippines – Shell companies in the Philippines



PAHINUNGOD AWARD FROM CAGAYAN DE ORO LOCAL GOVERNMENT UNIT

- For contributions to the city's progress – SPC North Mindanao Import Facility



24TH MARINE ENVIRONMENTAL PROTECTION COMMAND

- For support during mangrove planting and coastal clean-up activities – SPC-Shell Cabadbaran



TAGBILARAN CITY

- Plaque of Appreciation – for a partnership with the city in implementing the Company's Sustainable Development Programs



STEAG STATE POWER INC.

- Plaque of Recognition – SPC-Commercial Fuels

ABOITIZ POWER

- Top Outstanding Award (Strategic Category) – SPC-Commercial Fuels

PILMICO

- 10 Years Service Award – SPC-Commercial Fuels

Note: Above list is not exhaustive. SPC and PSFI have garnered other awards and recognitions in the areas of Tax, and Social and Environmental Contributions.

MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER



We are Shell Pilipinas.

Shell has been in the Philippines for 108 years as a vital partner in nation-building. We are a leading energy provider committed to remain in the country for many more years to come. This recent change in our corporate name to Shell Pilipinas Corporation reflects our adaptive business strategy and progressive sustainability priorities, guided by our strong core values of honesty, integrity, and respect for people. This transformation represents our broader and more future-forward approach in delivering services beyond petroleum. We are here to assure and ensure that we will be providing more and cleaner energy solutions to meet the ever-evolving needs of the Filipino people today and in the future.

DELIVERING FOR NATIONWIDE GROWTH

The year 2022 saw the re-opening of the Philippine economy. Amidst an atmosphere of global and local macroeconomic uncertainties, it was a year of innovative opportunities, reliable operations, and disciplined business focus for Shell.

We continued to create value for all our shareholders by growing our reach and impact. Guided by our adaptive business strategy, we were able to optimise our momentum of recovery quarter

by quarter. In 2022, Shell Pilipinas delivered a net income of Php4.1Bn and resumed dividend payout after two years.

Growth in sales continued across businesses such as lubricants, aviation, specialties, fuels and non-fuels offerings. In Mobility, Shell V-Power remained the most preferred fuel brand in the country.

We grew our network nationwide. In 2022, we built 55 new mobility stations, bringing our count to more than 1,150 nationwide for expanded offerings that go beyond fuels:

- unique products of local enterprises as part of the 'One Town, One Product' and GoLokal! initiative of the Department of Trade and Industry;
- beloved Filipino food brands in Shell Select and Deli2Go;
- specialised biker areas and a bike utility service shed to promote cycling as a form of transport;
- convenient payment options for customers to pay their bills or top-up their RFID cards through TouchPay; and
- rewards for the over two million users of the Shell Go+ app who can avail of points, discounts, and free emergency roadside assistance.

The customers' ever-changing needs always come first in our drive to innovate as we transform our stations into mobility destinations.

“Shell Pilipinas is committed to becoming a net-zero emissions energy business by 2050. The strategy and plans we have in place reflect our commitment to operating responsibly for our shareholders, all while making impactful positive changes to society.”

SUSTAINING BEST-IN-CLASS EXCELLENCE

Shell remains to be one of the strongest brands in the Philippines, and the second biggest market player in the industry. I am honoured that our commitment to excellence has been recognised in the areas of employment, environmental stewardship, and corporate governance.

LinkedIn ranked Shell Pilipinas as 3rd on their list of ‘Top 15 Philippine Companies to Work for in 2022’. Likewise, the Philippine Daily Inquirer and Statista also ranked us among The Philippines’ Best Employers for 2023, with a score of 9.09 out of 10. We are the only company from the energy, oil and gas sector that made it to those lists.

We’ve also been lauded for our eco-friendly Site of the Future in Acienda Silang and conferred the 2022 National Association of Convenience Store Awards Asian Awards on Sustainability for our ‘Zero Emissions Goal by 2050’ initiative. On corporate governance, the External Quality Assurance Reviewers (EQAR) awarded Shell Pilipinas with the highest possible conformance rating.

From the Philippine government, the Department of Energy has conferred Seals of Excellence to Shell stations to recognise their consistent quality service to the motoring public.

Lastly, the Department of Energy gave a Seal of Excellence to 10 stations, three of which were Shell stations, for providing consistent quality service to the motoring public.



IMPACTING LIVES AND UPLIFTING COMMUNITIES

At Shell Pilipinas, we understand that sustainability is ultimately about people. A sustainable future is one that is diverse, equitable, and inclusive – where everyone is enabled to prosper and progress to their full potential. This is what Powering Lives is hinged upon.

PSFI, our social investment arm, now in its 40th year in the Philippines, has empowered countless Filipino lives across the country. The foundation has touched more than 15 million beneficiaries through its various programmes covering Livelihood,

Education, Health & Safety, Environment, Energy and Nutrition & Food Security. Our programs are designed to build capacities to promote self-reliance and develop the potential of its beneficiaries, both individuals and communities.

In 2022, Shell has shown care to the community through its disaster relief programmes. These include providing food packs and hygiene kits to those affected by typhoons, fire incidents, and flooding.



CONTRIBUTING TO A LOWER-CARBON WORLD

3-3

Shell Pilipinas is committed to becoming a net-zero emissions energy business by 2050. Our framework for meeting this goal is three-pronged:

- avoid carbon emissions by adopting solutions that are emissions-free when used;
- reduce carbon emissions whenever possible by using lower-carbon fuels and technologies; and
- compensate for remaining carbon emissions that are hard to abate with nature-based solutions and carbon credits.

As an energy user, we aim to be net-zero on emissions generated by our operations, as well as those associated with the energy needed to power them.

As an energy provider, we are working with our customers to address the emissions created when they use products bought from us, as well as helping them find ways to reduce their overall carbon footprint, on a per sector approach.

We launched Shell Recharge – the country's first high performance, EV charging station. Our EV charging station is powered by 100% renewable energy. We also expanded our carbon offset service to Mobility customers riding on our successful product offering to Commercial customers. To date, 600,000 kgs of carbon dioxide (CO₂) has been offset through this pioneering offer.

We continue to implement operational efficiency projects across our businesses with the aim of lowering our operational emissions year on year. We have partnered with SEPH as follows:

- since 2021, we have been powering our 160-hectare Tabangao Import Terminal with 100% renewable energy;
- in June 2022, we switched to using purely renewable energy to power our headquarters at The Finance Centre (TFC), reducing our carbon footprint further; and
- in November 2022, our EV chargers, and whole Shell South Luzon Tollway Mamplasan complex, switched completely to renewable energy thereby providing a truly clean energy solution.

In our Mobility network, we have strategically rolled out sustainable building features such as eco-brick installations, rainwater catchment systems, and solar panels.

In November 2022, we held our Sustainability Week. This further enhanced the strong partnership among Shell employees, business partners, and government stakeholders in delivering more sustainable products for our customers.

PROGRESSING TOWARDS PROSPERITY

Through this report, we share where we stand in our journey, and what we intend to do to bring our sustainability aspirations to life. The strategy and plans we have in place reflect our commitment to operating responsibly for our shareholders, all while making impactful positive changes to society.

The challenges we face today, and the kinds of breakthroughs and innovative ideas required to surmount them, call for closer multisectoral collaboration and partnership. We commit to continue our long-standing partnership to remain a world-class investment case and Power Progress in the Philippines.

This is a special time for the Philippines to prosper and we will be at the forefront to power the economy and help shape our country's energy future with innovative, high-quality products and services; underpinned by the highly energised people of Shell Pilipinas.

Let's keep the Philippines moving forward!

LORELIE Q. OSIAL
President and CEO

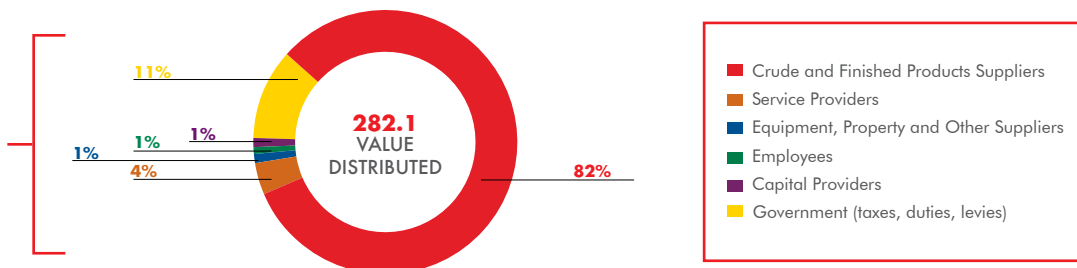
2022 FINANCIAL HIGHLIGHTS

Direct Economic Value Generated and Distributed (amount in Php Billion)

201-1

5.6
CAPITAL INVESTMENTS

290.9
VALUE GENERATED



See our Financial Reports [here](#).

See the 2022 Audited Financial Statements: Independent Auditor's Report [here](#).

SUMMARY STATEMENT OF FINANCIAL POSITION (in PHP MILLION)

	2018	2019	2020	2021	2022
Current assets	40,778.6	47,469.4	29,902.6	36,475.6	49,833.3
Non-current assets	39,387.8	55,450.1	56,647.5	58,673.6	67,203.2
Total assets	80,166.4	102,919.5	86,550.1	95,149.2	117,036.4
Current liabilities	28,456.8	39,453.2	33,394.3	32,704.4	59,770.8
Non-current liabilities	12,737.8	23,680.0	29,524.0	36,273.4	28,336.2
Total liabilities	41,194.6	63,091.2	62,918.3	68,977.7	88,107.0
Total equity	38,971.8	39,828.3	23,631.8	26,171.5	28,929.4
Total liabilities and equity	80,166.4	102,919.5	85,550.1	95,149.2	117,036.4

SUMMARY STATEMENT OF INCOME (in PHP MILLION)

	2018	2019	2020	2021	2022
Gross sales	223,817.7	224,288.6	162,022.7	182,522.5	296,382.4
Sales discounts and rebates	-4,949.0	-5,885.6	-5,070.8	-5,365.6	-4,899.8
Net sales	218,868.7	218,403.0	156,951.8	177,156.9	291,482.6
Cost of sales	-196,573.9	-194,952.7	-153,291.2	154,412.7	-266,119.8
Gross profit	22,294.8	23,450.3	3,660.6	-22,744.2	-25,362.8
Operating expenses	-14,386.6	-14,448.6	-13,722.8	-15,347.7	-16,679.6
Other operating income (loss), net	583.9	388.4	-177.8	1,914.8	-3.1
Income (loss) from operations	8,492.1	9,390.1	-21,008.8	9,010.9	8,680.2
Income (loss) before income tax	7,292.1	8,021.2	-23,028.2	6,765.9	5,466.3
Profit for the year/period	5,076.3	5,621.2	16,182.7	3,855.7	4,075.7

SUMMARY STATEMENT OF CASH FLOWS (in PHP MILLION)

	2018	2019	2020	2021	2022
Net cash from operating activities	14,143.6	6,897.2	5,945.5	1,071.6	1,621.0
Net cash used in investing activities	-4,291.5	-4,903.3	-3,961.5	-3,339.3	-4,507.8
Net cash from (used in) financing activities	-11,719.9	-1,670.1	-472.3	-2,351.5	4,172.7
Net increase (decrease) in cash for the year/period	-1,867.8	323.7	1,511.6	-4,619.3	1,285.9
Cash at the beginning of the year/period	6,163.3	4,455.1	4,778.9	6,290.5	1,684.3
Cash at the end of the year/period	4,455.1	4,778.9	6,290.5	1,684.3	2,957.2

NET INCOME SEGMENTATION (in PHP BILLION)

	2018	2019	2020	2021	2022
Core Income ¹	5.1	4.2	1.1	2.3	2.8
Marketing	6.9	8.1	4.9	3.1	2.9
Manufacturing/Supply/Others	-1.8	-3.8	-3.8	-0.8	-0.1
Inventory Holding Gains/Losses ²	-0.1	1.4	-4.8	2.3	1.6
Non-Core Income One-Offs ³	-	-	-11.8	-0.7	-0.3
Net Income	5.1	5.6	-16.2	3.9	4.1

¹ Inventory holding gains/losses driven by changes in crude/finished products prices is removed to reflect the underlying performance of the Company. This methodology calculates the cost of goods sold as the monthly average of goods purchased and is consistent with the basis of reporting used by other oil refining groups.

² Calculation of core income starting 1H2022 was obtained by excluding one-offs and by offsetting supply chain inventory holding gain/loss with marketing-driven lag loss/gain. This is done to reflect an integrated view of the end to end purchase to sale process of the Company. Due to various global phenomenon in 2022, fuel prices have become extremely erratic vs prior years which significantly drove the values of inventory holding gains and lag losses. Previous treatment was to retain lag loss/gains in marketing.

³ CREATE bill was signed into law last March 26, 2021 effective July 1, 2020. This requires deferred tax assets adjusted from 30% to 25% resulting in remeasurement losses of Php1.0Bn.

KEY FINANCIAL RATIOS

	2018	2019	2020	2021	2022
Current ratio ¹	1.4	1.2	0.9	1.1	0.8
Debt to equity ratio ²	0.2	0.4	0.7	0.8	1.1
Debt ratio ³	0.1	0.1	0.2	0.2	0.3
Return on assets ⁴	6.3%	5.5%	-18.7%	4.1%	3.5%
Return on equity ⁵	13.2%	14.3%	-70.3%	15.1%	14.6%
Return on average capital employed ⁶	14.8%	16.3%	-40.0%	18.0%	14.0%

¹ Current ratio is computed by dividing current assets over current liabilities.

² Debt to equity ratio is computed by dividing net debt (short-term borrowings and loans payable less cash) by equity (exclusive of other reserves).

³ Debt ratio is computed as net debt divided by total assets.

⁴ Return on assets is computed as profit (loss) for the period divided by total assets.

⁵ Return on equity is computed as profit (loss) for the period divided by equity (exclusive of other reserves).

⁶ Return on average capital employed is defined as EBIT as a percentage of the average capital employed for the period. Capital employed consists of total equity, short-term borrowings and loans payable. Average capital is calculated as the mean of the opening and closing balances of capital employed for that period.

REPORT FROM THE CHIEF FINANCIAL OFFICER



Shell Pilipinas sustained its positive trajectory in 2022, delivering continued recovery and growth despite unprecedented local and global challenges. The Company generated net income of Php4.1 Bn, an increase of 6% versus prior year. Similarly, core earnings improved by 22% at the back of double-digit growth in marketing fuels volume and non-fuels retail operating profit.

During the year, the Philippine government lifted mobility restrictions spurring economic activities and demand recovery. However, economic optimism was partially muted by the Russia-Ukraine war, record-high inflation, and peso depreciation. Product prices peaked with the highest price reaching >120 USD/barrel in June before reverting close to 2021 prices at year-end. Economic headwinds eased in the last quarter; however, volatility remained prevalent throughout the year.

With our sharp focus on cash generation at competitive returns, disciplined capital and cost management, and good corporate governance, Shell Pilipinas will continue driving strong financial resilience as we deliver on the country's energy needs of today while shaping and investing for the future.

Net Income and Core Income growth

Net Income

6% growth

Php3.9Bn in 2021,
Php4.1Bn in 2022

Core Income

22% growth

Php2.3Bn in 2021,
Php2.8Bn in 2022



2022 Philippine Inflation

5.8%

3.1% in 2021,
2.7% increase vs
prior year

Source: Philippine Statistics
Authority



Peso depreciation

-9%

vs January 2022; Php ended
at 56.12 in December while
highest reached 58.91 in
September

Source: Bangko Sentral ng Pilipinas



Volatile Fuel Prices Increases

Diesel

74%

vs USD 78.3/bbl
in prior year

Gasoline

42%

vs USD 77.6/bbl
in prior year

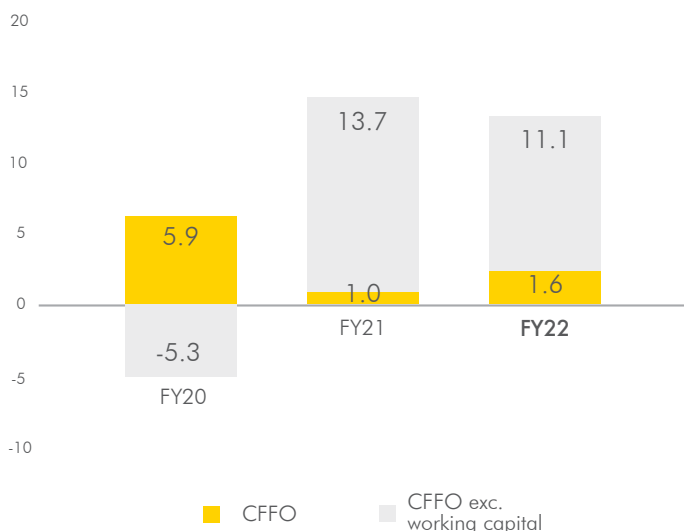


Source: Mean of Platts SG

DELIVERING TODAY

Operating performance resulted in positive Cash Flow from Operations (CFFO) before movement in working capital of Php11.1Bn. Including working capital movement, net CFFO is Php1.6Bn, an improvement of >50% against prior year of Php1.1Bn despite increased working capital requirement due to higher fuel product prices, peso depreciation, and inflation.

Cash Flow from Operations (in Php billion)

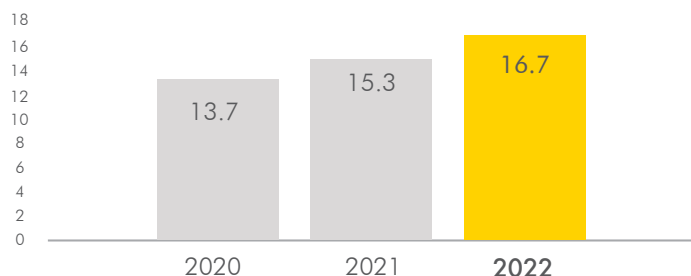


Our marketing businesses continue to deliver superior value through our innovative and differentiated offers to our discerning customers. Despite elevated fuel prices, we sustained our high premium product penetration (for V-Power, Shell Helix, and Shell Advance). The Mobility and Commercial B2B teams successfully executed our marketing programmes, provided best in class customer experience and attracted new customers in our portfolio. Mobility recovered from the impact of Omicron variant in the beginning of the year, propelling positive momentum in volume delivery especially in the last quarter, +8% versus Q4 2021. Strong volume performance in Commercial B2B was sustained across focus sectors: Aviation (51%), Bitumen (25%), Commercial Fuels (19%), and Lubricants (9%).

Non-fuel retail plays a key part in our strategy and has sustained double-digit growth in the past three years. Shell Go+, our loyalty programme that was launched in 2021, reached its milestone of 2 million members, helping us generate incremental value in both fuel and non-fuel offerings per store visit.

Our total operating expenses in 2022 amounted to Php16.7Bn, 6.7% higher versus 2021 (excluding one-off items). The increase is mainly driven by higher logistics and transshipment costs due to more volumes delivered to our customers, depreciation expense due to increased capital investments, and outside services due to inflation.

Operating Expenses (in Php billion)



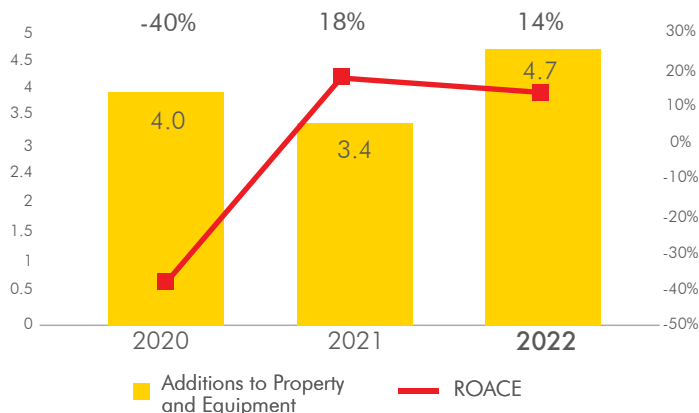
Managing our resources prudently and driving financial discipline in our operations remain a priority. We partner with various stakeholders to seize opportunities for cost takeout and working capital optimisation. For example, our strong relationships with financial institutions have allowed refinancing of debt at longer terms and better rates, driving savings in borrowing costs.

INVESTING FOR TOMORROW

The Company continues to invest for the future to accelerate its growth and sustain its competitiveness. We allocate capital to projects that yield higher returns, future-proof our businesses, and help achieve our sustainability agenda. In 2022, we invested Php5.6Bn to expand and transform our retail stations into mobility destinations as well as to maintain and enhance our supply chain assets. We successfully completed 55 new mobility stations nationwide, 30 of which are the bigger company-owned (CO) sites in key cities with higher foot traffic. This is part of our strategic shift toward building more CO sites with complete mobility offers.

We have also grown our NFR footprint which allowed us to provide more options to our customers through offers such as Shell Carwash and Shell Advance Motocare Express. In total, we have 217 Shell Select, 93 Deli2Gos, 223 Select Express and 479 Shell Helix Oil Service Centers nationwide — all of which have brought us operating profit growth of 24% and 23% in 2022 and 2021, respectively.

Additions to Property and Equipment (in Php billion) + ROACE (in percentage)



Additional 145 mobility stations are now equipped with solar panel fixtures, LED lights and in-store inverters, utilising green walls, rainwater recycling systems, ecobricks, and Bitumen FreshAir.

The construction of our fourth import facility in Darong, Southern Mindanao started early in 2022 and is expected to be completed by 2024. This facility will complement the North Mindanao Import Facility to enable a more efficient and reliable supply chain.

The Company ended 2022 with a gearing level of 52%, higher compared to previous years but remains manageable. Our financial discipline has allowed us to take on more debt as a result of macro challenges (e.g., higher product prices, elevated inflation, peso depreciation) and accelerated capital spending. Moving forward, we shall maintain our disciplined approach in capital allocation and drive delivery from our investments. We aim to lower our gearing and improve our Return on Average Capital Employed (ROACE), which remains to be industry-leading at 14%.

SUSTAINING VALUE DELIVERY

One of our main priorities, as highlighted in the prior year report, is to resume our dividend payout to shareholders. The approval of our equity restructuring by the SEC together with the continued recovery and growth of our businesses, enabled us to pay Php1 dividend/share in September 2022, delivering a 5.6% yield – one of the highest in the Philippine Stock Exchange. The management remains committed to providing attractive dividends to our shareholders as per Company's dividend policy, subject to SEC guidelines.

To sustain our value delivery in line with our strategy, we will be more adaptive, agile, and flexible in the upcoming year. In this volatile and rapidly shifting environment, we are excited to continue exploring growth and innovation, delivering sustainable solutions, and powering progress for the Filipinos.

REYNALDO P. ABILO
Chief Financial Officer



CORPORATE GOVERNANCE

405-1

- Board of Directors
- Enterprise Risk Management
- Corporate Governance Structure
- Leading with Integrity
- Living by Our Principles
- Our Policies
- Embedding Sustainability in the Board Room

BOARD OF DIRECTORS



Min Yih Tan

Chairman of the Board
Singaporean

CHAIRMAN OF THE BOARD since January 1, 2020. He is concurrently the Senior Vice President of Global Mobility Network and oversees enterprise acquisitions and the life cycle management of all Shell Mobility assets across the world. As a key member of the Global Mobility Leadership Team, he leads its Global Network Leadership Team. He also serves as a director of Shell Singapore. Previously, he held the following positions in the Shell Group: General Manager, Retail Network Development; General Manager, Global Retail & Commercial Strategy; General Manager, Commercial Fuels (East); and General Manager, Lubricants (S. E. Asia). Prior to joining Shell, he worked in ExxonMobil where he held a series of commercial, operational and staff leadership roles in downstream businesses spanning Retail, Marine, Lubricants, Commercial Vehicles & Cards and Technology, including a stint based in Fairfax, Virginia as Global Planning Advisor. He holds a Bachelor of Engineering (Hons), a Postgraduate Diploma in Marketing and an MBA.



Lorelie Q. Osial

President and CEO
Filipino

PRESIDENT AND CEO of the Company since December 1, 2021, the first female CEO since its incorporation. She also chairs the Nomination Committee. She has 20 years of experience with Shell. She joined the Upstream business and since then, has worked in various business-facing finance roles in production, projects, regional, shareholder and joint venture environments in Upstream and Midstream Asia, the Middle East, and North Africa. She has a degree in Accountancy from Silliman University (cum laude) and is a Certified Public Accountant. She holds an MBA degree from the University of Western Australia.



Cesar A. Buenaventura

Independent Director
Filipino

INDEPENDENT DIRECTOR since 2012. He has been with the Corporation since 1956 and was Chairman and CEO from 1975 to 1990. He is currently an Independent Director of the Corporation. He is likewise Chairman of Buenaventura Echaz and Partners Inc. and Chairman of Mitsubishi Hitachi Power System Philippines. He is Vice Chairman of DMCI Holdings and director of International Container Terminal Services, Inc., Concepcion Industrial Corporation, Semirara Mining and Power Corporation, Petroenergy Resources Corporation, I People Inc., and Manila Water Company, Inc. He is Founding Chairman of the Pilipinas Shell Foundation, Inc. and Founding Member of the Makati Business Club. He is a recipient of many awards, to name a few: Management Man of the year in 1985; The Honorary Officer of The British Empire (O B E) in 1990 by Her Majesty Queen Elizabeth II; and one of the top 100 graduates of the College of Engineering University of the Philippines in its 100th year history. He received the degree of Bachelor of Science in Civil Engineering from the University of the Philippines in 1950 and a master's degree in Civil Engineering from Lehigh University in 1954 as a Fulbright scholar.



Lydia B. Echauz
Independent Director
Filipino

INDEPENDENT DIRECTOR since May 16, 2017. She currently holds directorships in publicly listed companies Manila Electric Company (Meralco), D&L Industries, Inc.; as well as PLDT Beneficial Trust Fund, Tahanan Mutual Building and Loan Association, Inc. (a subsidiary of PLDT Beneficial Trust Fund), Philstar Group, Riverside College Inc., NBS College, Inc. and Fern Realty Corp. She is a Trustee in the following companies: Henry Sy Foundation, Inc., SM Foundation, Inc., Felicidad T. Sy Foundation, Inc., Museo del Galeon, Inc. and Akademyang Filipino Association, Inc. She served as the Director of Development Bank of the Philippines from 2013 to 2016. She was President of Far Eastern University (PLC), FEU Silang, FEU Diliman, and FEU East Asia College. She was Dean of the Graduate School of Business, De La Salle University, Associate Director of the Ateneo de Manila Graduate School of Business and faculty member of the University of the East College of Business Administration. She earned her AB Major in Economics and Mathematics from St. Theresa's College, MBA from Ateneo de Manila University and DBA from De La Salle University.



Fernando Zobel de Ayala
Independent Director
Filipino

INDEPENDENT DIRECTOR since 2012. He is part of the seventh generation in the family overseeing Ayala Corporation. Mr. Zobel de Ayala currently serves as a Special Advisor to the Boards of Ayala Corporation and Ayala Land Inc. He also previously served as Ayala Corporation's President and COO for 15 years, before assuming the role of CEO until 2022. He serves as Vice Chairman and Director of the Fort Bonifacio Development Corporation. In addition, he serves on the Board of Georgetown University and is a member of the Chief Executives Organization. Mr. Zobel de Ayala is involved in various international and local non-profit organisations. He serves on the Board of the Asia Society and is a member of Asia Philanthropy Circle and Habitat for Humanity International's Asia Pacific Development Council. In the Philippines, he is Co-Chairman of Ayala Foundation and member of the Board of Trustees of Caritas and Pilipinas Shell Foundation Inc. Mr. Zobel de Ayala holds a liberal arts degree from Harvard College and a CIM from INSEAD France.



Niña D. Aguas
Non-Executive Director
Filipino

NON-EXECUTIVE DIRECTOR since August 10, 2021. She previously held directorship of the Corporation from 2016 to 2018. She is the Executive Chairperson of the Board of Trustees of The Insular Life Assurance Co., Ltd. and its subsidiaries: Insular Health Care, Inc. and Insular Foundation, Inc. She is the first woman Executive Chairperson and was the first woman CEO of the Insular Life after more than a century of its operations, appointed in January 2018 and January 2016, respectively. She holds directorship at Monde Nissin Corporation and Union Bank of the Philippines and is a Trustee of Insurance Institute for Asia and Pacific. She is a business leader with over 35 years in retail, wealth, investments, and private banking. She managed global, regional, and country level businesses and operations in large international companies in developed and emerging markets in the Asia Pacific and the US. She was Chairman of the Board of Bank of Florida from 2019 to 2021 and a Member of the World Bank Group's Advisory Council on Gender and Development from 2018 to 2021. She holds a Bachelor of Science in Commerce, Accounting degree from the University of Santo Tomas and is a Certified Public Accountant.



Amando M. Tetangco, Jr.

Independent Director
Filipino

INDEPENDENT DIRECTOR since May 11, 2021. He was a career central banker for over four decades. He served as the Governor of the Bangko Sentral ng Pilipinas and Chairman of the Monetary Board for two consecutive terms (July 2005 - July 2017). He held other government positions, such as Chairman of the Anti-Money Laundering Council, the Financial Stability Coordination Council and the Philippine International Convention Center. He was the Governor for the Philippines at the International Monetary Fund and Alternate Governor at the World Bank (WB) and the Asian Development Bank (ADB). Prior to his appointment as Governor, he was Deputy Governor in-charge of the Banking Services Sector, Economic Research and Treasury of the BSP. He worked at the Management Services Division of SGV and Co. in 1973 - 1974. Currently, he also serves as independent director in various companies in the property development, resort and leisure, telecommunications, auto, hotel, healthcare and credit information sectors, and is a trustee in foundations involved in education, environment and other social services. Mr. Tetangco graduated from the Ateneo de Manila University with an AB Economics degree and obtained his Masters in Public Policy and Administration (Development Economics) from the University of Wisconsin-Madison, USA. He attended various training programmes at different institutions including the Harvard Business School and the New York Institute of Finance.



Reynaldo P. Abilo

Executive Director
Filipino

EXECUTIVE DIRECTOR since January 1, 2021 and is also the Vice President-Finance, Treasurer and Chief Risk Officer of the Company. He is also a director for other Shell-affiliated companies. Prior to his current assignment, he was the Corporate Assurance Manager who established the assurance and internal audit functions of the Company. He joined Shell in 2009 as the Retail Economics Manager in the Philippines where he distinguished himself by winning the 2012 Global CFO award for site profitability analysis and 2013 Downstream Director Award for Dealer Operated platform strategy. From 2012 to 2016, he was the Global Planning & Appraisal Manager for Marine Lubricants as well as Project & Economics Lead for Downstream Global Commercial (GC) based in Singapore where he successfully managed the various planning, appraisal, and reporting processes for Marine and capital investments in GC. He was also appointed as Finance Lead for Special Projects Advisor supporting the Global Downstream Marketing Growth Strategy. Prior to Shell, he worked in Ernst & Young and Colgate-Palmolive. He graduated cum laude from the University of the Philippines (Diliman) with a Bachelor's degree in Business Administration and Accountancy. He placed 11th in the October 2004 CPA Board exams.



Luis C. la Ó

Non-Executive Director
Filipino

NON-EXECUTIVE DIRECTOR since May 3, 2018. He is also the Non-Executive Vice Chairman of the Board of The Insular Life Assurance Co., Ltd. He was first appointed as a Non-Executive Trustee on January 22, 2015. He was a former Chairman of the Board of Directors of MAPFRE INSULAR Insurance Corporation. He previously occupied the following positions: Regional Vice President for Asia of the MAPFRE Group-Spain, President of Provident Insurance Corporation of the Soriano Group and Senior Vice President of Universal Reinsurance Corporation of the Ayala Group. He obtained his Bachelor of Science degree in Management at Ateneo de Manila University. He completed his Master's degree in Business Management from De La Salle University. He also finished a course on General Insurance from the College of Insurance, Chartered Institute of London, United Kingdom.


Randolph T. Del Valle

Executive Director
Filipino-British

EXECUTIVE DIRECTOR since January 2020. He is the Vice-President for Mobility. He handles the Downstream Marketing Retail Business that covers >1,150 sites serving approximately 1 million customers/day enabled by a strong team of >15,000 employees, retailers and service champions. As Global Head of Strategy & Planning for Down Stream Retail Network based in Singapore, he helped shape a number of important Retail Growth Projects (Russia, Indonesia, China and the US), evolved Network Strategy & Planning processes and methodology towards a holistic value maximisation approach with various Integrated Retail Offers (Fuels, None-Fuels Retail (NFR), New Fuels including EV) and prepared the business to test new ideas in line with Energy Transition through Innovation. Prior to this, he was in Group Strategy Consultancy based in London, UK /Hague, NL where he led various high-impact projects in Upstream, Integrated Gas, Shell Business Operations and Downstream. He was also part of the selected core team members that played a pivotal role to effectively plan and execute Shell's largest strategic acquisition of BG Group in 2015/2016. He is a Chemical Engineer earning his Bachelor of Science in Chemical Engineering from the University of San Carlos (USC), Cebu. He also has an MBA degree from London Business School, UK.


Stuart Chaplin

Non-Executive Director
British

NON-EXECUTIVE DIRECTOR since August 10, 2022. He is a member of the Board Audit and Risk Oversight and Sustainability Committees. He is currently the Vice President – Finance of Shell LNG Marketing & Trading and Shell Energy Asia & Australia, Global Shipping & Maritime. He is a former Chief Risk Officer of Shell Trading & Supply, and a trustee of Shell Foundation and a member of its audit and investment committees. He has also held the following positions in the Shell Group: Global Commercial Finance Manager & Director Shell Brands international; Global Head of Business Accounting & Analysis; Senior Manager, M&A and Financing; among others. He is currently a Director of Cleantech Solar, a solar developer based in Singapore and operating across India & Southeast Asia, and FuelNG, a joint venture between Keppel Offshore & Marine and Shell. He is a fellow of the Chartered Institute of Management Accountants (CIMA) and the Association of Corporate Treasurers (AMCT). He earned his MA in Economics and Management from the University of St. Andrews, United Kingdom.

Board Attendance

All Shell Pilipinas directors ensure that their roles and responsibilities are given adequate attention, as proven by their record of attendance at all board and committee meetings, most especially during the Annual and Special Stockholders' Meeting. The table that follows summarises the board meeting and attendance details.

NAME OF DIRECTOR	NO. OF MEETINGS ATTENDED	PERCENTAGE PRESENT
Cesar A. Buenaventura	7/7	100%
Fernando Zobel de Ayala ¹	5/7	71%
Lydia B. Echauz	7/7	100%
Luic C. La O	7/7	100%
Nina D. Aguas	7/7	100%
Min Yih Tan	7/7	100%
Lorelie Q. Osial	6/6	100%
Amando M. Tetangco, Jr.	7/7	100%
Reynaldo P Abilo	6/6	100%
Randolph T. Del Valle	6/6	100%
Stuart Chaplin ²	2/2	100%
Rafi Haroon Basheer ³	2/5	40%

¹ On medical leave during meetings missed

² Appointed by Board 10 August 2022

³ Fulfilled 100% attendance on his directorship. Stepped down as of 10 August 2022

ENTERPRISE RISK MANAGEMENT

3-3

SPC's Internal Control Framework explicitly states that management is responsible for implementing, operating and monitoring the system of internal control, which is designed to provide reasonable but not absolute assurance of achieving business objectives. The approach to internal control includes a number of general and specific risks management processes and policies. The primary control mechanisms are self-appraisal processes in combination with strict accountability for results. Know more [here](#).

CORPORATE GOVERNANCE STRUCTURE

2-9, 2-11, 3-3

Compliance System

The Board of Directors, Corporate Officers, and Management of the Corporation, hereby commit themselves to the principles contained in this [Revised Manual on Corporate Governance](#) (the "Manual") and acknowledge that the same may guide the Corporation in the attainment of its goals and targets.

This Manual supplements and reaffirms the Corporation's commitment to the [Shell General Business Principles](#) and to the concept of sustainable development, both of which govern how each of the Shell companies conducts its affairs.

Shell companies have as their core values honesty, integrity, and respect for people. These underlying corporate values determine principles that we apply to all transactions, large or small, and drive the behaviour expected of every employee in every Shell company in the conduct of its business at all times.¹

Part of these principles is the institutionalisation of good governance as a crucial factor to the Shell Group's continued growth and success. The Corporation's Board of Directors, Management, employees and shareholders thereby undertake every necessary effort to create awareness of said principles within the organisation.

This Manual is issued in compliance with the Securities and Exchange Commission (the "Commission" or "SEC") Memorandum Circular No. 19, Series of 2016 dated 22 November 2016, otherwise known as the Code of Corporate Governance for Publicly- Listed Companies, to develop a strong corporate governance culture in line with recent developments in corporate governance (e.g. G20/OECD Principles of Corporate Governance, ASEAN Corporate Governance Scorecard).

¹Adopted from the Living by our Principles of the Shell General Business Principles made by Ben van Beurden, Chief Executive Officer, 2014.

Further note: The Objectives have been rewritten to integrate the Shell Group's corporate values into the concept of good corporate governance.

Chief Compliance Officer

Please see the 2022 Chief Compliance Officer Certification on Manual of Corporate Governance Compliance [here](#).

To ensure adherence to corporate principles and best practices provided for in this Manual, the Board of Directors designates a Chief Compliance Officer, not be a member of the Board.

He¹ has direct reporting responsibilities to the Chairman of the Board but is primarily liable to the Corporation and its shareholders, and not to the Chairman or President of the Corporation. The Chief Compliance Officer should be a separate individual from the Corporate Secretary.

He performs the following duties and responsibilities:

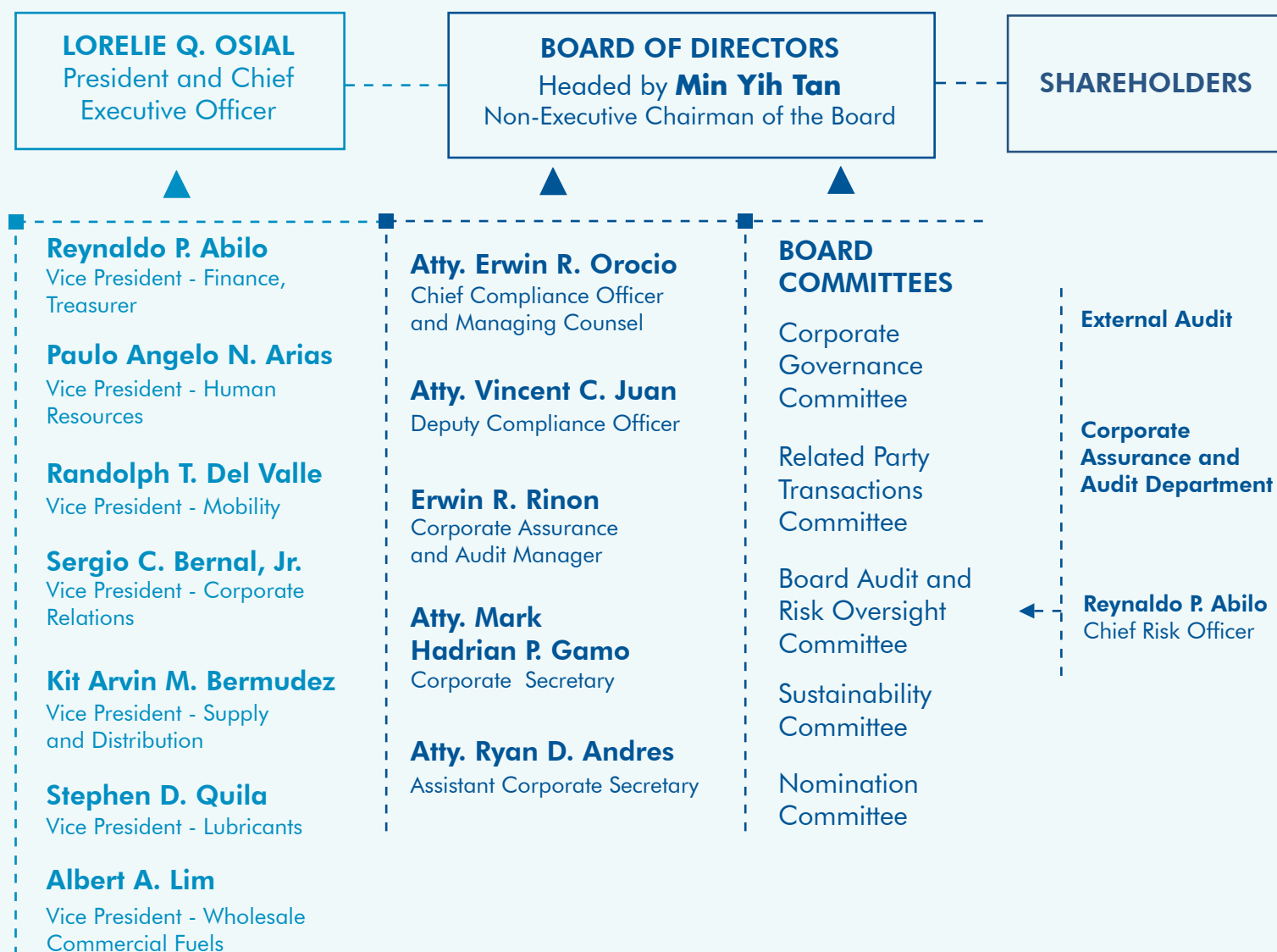
- a. In coordination with the Corporate Secretary, ensure proper onboarding of new directors such as providing orientation programmes on the Corporation's business, articles of incorporation and by-laws, among others;
- b. Monitor, review, evaluate and ensure the compliance by the Corporation, its officers and directors with the relevant laws, provisions and requirements of this Manual, rules and regulations and all governance issuances of regulatory agencies;
- c. Appear before the Commission upon summons on similar matters that need to be clarified by the same in relation to the compliance with the Manual;
- d. Determine violation/s of the Manual and recommend imposition of appropriate disciplinary action for violations thereof for further review and approval of the Board and the adoption of measures to prevent a repetition of the violations;
- e. Ensure the integrity and accuracy of all documentary submissions to regulators;
- f. Collaborate with the Corporate Secretary and other departments to properly address compliance issues, which may be subject to investigation and subsequent litigation;

- g. Issue a certification every January 30th of the year on the extent of the Corporation's compliance with this Manual for the completed year, explaining the reason/s for the latter's deviation from the same;
- h. In coordination with the Corporate Secretary, ensure the attendance of board members and key officers in relevant trainings;
- i. Identify and monitor compliance risks and issues and work towards the resolution of the same; and

- j. Perform such other duties and responsibilities as may be necessary or appropriate to ensure adherence to this Manual, its general principles and best practices on good corporate governance.

¹For reasons of legibility and ease of reference, the pronouns used in this document, though appearing to be gender-specific, are deemed to be gender-neutral and include all genders. Hence, the simultaneous use of male, female, and other gender-neutral pronouns is dispensed with. Accordingly, the use of "he", "him", "his" and "himself" in this Manual is not gender inclusive and shall also refer to "she", "her", "hers" and "herself".

Shell Pilipinas Corporation Organisational Chart



Board Roles and Responsibilities

It is the Board's responsibility to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and in the best interest of its stockholders and other stakeholders.

The Board oversees the development of formulates, and approves the Corporation's vision, mission, strategic objectives, business objectives and strategy, policies, and procedures that guide its activities, including the means to effectively monitor Management's performance. It also monitors their implementation, in order to sustain the Corporation's long-term viability and strength.

The Board has a Board Charter that formalises and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.

Specific Duties and Responsibilities

I. Director

A director's office is one of trust and confidence. A director acts in the best interest of the Corporation in a manner characterised by transparency, accountability, and fairness. He also exercises leadership, prudence and integrity in directing the Corporation towards sustained progress.

A director acts on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Corporation and all stockholders and other stakeholders.

II. Chairman of the Board

The Board is headed by a competent and qualified Chairman. To avoid conflict or a split board and to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making, the Chairman of the Board is a separate person from the CEO.

The duties and responsibilities of the Chairman in relation to the Board include, among others, the following:

- a. Makes certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
- b. Guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
- c. Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;

- d. Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;
- e. Assures the availability of proper orientation for first-time directors and continuing training opportunities for all directors;
- f. Makes sure that performance of the Board is evaluated at least once a year and discussed or followed up on;
- g. Ensures that the meetings of the Board are held in accordance with the by-laws or as the Chairman may deem necessary;
- h. Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management, and the directors; and
- i. Maintains qualitative and timely lines of communication and information between the Board and Management.

III. Chief Executive Officer

The duties and responsibilities of the CEO include, among others, the following:

- a. Determines the Corporation's strategic direction and formulates and implements its strategic plan on the direction of the business;
- b. Communicates and implements the Corporation's vision, mission, values and overall strategy and promotes any organisation or stakeholder change in relation to the same;
- c. Oversees the operations of the Corporation and manages human and financial resources in accordance with the strategic plan;
- d. Has a good working knowledge of the Corporation's industry and market and keeps up-to-date with its core business purpose;
- e. Directs, evaluates and guides the work of the key officers of the Corporation;
- f. Manages the Corporation's resources prudently and ensures a proper balance of the same;
- g. Provides the Board with timely information and interfaces between the Board and the employees;
- h. Builds the corporate culture and motivates the employees of the Corporation; and
- i. Serves as the link between internal operations and external stakeholders.

Board Committees

2-10, 2-12, 2-13

COMMITTEE	DESCRIPTION	MEMBERS
Board Audit and Risk Oversight 2022 Report of the Board Audit and Risk Oversight Committee to the Board of Directors 2022 Attestation of Internal Control	<p>The Corporation established the Committee to enhance its oversight capability over the Corporation's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. The Committee is also responsible for the oversight of the Corporation's enterprise risk management ("ERM") system to ensure its functionality and effectiveness. Other duties include:</p> <ol style="list-style-type: none"> Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks Perform oversight functions over internal and external auditors Review annual internal audit plan to ensure its conformity with the objectives of SPC Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expense Organise an internal audit department, and appointment of an independent internal auditor Monitor and evaluate the adequacy and effectiveness of internal control system Review reports submitted by the internal and external auditors Review the quarterly, half-year and annual financial statements before their submission to the Board Coordinate, monitor and facilitate compliance with laws, rules and regulations Evaluate and determine the non-audit work and review periodically the non-audit fees paid Establish and identify the reporting line of the Internal Auditor 	<ul style="list-style-type: none"> Chairman/Independent Director: Cesar A. Buenaventura Member/Independent Director: Lydia B. Echauz Member/Independent Director: Amando M. Tetangco, Jr. Member: Luis C. la Ó Member: Stuart Chaplin
Related Party Transactions	<p>The Committee evaluates on an ongoing basis existing relations between and among businesses and counterparts to ensure that all related parties are continuously identified, Related Party Transactions (RPTs) are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships reflect in the relevant reports to the Board regulators/supervisors. Other duties include:</p> <ol style="list-style-type: none"> Evaluates all material RPTs to ensure that these are not undertaken on more favourable economic terms Ensures that appropriate disclosure is made to related parties Reports to the Board on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures 	<ul style="list-style-type: none"> Chairman/Independent Director: Lydia B. Echauz Member/Independent Director: Cesar A. Buenaventura Member: Luis C. la Ó Member: Nina D. Aguas

See the Board Committees [here](#).

COMMITTEE	DESCRIPTION	MEMBERS
Corporate Governance	<p>The Committee oversees the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to SPC's size, complexity and business strategy as well as its business and regulatory environments, amongst others. Other duties include:</p> <ol style="list-style-type: none"> Oversees periodic performance evaluation of the Board and its committees as well as the executive management, and conducts an annual self-evaluation of its performance Ensures that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement Recommends continuing education/training Adopts CG policies and ensures that these are reviewed and updated regularly, and consistently implemented Proposes and plans relevant trainings for the Board Establishes a formal and transparent procedure to develop a policy Functions as Compensation and Remuneration Committee 	<ul style="list-style-type: none"> Chairman/Independent Director: Fernando Zobel de Ayala Member/Independent Director: Cesar A. Buenaventura Member/Independent Director: Lydia B. Echauz Member: Atty. Erwin R. Orocio
Nomination	<p>The Committee conducts nominations of Independent Directors prior to a stockholders' meeting. All recommendations are signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees. The Committee also ensures that all candidates nominated to become a member of the Board of Directors have the qualifications and none of the disqualifications as stated in the Revised Corporate Governance Manual. They also:</p> <ol style="list-style-type: none"> Encourage minority stockholders to nominate candidates for seats in the Board Review the effectiveness of the Nomination Process under the Revised CG Manual In consultation with the other members of the Board, revisit the role, duties and responsibilities of the CEO Consider the guidelines in the determination of such number of directorships for the Board 	<ul style="list-style-type: none"> Chairman: Lorelie Q. Osial Member/Independent Director: Cesar A. Buenaventura Member: Atty. Erwin R. Orocio Non-voting Member: Paulo Angelo N. Arias
Sustainability	<p>The Committee is accountable, when there is opportunity, for steering the business to provide additional resources or support to particular social performance, social investment and sustainability initiatives. It supports various engagements with external stakeholders, including the review of the sustainability-related content of the Company's Annual Report prior to its issuance.</p>	<ul style="list-style-type: none"> Chairman: Luis C. la Ó Member/Independent Director: Amando M. Tetangco, Jr. Member: Min Yih Tan Member: Stuart Chaplin Non-voting Member: Sergio C. Bernal, Jr.

Trainings

2-17, 3-3

The development and integration of the components of Powering Progress are crucially dependent on Shell's leaders.

As written in our Revised Corporate Governance Manual, Shell Pilipinas provides trainings for directors, including an orientation programme for first-time directors and relevant annual continuing training for all directors. The orientation programme for first-time directors is for at least eight hours, while the annual continuing training is for at least four hours.

Among the various training sessions the Company conducted in 2022 focused on the energy transition – one of the most important and relevant material topics for our industry. The training was made available to all Shell Pilipinas leaders, including its general managers and community leaders.



In Picture: November 2022: Shell Pilipinas' new members of the Board of Directors and Management Team visited the Company's largest import terminal in Tabangao, Batangas as part of its orientation programme.

The session, co-facilitated by the Shell Group and Earthwatch (a UK environmental Non-Governmental Organisation), discussed the situation our planet is currently in and the steps needed to address it, the current business and customer climate, and the reasons why Shell has made Respecting Nature a key component of its strategy.

After completing this course, the leaders gained a better understanding of the business climate as well as the urgency surrounding the state of the planet. They were also able to recognise and appreciate the complexities of our many stakeholders' points of view, accept accountability, and develop next steps for each leader and their respective teams to address the challenges and contribute to change.



In Picture: February 2023: Shell Group's Carbon & Environment Team conducted a training for Shell Pilipinas' Management Team on the Respecting Nature Framework, and its pathway to delivery until 2050.

LEADING WITH INTEGRITY

2-18

The Revised Manual on Corporate Governance reaffirms the Company's commitment to the Shell General Business Principles and to the concept of sustainable development, both of which govern how we conduct our affairs. It provides clarity on the duties and responsibilities of the Chief Compliance Officer and the Board of Directors (BOD). The BOD follows the best practices in corporate governance as laid down in the Manual, in compliance with the local Code of Corporate Governance for Publicly listed Companies, and in line with the G20/OECD Principles of Corporate Governance, as well as the ASEAN Corporate Governance Scorecard.

- **Board of Directors Self-Evaluation.** Performance self-assessments are annually conducted for the Board, individual members of the Board, Committees and the Management. Results are tabulated and presented by the Corporate Governance Committee to the Board. Every three years, an external facilitator conducts the self-assessment, in compliance with the Code of Corporate Governance for publicly listed companies.

- **Business Assurance Letters.** At the close of every year, business managers sign off on their respective Business Assurance Letters, addressed to the President and CEO, assuring that there have been no incidents of non-compliance or breaches of trust. Likewise, both the President and Chief Executive Officer, and Corporate Audit and Assurance Manager issue an attestation on the effectiveness of internal controls. Please see the 2022 Attestation of Internal Control [here](#).
- **Board Audit and Risk Oversight Committee (BARC) Controls Assessment Statement.** Based on the results of controls self-assessments and risk-based assurance reviews, the reliance on the work of SGV & Co., the Company's external auditor, on their audit of the December 31, 2022 Financial Statements, the assurance provided by the CAAD, as a result of their audit activities, the Committee assessed that Shell Pilipinas' systems of internal control, risk management, compliance, and governance processes are adequate and effective as of December 31, 2022.

LIVING BY OUR PRINCIPLES

2-23, 2-24, 2-27, 3-3, 206-1, 205-2, 205-3, EM-RM-530a.1, EM-EP-510a.2, EM-EP-530a.1



Employees are informed and trained on Anti-Corruption Policies and Procedures



No legal cases relating to corruption, anti-competitive behaviour, anti-trust and monopoly practices



No reported cases of non-compliance to environmental, social and economic laws

The [Shell General Business Principles](#) govern the way we work at Shell. They reflect our three core values: honesty, integrity and respect for people.

The principles set out our responsibilities to shareholders, customers, employees, business partners and society. They include commitments to fair competition, business integrity and compliance with applicable laws and regulations.

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

The [Shell Code of Conduct](#) explains how employees, contractors and anyone else acting on behalf of Shell must behave to live up to our business principles. The Code of Conduct is comprehensive, covering safety, anti-bribery and corruption, fair competition and other important areas.

Shell provides mandatory training and regularly reminds employees and contractors about the importance of both the business principles and the Code of Conduct. We also expect Shell's contractors and suppliers to understand and meet our robust requirements.

The [Shell Ethics and Compliance Manual](#) demonstrates Shell's commitment to Ethics and Compliance by defining requirements for 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.

We provide guidance, advice and training to help employees understand their responsibilities and how to act ethically and in full accordance with the law.

We do not tolerate the direct or indirect offer, payment, solicitation or acceptance of bribes in any form. Facilitation payments are also prohibited. More information on measures taken to prevent and detect corruption is provided on our [Transparency and Anti-corruption](#) page.

We aim to do business fairly, ethically and in accordance with applicable laws that promote and safeguard fair competition among businesses. Our commitments include the prohibition of practices such as price-fixing and market-sharing. We are also required to publicly report where we have been found guilty by any competition authority of violating competition law and act in each situation to ensure that Shell's ethical values are maintained.

In the same way, 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 encourage our employees and contractors to share any concerns they may have that the Code is being breached, anonymously if they wish, and without fear of retaliation. The [Shell Global Helpline](#) is open 24 hours a day, seven days a week and can be accessed through local telephone numbers or the internet. It allows employees and business partners to seek advice and report concerns anonymously and in their own language, about potential misconduct. Their concerns are investigated by specialists; if we confirm that the Code of Conduct has been breached we take appropriate action, which could include dismissal or the termination of a contract.

OUR POLICIES

2-15, EM-RM-530a.1, EM-EP-530a.1

We align our practices with Philippine national laws and regulations, as well as international laws or legislations with international effect. Where applicable, we adopt the stricter law.

Anti-Bribery and Anti-Corruption. We have a zero-tolerance policy on the payment of bribes, facilitation payments, and political payments. We follow national and international laws prohibiting bribery and corruption. This includes the Revised Penal Code AntiGraft and Corrupt Practices Act of the Philippines, the Foreign Corrupt Practices Act of the United States, and the Bribery Act of the United Kingdom.

Gifts and Acts of Hospitality. The Ethics and Compliance (E&C) Manual also provides guidelines on acceptable gifts and acts of hospitality, subject to recording requirements in the online Code of Conduct Register.

Conflict of Interest. Shell Pilipinas requires employees to declare perceived, potential, or actual conflicts of interest in the online Code of Conduct Register, subject to mitigations, when necessary, as agreed with and approved by the employee's line manager.

Data Privacy. Respecting privacy and protecting data is more than legal compliance; it is good business practice. We adhere to a data privacy manual following the General Data Protection Regulation of the European Union, as harmonised with the Philippines' Data Privacy Act of 2012 and its implementing rules and regulations. Our privacy compliance framework is governed by the Binding Corporate Rules approved by privacy regulatory authorities.

Whistleblowing Policy. Employees are duty-bound to report a potential Code of Conduct incident via the Helpline, their line manager or any company leader, the Country Ethics & Compliance Manager, legal counsels, or Human Resources. Anyone can access Shell's Global Helpline to report E&C incidents, even anonymously, by calling the US Call Collect No. +1 800-1-322-0377 or accessing this [link](#). Shell Pilipinas will not tolerate any form of retaliation directed at anyone who raises a concern in good faith about a possible violation or participates in any investigation. Any act or threat of retaliation against such employees will be treated as a serious violation of the Code of Conduct.

Corporate Disclosure Policy. We comply with the reporting requirements under the Securities Regulations Code and its implementing rules and regulations, Philippine Stock Exchange Listing and Disclosure Rules, and our own Revised Corporate Disclosure Guide. The BOD ensures full disclosure of material information about the Company, with an increasing focus on non-financial and sustainability reporting. Additionally, the Company also publishes an Integrated Annual Corporate Governance Report.

Insider Dealing. Compliance with the Securities Dealing Code is compulsory for every employee. Those with access to inside information about the Company, another Philippine publicly listed company, or a traded commodity or commodity derivative, must not engage in any dealings until such time as this information is available to other market participants or publicly disclosed.

EMBEDDING SUSTAINABILITY IN THE BOARD ROOM

2-14, 2-16

The Board Room ensures that appropriate data about the organisation is fully disclosed, with an added emphasis on sustainability reporting. Consolidated stakeholder concerns and feedback are also forwarded to our ASR Committee, which would conduct the materiality assessment process and finalise material topics in relation to the Company's sustainability and its reporting.

A clear and focused policy on non-financial disclosures is done by the Board, with an emphasis on the management of the Company's business's economic, environmental, social, and governance issues, which underpin sustainability.

The Company also adopts a globally recognised standard or framework in reporting sustainability and non-financial disclosures.

Committees on the Board also monitor, review, evaluate, and aim to ensure that the Company, its officers, and directors are in compliance with all applicable laws, provisions, and requirements of the Company's Revised Corporate Governance Manual, rules and regulations, and all governance issuances of regulatory agencies, including policies that address environmental and social factors affecting the industry.



ACHIEVING NET-ZERO EMISSIONS

- Thriving in the Energy Transition of the Philippines
- Pioneering Innovations



In Picture: Solar panels powering the Shell station

Climate change is a challenge that Shell takes seriously. The Company will contribute to the global efforts of reaching net-zero by 2050, which means that society stops adding to the total amount of greenhouse gas emissions already in the atmosphere. We are playing our part in delivering the goal of the UN Paris Agreement: to keep the Earth's temperature from rising beyond 1.5 degrees Celsius above pre-industrial levels.

In doing so, we are reducing the emissions from our operations, and from the fuels and other energy products we sell to customers. Our carbon capture and storage programmes in other countries allow the Shell group to offset its emissions in the country. Most importantly, we are providing more low-carbon energy products and solutions for our customers like charging for EVs and electricity from renewable energy.

Shell Pilipinas' annual updates for its operation plan, outlook, and budgets span a ten-year period. We accurately reflect the current economic environment and what we can expect over the next ten years by representing our targets for Scope 1 and Scope 2. Our 2050 net-zero emissions goal and 2030 target, however, cannot be incorporated into SPC's operating plans as they are now beyond our planning horizon. As society moves towards net-zero emissions, SPC foresees changes in its operating strategies. Significant progress by society in achieving the net-zero target by 2050 is crucial, as this will enable Shell to adapt its operating strategies to align with the goal.

Thriving in the Energy Transition of the Philippines

3-3

In our aim to become an energy business for the future, Shell Pilipinas is investing in the energy transition towards a low-carbon world and intends to do so purposefully and profitably.

Towards this goal, Shell Pilipinas provides innovative solutions to customers who are also on their energy transition journey. With the opportunity to be an industry leader in the energy transition, the Company aims to provide more and cleaner fuel grades for a wide customer base.

Moreover, Shell Pilipinas supports decarbonising the tourism and mobility sectors by providing high quality fuels that are consistently compliant with bioethanol component requirements. We further bring value by also offering voluntary carbon offsets both for B2B commercial fuels for the power and mining sectors, and just recently, for our B2C motorists.

With a pool of technical experts, we are weaving in sustainable solutions in everything that we do. While this is something that we're doing globally, the energy transition in Shell Pilipinas will start through individual practice in the way each of us live, in our homes and in making greener choices. Shell Pilipinas advocates that everyone has a role to play in the energy transition.



In Picture: Decarbonizing the Construction Industry: Shell Pilipinas' Construction and Road business sponsored a talk and roundtable discussion with the leaders of the Philippine Constructors Association Inc. (PCA) in June 2022 on the sector's pathway to sustainability. Shell Pilipinas offers customer-centric sustainable solutions and is the leading partner supplier of low-carbon products in the PH construction & road business.

Pioneering Innovations

Shell Pilipinas is committed to improving its products and services to meet the evolving needs of our growing customer base as we continue to sustain our key businesses. The Company commits to innovate by understanding the current and future needs and demands of our customers, and to strive to be a leader in the industry by providing integrated solutions.

Shell Pilipinas is pleased to be a pioneer of the first NBS Carbon Offset Service in the country. In addition, the Company has also introduced Shell Recharge, its first high-powered EV charging service in the Philippines and the first of its kind on Philippine expressways.



In Picture: Lubricant's TechStream 2.0 – a webinar series running from April to November for B2B distributors in the construction, general manufacturing and the transportation sector. The interactive engagement discusses operational excellence best practices, new products & services, and maximisation of our customers' fleet and equipment, amongst others. Over 100 different business partners were invited in the first two runs of the series.

■ Electric Vehicle Charging

Shell Recharge, the Company's first high-powered EV charging service in the Philippines and the first of its kind on Philippine expressways.

The first Shell-branded charger will make charging an EV more convenient and accessible to users, as the most powerful DC high performance fast charger located along Philippine expressways.

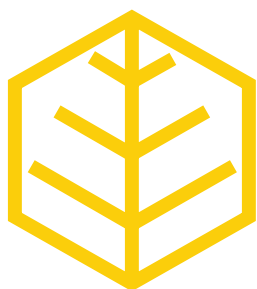
It includes two EV charging points with CCS2 connectors, allowing two vehicles to charge at the same time. An average EV vehicle can be recharged to optimal battery charge levels in 30 minutes using a 180-kWh charger instead of the usual 8-9 hours it takes using normal chargers. However, this varies according to vehicle type and battery management system. Shell Recharge EV charging services contribute to the EV infrastructure needed in the Philippines to entice more customers to shift from fuel-powered cars to electric cars.



■ Carbon Offset Offers

Shell Pilipinas also launched its NBS Carbon Offset Service programme, in which customers can pay an additional service fee per litre to compensate for the equivalent carbon emissions of their fuel purchase. These are then matched to carbon credits generated by Shell's afforestation, reforestation, and conservation projects. The offset service programme was first offered to Shell Pilipinas' B2B fleet customers, making Shell Pilipinas the first energy company to do so.





RESPECTING NATURE

3-3

- Energy Consumption
- GHG Emissions
- Water Management
- Oil Spills Mitigation
- Air Emissions
- Biodiversity
- Solid and Hazardous Waste

ENVIRONMENTAL PERFORMANCE



We respect the environment by seeking to comply with all applicable and relevant environmental laws where the Company operates and adhering to global best practices and standards for environmental protection and safety. SPC also monitors and manages key performance indicators related to the use of resources like water, electricity, emissions, discharge and generation of solid and hazardous wastes to be able to gauge the Company's performance and achieve the Goal Zero ambition which aims for no harm and leaks across operations.

Energy Consumption

3-3

Shell Mamplasan, a Mobility site located along the South Luzon Expressway in Biñan, Laguna, is powered by renewable

energy supplied by SEPH. The station with Shell Recharge charging points is powered by a mix of solar, geothermal, and hydro energies. Shell North Luzon Tollway 1 in Balagtas, Bulacan was the first.

Since 2020, we have been transforming our retail fuel stations into one-stop mobility destinations with sustainable solutions in aiming to contribute to achieving a net-zero planet, our support to tackling climate change as laid out in the UN Paris agreement.

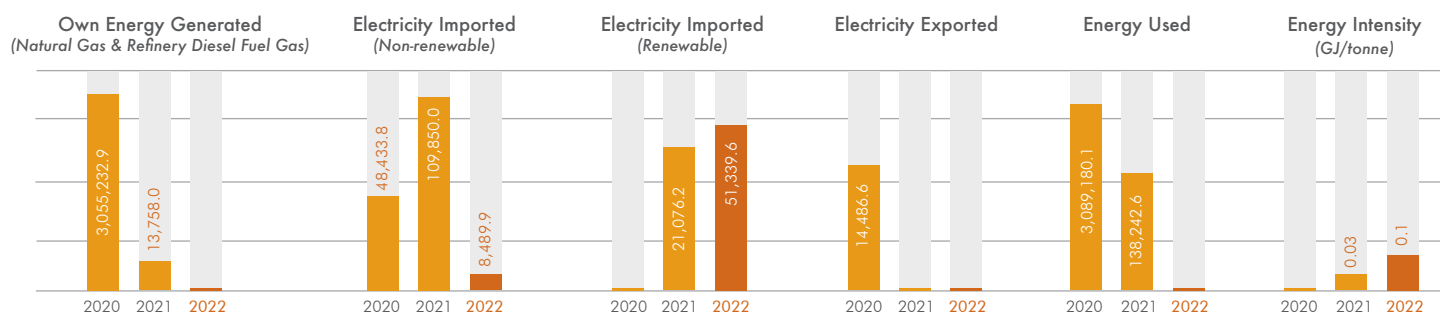
The transformation of SHIFT into an import terminal resulted in a significant reduction in our energy consumption and Direct (Scope 1) GHG emissions.

We continue to improve energy efficiency in all of our terminals but especially in SHIFT, the Company's largest asset located in a 160-hectare area in Batangas. By incorporating renewable electricity from the grid and onsite solar power in the energy system, SHIFT runs on 100% renewable energy with approximately ~15-20% of that energy coming from its 5,220-panel solar farm.

We implement the mandatory manual of the HSSE & SP Control Framework and maintain an inventory of our GHG emissions through the CO₂ Business Plan to help achieve the Company's GHG and energy management objectives in alignment with the Shell global requirements of the Performance Monitoring and Reporting specification.

302-1, 302-3

Energy Consumption (in GJ)



GHG Emissions

3-3, 305-5, EM-RM-110a.1, EM-RM-110a.2, EM-EP-110a.1, EM-EP-110a.3

Terminal Operations

The Company's Trading and Supply (T&S) Operations are responsible for the monthly tracking of all fuel consumed in Shell-operated sites on behalf of Shell or for Shell operations. This enables us to track emissions from generator sets, fire pumps, machinery, and equipment used in our day-to-day operations, maintenance, and project activities.

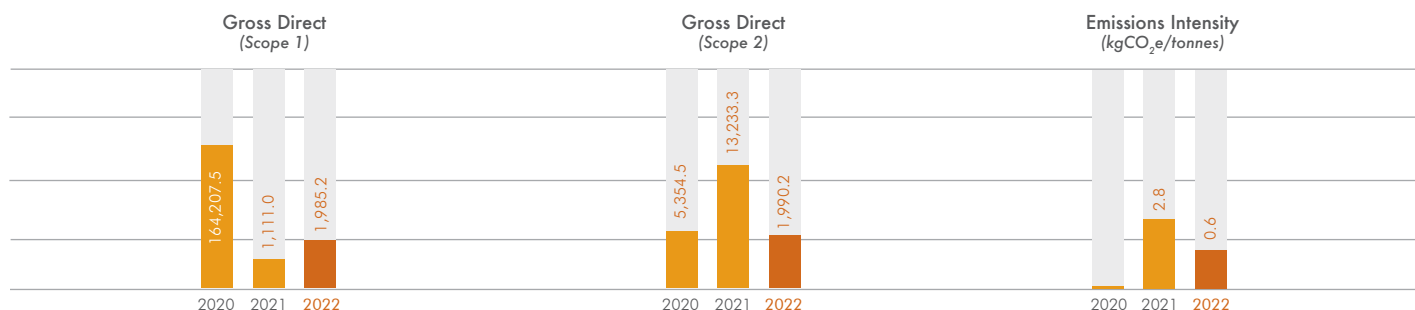
The Shell Group has set year-on-year targets for Scope 1 emissions in its long-term and short-term goals of reducing Scope 1 and Scope 2 emissions by 50% by 2030 and 100% by 2050, respectively. Our monthly CO₂ emissions are monitored vs estimates.

Meanwhile, Scope 2 emissions are measured by tracking all electricity consumed and the emissions from the terminals' electricity consumption from the local grid via the billings

by the local Distributor Units. Emissions from our renewable energy terminals are also tracked using the generation factor provided by the renewable energy provider.

Our carbon dioxide equivalent (CO₂e) emissions especially for Scope 2 has seen a significant improvement mainly due to the normalised terminal operations for SHIFT within the past year. From an energy-intensive facility when it was operating as a refinery, operating as a terminal has significantly reduced electricity and fuel intensive assets. Results shown for 2022 has also included all Philippine terminals as compared to the previous reporting of just SHIFT/Tabangao refinery. This, as well as the more intensive coverage of maintenance and project works emissions, would explain the increase in Scope 1 emissions for 2022.

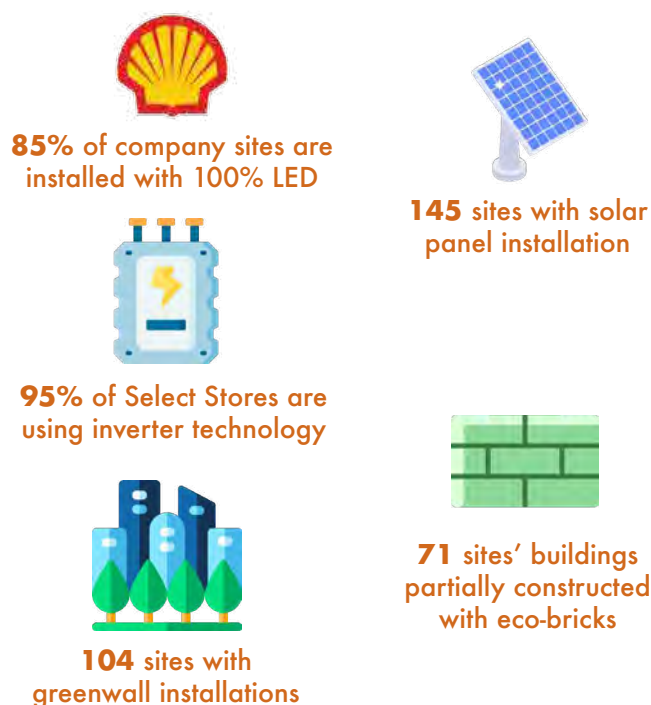
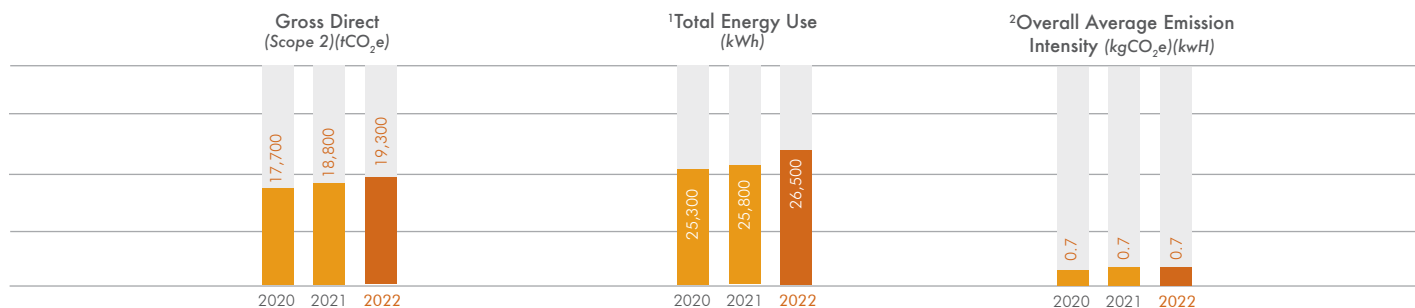
305-1, 305-2, 305-4, EM-RM-110a

GHG Emissions (in tCO₂e)**Mobility Operations**

Shell Pilipinas is transforming its stations from a traditional fuel station to a one-stop shop mobility destination that aims to provide products and services to re-energise customers and their vehicles. As mentioned during the 2021-2025 Strategy Day, we are implementing more offers in-sites, most especially in our non-fuel retail business. This means more energy consumption requirements, including additional air-conditioning and ventilation fans for our clip-in partners, more chillers for our food & beverage offerings, and overall increase in lighting as we increase the real estate usage per site.

To compensate for the increase in energy usage, the Mobility team has implemented several low carbon operation alternatives on-site over the past three years, resulting in an overall maintained emissions factor. The Company is committed to making its energy consumption and emissions footprint more efficient while meeting its customers' growing energy needs. A dedicated team regularly monitors the sites' emissions and reports them in Mobility's management meetings. The emissions tracking is aligned with the Shell Group methodology and submitted accordingly.

Our journey to low-carbon mobility assets:

**GHG Emissions (in tCO₂e)**¹Grid only energy use for all utilities in a company-owned site²Emission per energy used in a company-owned site

Water Management

3-3, 303-1, 303-2, EM-RM-140a.2

The efficient and prudent use of water is important to Shell Pilipinas as water is important to both our operations and the community at large.

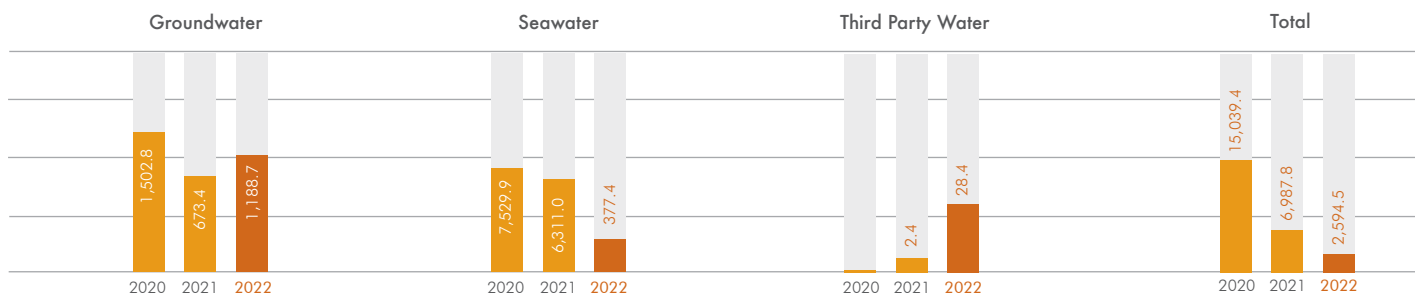
In our terminals, rainwater collected through drain canals is filtered on-site using an oil-water separator, which separates oil from discharged water to prevent potentially oil-contaminated water from being released. The effluent regulations outlined in DAO 34 and 35, DAO 2016-08, the Clean Water Act, and the GEMS apply to terminal effluents. Effluent standards outlined in our mandatory HSSE & SP Control Framework manual are implemented through regular water sampling to monitor effluent levels.

We continuously implement the recommended effluent standards set in the mandatory manuals of our HSSE & Social Performance (SP) Control Framework. We regularly conduct water sampling to monitor effluent levels and ensure that we are within regulatory limits. Effluent samples are tested by a Department of Environment and Natural Resources (DENR)-accredited third-party laboratory. Quarterly reports containing this information are then submitted to the DENR for regular tracking.

*25 million cubic metres of fresh water consumed by our facilities in high water stressed areas in 2018.

303-3, 303-5, EM-RM-140a.1, EM-EP-140a.1

Water Withdrawal (in ML)



Oil Spills Mitigation

3-3, 306-3

Oil spills are harmful to the environment and pose a serious threat to our natural resources. With this in mind, Shell Pilipinas has invested in spill prevention and preparedness through primary and secondary containment measures such as terminal bund walls and containment bunds. Additionally, the terminals are equipped with their own oil spill response equipment. The Company ensures compliance with both internal and government requirements, including training related to preventing accidents and incident responses related to oil spills. In addition, the integration of the Oil spill response with Crisis Management ensures that the leaders in the Company are well equipped to handle a crisis.

Finally, we supplement our readiness and preparedness measures with company-wide simulation exercises to enhance our response capabilities.

Globally, Shell has an ambition to reduce the amount of fresh water consumed in facilities, starting by reducing fresh-water consumption by 15% by 2025 compared with 2018 levels* in areas where there is high pressure on fresh-water resources. SHIFT is one of the terminals considered by the global team to contribute significant savings toward meeting this target.

Currently, four of our major facilities are located in areas with high levels of water stress. However, we have water management plans to address this based on an analysis using a mix of water stress tools, such as the World Resources Institute's Aqueduct Water Risk Atlas, and local environmental information.

One significant initiative that improved our water consumption performance was the decommissioning of SHIFT's sea cooling water pump which ran 24/7. A crucial asset in the previous refinery setup, the SHIFT team implemented operational adjustments so that this pump would no longer be needed in the terminal's new setup. This saved almost 230k cubic metres of seawater withdrawn. Other initiatives to further improve our water consumption have been included in the terminal's project pipeline.



In Picture: Shell Pilipinas' Asia-Australasia region's Tier 3 Simulation Exercise. Over 200 participants from the region, including Shell Pilipinas' C-Suite Management & the Philippine Coast Guard participated in a 'Batangas Oil Spill' Simulation. Shell has demonstrated our Company's capability to respond to a large-scale incident and partner with government authorities in providing an effective and robust response to potential incidents.

Air Emissions

3-3, 305-7, EM-RM-120a.1, EM-EP-110a.2, EM-EP-120a.1

The transition of the Tabangao Refinery to an import terminal continues, bringing our business operations closer to our net-zero ambitions. The transition also enables Shell Pilipinas to have a more competitive and reliable supply chain model.

The refinery's conversion removed our vented and flared hydrocarbons footprint since the second half of 2020. Sulphur Oxides, Nitrogen Oxides, and Volatile Organic Compounds are no longer being emitted at Tabangao. This also applies to the rest of our terminals focusing mainly on storage and handling operations.

Biodiversity

3-3, 304-2

Shell Pilipinas assures and practices biodiversity conservation by coordinating with local government units (LGUs) on the ground in SHIFT and North Mindanao Import Facility (NMIF) for any operations or activities that may have an impact on diverse species of plants, and animals, as well as natural ecosystems in the area.

With daily operations in terminals involving vessels of different sizes berthing near or at the shoreline to load and receive products, each terminal ensures that an Oil Spill Contingency Plan is in place. This plan details the nearby protected areas with high biodiversity and the appropriate response to potential oil spill incidents. This is evaluated annually.

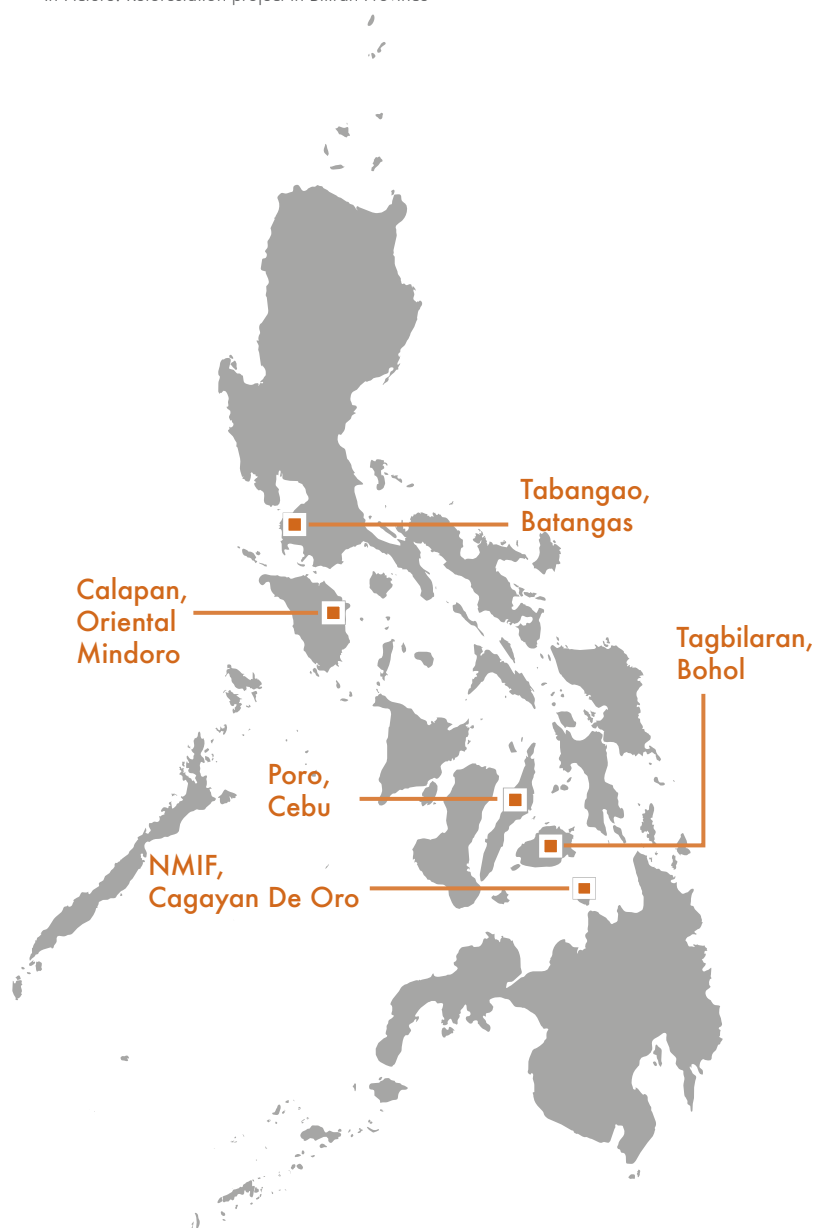
Operational Sites Owned, Leased, and Managed

304-1, 304-3

TERMINAL	MARINE PROTECTED AREA (MPA)	DISTANCE OF MPA FROM TERMINAL, KM
Poro, Cebu	Kasay Marine Sanctuary	3.5 km from terminal
SHIFT	Mangroves	Coastline from SHIFT Terminal towards GMC area is 100 metres south and Coastline from Tabangao Aplaya to Himmel area is 1.6 km to the South
Tabangao, Batangas		
Calapan, Oriental Mindoro	Harca Piloto Fish Sanctuary	0.7 km from Terminal
NMIF, Cagayan De Oro	Brgy Gusa Fish Sanctuary and Mangrove Area (also a Natural Park/Critical Habitat) Brgy Bayabas Fish Sanctuary and Brgy Bonbon Mangrove Area (also a Natural Park/Critical Habitat)	~4.2 km and ~4.4km southeast of terminal respectively ~4.3km and ~3.6km northwest of terminal respectively
Tagbilaran, Bohol	Bohol Fish Sanctuary	~2 kms from terminal



In Picture: Reforestation project in Biliran Province



Solid and Hazardous Waste

3-3, 306-1, 306-2

Shell Pilipinas complies with local regulatory requirements and Shell's internal waste manual under the HSSE & SP Control Framework.

Our terminals generate non-hazardous solid wastes due to office use which undergo proper waste management, which include segregation, recycling, and recovery. Hazardous waste such as waste oils are also being disposed appropriately.

306-3, 306-4, 306-5, EM-RM-150a.1

SOLID AND HAZARDOUS WASTE MANAGEMENT (in tons)

Non-Hazardous

2020		2021		2022	
Landfill Industrial wastes like rockwool insulation and polyethylene sheets	1,056.2	Landfill Domestic solid wastes directed to landfill	416.0	Landfill Biodegradable/ Domestic Waste	465.3
Recycling Scrap material collected by the MRF	820.9	Recycling Other recycled materials collected by the MRF	90.1	Recycling Recyclable/Residual/ Scrap Metal	30.1

Hazardous

2020		2021		2022	
Treatment Other hazardous wastes from refinery by-products are treated by accredited third- party provider	557.5	Treatment Significant wastes from the terminals would include waste oils/sludge from operation	5,319.5	Treatment Hazardous wastes are directed to accredited third-party contractors who will choose the method of disposal/ recovery	2,632.9

We make sure the waste from our operations are properly segregated within our terminals for easier management and pickup by the LGUs and our third-party contractors. One hundred percent of the hazardous wastes generated, which are potentially hazardous to the environment and human health, are recycled, dehydrated, distilled and recovered, and physically and chemically treated. None of these are thrown away in a landfill. Hauling companies buy our scrap metals, thereby contributing to the circular economy. T&S had also prioritised digitalisation in order to not only optimise processes but also reduce paper waste.

Plastic recycling has been a crucial step towards a circular economy globally, but achieving circularity calls for action at every point in our business. As we focus on our ambitions, we are also working closely with local partners to advance our goal towards a circular economy and ending plastic waste in the environment.



In Picture: Plastic drop-offs are available in 58 mobility sites nationwide and growing. To date, over 6,000 collected plastics ranging from PET bottles, containers, HDPE bottles, and the like will be used to produce more eco bricks for the construction of our future mobility sites.



POWERING LIVES

2-7, 3-3

- Providing Access to Energy
- Upholding Our Principles through Our Suppliers
- Contributing to Communities
- Employees



Shell Pilipinas powers lives by bringing energy to those who need it most. By lighting up homes and businesses through the supply of affordable, reliable and sustainable energy, Shell Pilipinas paves a path towards a greener, more inclusive and more prosperous future for all.

Through PSFI, Shell Pilipinas also continues to support its communities and create lasting impact in the areas of health and safety, education, livelihood, environment, energy, and nutrition and food security.

Shell Pilipinas also works closely with the communities where it operates to minimise public risks such as possible accidents close to import facilities or mobility destinations. The Company, therefore, regularly holds safety trainings and forums to discuss effective mitigation measures.

Shell Pilipinas powers the lives of its employees as well. The Company aims to become even more inclusive, diverse and in-tune with the well-being of its staff members. We've heightened our efforts to be more adept and sensitive in the areas of gender, race and ethnicity, LGBT+ and disability.

We are tuning in more closely to the different needs of our wide customer base. We aim to use technology and innovation to be more inclusive for customers who have disabilities, or have limited access to our current product and services.

Using the UN Guiding Principles on Business and Human Rights as our guide, we are ensuring that all internationally recognised human rights are respected, both within our organisation and along our supply chain.

PROVIDING ACCESS TO ENERGY



Shell Pilipinas directly supports the realisation of SDG 7: access to affordable, reliable, sustainable, and modern energy for all through its Access to Energy (A2E) Program. Energy access is imperative for the development of agriculture, communications education, health, and business. However, in the Philippines, an estimated 16 million people still have little to no access to energy.

Inland and island communities are some of the most vulnerable. This is why Pilipinas Shell Foundation ignited an A2E programme named Sustain, Invest, Nurture, Access to Green Energy (SINAG) in 2014.

Through the initiative, PSFI brings access to energy to indigenous communities with no immediate prospects of being connected to any power grids through the provision of wind or solar power. Community members are then taught how to operate and maintain the facilities on their own.

This reliable and affordable access to energy allows underserved communities to have basic services like lighting, refrigeration, fan use, and vital access to communication channels such as radio, tv and internet connection. These everyday luxuries are important, especially for island communities that are most at risk to extreme weather events caused by climate change.

To be able to amplify its impact, the project also provides for training on entrepreneurship, improvement of basic health services and enhancement of education.

In 2022, 28 individuals were trained on basic electrical installation and maintenance, and six microgrid sites in Palawan were repaired and maintained for upkeep.

PSFI hopes to continue to scale the project so that the ripple effects of development may reach more communities in need.

UPHOLDING OUR PRINCIPLES THROUGH OUR SUPPLIERS

3-3

Shell Pilipinas works to Power Lives not only for our customers and employees, but also to all contractors and business partners along our value chain.

All our suppliers are expected to adhere to our core values of honesty, integrity, and respect for people, and to know and abide by the Shell General Business Principles.

More information on these principles can be found here: <https://www.shell.com/about-us/our-values.html>.

Moreover, they are also encouraged to conform to our Code of Conduct as a guide for ethics and compliance. More on the Code here: <https://www.shell.com/about-us/our-values.html>.

CONTRIBUTING TO COMMUNITIES

3-3, 203-1, 413-1



PSFI continues its mandate to empower communities where we operate, as well as in the rest of the country. In 2022, the Foundation celebrated its 40th Anniversary delivering positive social impact with the goal of making Filipino society more inclusive, resilient, and empowered.

Through the Foundation's SDG-aligned focus areas of health and safety, education, livelihood, environment, energy, and nutrition and food security, it runs over 30 programmes with a 200-people strong staff. The Foundation has impacted the lives of countless Filipinos, focusing on those that are most underserved and most marginalised.

Livelihood Programmes

Focusing primarily on the communities where we operate, Shell Pilipinas hopes to help prepare the country's next leaders in innovation and business, so they may create products and solutions that address our current pressing needs or support the protection of our planet. The Company also strengthens community-based enterprises as they are powerful platforms for marginalised communities to develop and grow their day-to-day income.

The focus on livelihood underscores Shell Pilipinas' commitment to be a partner in nation-building, and in contributing to a more sustainable future.

■ Shell LiveWIRE

Shell LiveWIRE supports Technology Start-Ups and Community Enterprises to promote local economic development. Launched in Scotland 40 years ago, Shell LiveWIRE is the global flagship enterprise development programme of Shell that was brought to the Philippines in 2020. Today, it aims to empower businesses that are on the cutting edge of innovation, focusing on energy solutions, value chain integration and economic diversification.

Winners of the competition receive mentorship, seed funding of up to Php500,000, access into the Shell Pilipinas value chain, and financial assistance during the acceleration phase.

Shell LiveWIRE Philippines has since supported 83 established non-energy sector businesses, created 43 jobs, and trained 314 participants on entrepreneurship and employability skills.

In 2022, from over 300 tech start-ups that applied, 11 technology start-ups were chosen to undergo a three-month entrepreneurship bootcamp mentored by local and international experts. The top three technology start-ups competed for a prize of up to Php500,000, while the non-winners were awarded Php300,000 in capital grant funds. Additionally, we provided funding of Php100,000 to six community technology start-ups to support their business expansion efforts.

They also won under the Business Innovation Category of the Top 10 innovators global awards.

■ Project Collaboration for Coconut Productivity and Nurturing Farmers' Trade (COCONUT)

The Foundation has been empowering the coconut farmers in Quezon Province through its Project COCONUT. The project, launched in 2018, helps farmers innovate the way they do business and improve their financial literacy through the promotion of upcycling coconut scraps into coconut oil, oleochemicals, and biofuels, or to convert the scraps into jewelry, beads and other ornaments.

■ El Nido Food Terminal Project

To help ensure food security in the island of Palawan, PSFI established the PEAP – a farm of 11.48 hectares built as a training, demonstration and information centre that seeks to multiply the agricultural and entrepreneurial opportunities in Palawan. PEAP introduces farmers to organic farming, and trains them on sustainable ways to increase their yield. This helps increase and stabilise food availability for an island that usually imports its produce.

In 2021, the ENFT was launched at El Nido through PEAP to serve as a place where farmers could sell their fresh produce straight to the market, without the need of middlemen. With the food terminal, farmers are able to supply their produce to the people at lower prices.



One of the top start-ups that won was Nanotronics Inc., which started by supplying advanced materials in the semiconductor and electronics industry, and then moved to become an innovative company that addresses problems caused by plastic pollution. Shell LiveWire created a solution derived from a highly renewable indigenous plant and developed it to create products that are fully biodegradable, robust, and reusable.



In 2022, more than Php7Mn worth of agricultural products from the farmers were made available to the public and sold to institutional buyers at El Nido.

Education Programmes

Education is the most powerful tool to rise above poverty. Shell Pilipinas supports the education and the skills development especially in STEM and Technical Vocational skills for people with competence and big dreams.



▪ Sanayan sa Kakayahang Industriyal (SKIL)

As one of PSFI's pilot programmes, SKIL was initiated to address widespread unemployment in the Philippines conducted in partnership with Technical Education and Skills Development Authority (TESDA), the programme, enables deserving out-of-school youth to undergo training for technical-vocational skills such as automotive servicing, welding, pipefitting, basic computing, food and beverage servicing, and more. After completing the training, scholars then undergo an apprenticeship in partner enterprise, which often leads to employment.

In 2022, there were 366 participants, 114 of which gained employment right after graduation, and five who started their own business.



▪ Shell-Philippine Science and Technology Development Foundation-Manila, Inc. (PhilDEV)

In collaboration with PhilDEV, PSFI continues to support bright and underprivileged youth pursuing STEM courses by giving scholarships to fund their tuition and by providing intensive upskilling programmes on subjects such as leadership and life skills.

By helping the youth develop integral STEM habits of mind, like systems thinking and scenario-building, PSFI equips them to lead in fields like energy and engineering in the future. The programme hopes to increase the number of graduates to meet growing labour demands in the industries of energy, healthcare, manufacturing, e-commerce and automation, to name a few.

In 2022, 29 scholars were supported by the programme. The year also welcomed the first three agriculture scholars as the programme expanded its focus from STEM programmes to now Science, Technology, Engineering, Agriculture, and Mathematics programmes, which encompass science, technology, engineering, agriculture, and mathematics. Moreover, 34 graduates of the programme passed the engineering licensure exam. Lastly, five scholars were hired by Shell Pilipinas.



Women Empowerment Programmes

Uplifting and empowering women is imperative to support the health and social development of families, communities and countries. PSFI works with cooperatives in the communities where Shell Pilipinas operates to order to train and empower the women through livelihood and skills training.

▪ The Shell Tabangao's Ladies Circle (STLC)

The Shell Tabangao's Ladies Circle started in the 1960s. The group offers medical aid, livelihood and scholarships for women in Bantangas's Barangays of Tabangao, Ambulong, Libjo, San Isidro and Malitam. The STLC scholarship is open to those who cannot afford education,

providing a monthly allowance, and funding extraneous educational expenses. Scholars are monitored, trained, and given a chance to interact with fellow scholars. As of 2022, the programme supports 47 scholars. the STLC has also signed an agreement with the School Division Office of Batangas in August to support 10 more incoming grade 11 students pursuing a STEM track.

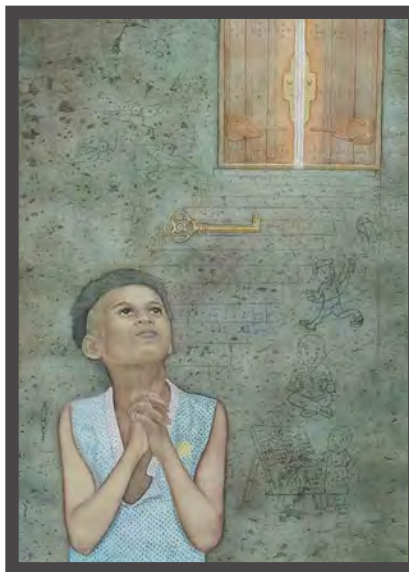


Youth Involvement

Shell Pilipinas is invested in uplifting and igniting the youth's potential to empower our future. Through projects that support STEM, innovation, and the arts, Shell Pilipinas motivates the youth to learn and grow into the next generation of thought leaders in the country.

■ National Students Arts Competition (NSAC)

The (NSAC) ran its 55th year in 2022, inspiring more young artists to use art to foster and inspire nation-building. With the theme "Sulong Sining", the former meaning charging forward, and the latter meaning art, the 2022 competition invited students from all over the country to share their visions for their country through mediums such as watercolor, oil, acrylic painting, as well as sculpture and digital fine arts.



1st Place in Watercolor
"Dalangin, Pag-asa at Pangarap"

John Michael Flores
Ramos
Tarlac State University
Watercolor on paper
Size: 19.7" x 27.6"

1st Place in Oil and Acrylic

"Upturned Facade"

Densen James
Almeda
University of the
Philippines - Cebu
Acrylic on Canvas
Size: 36" x 36"



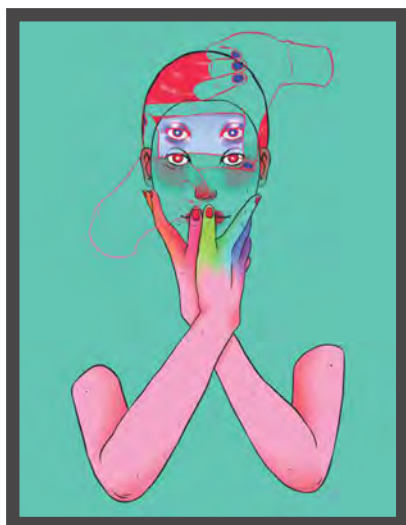
Serge Bernal, Shell Pilipinas Vice President for Corporate Relations described NSAC in its 55th year as “the start of an exciting new chapter ... A legacy founded on promoting Filipino art and inspiring the youth to greatness, Shell NSAC has always endeavored to help student artists find their footing in the local art world, offering guidance and opportunities to push their talents ever forward.”



1st Place in Sculpture

“Generational String”

Mherlo Mahinay
University of the Philippines - Diliman
Polymer clay, thread, wire on wood
Size: 15.25” x 12” x 4.5”



1st Place Digital Fine Arts

“Makita. Akong Masulti. Akong Mabuhat.”

Earl Marie Pabinguit
Cebu Technological
University
Digital Print
Size: 39cm x 30cm

Winning artworks include [Oil/Acrylic] “Upturned Facade” by Densen James Almeda of University of the Philippines - Cebu, [Watercolor] “Dalangin, Pag-asa at Pangarap” by John Michael Flores Ramos of Tarlac State University, [Sculpture] “Generational String” by Mherlo Mahinay of University of the Philippines – Diliman, and [Digital Fine Arts] “Akong Makita. Akong Masulti. Akong Mabuhat.” by Earl Marie Pabinguit of Cebu Technological University.

Companies and museums/galleries such as McDonalds Philippines, Grab Philippines, PHirst Park Homes, BakunaHero, and Ayala Museum, Anima Art Space, The Kabilin Art Center, Orange Project, Art Elaan, Blanco Museum, Museo Iloilo, Iloilo Museum of Contemporary Art, Modeka Art, and Stuart Gallery partnered with NSAC in cultivating Filipino young artists.

Our country’s art masters such as Ronald Ventura, Daniel dela Cruz, Leeroy New, Edgar Doctor, Edgar Fernandez, Nemi Miranda, Jose Pence Ruiz, Pablo Biglang-awa Jr., Victor Balanon, and Jonathan Joven, have been part of the NSAC 2022 art competition. More than 150 students from Metro-Manila, Cebu, and Bacolod participated in the Art Interaction.

■ NXplorers

To develop young minds between the ages of 14 and 19, Shaping Learning for Shell created an innovative programme centred on STEM innovation. The programme aims to foster creative thinking skills to empower the youth to ideate and think of timely solutions for today’s most pressing issues. NXplorers use three unique methodologies to tackle new ways of looking at global problems: systems thinking, which is a framework for seeing the bigger picture rather than isolated fragments; scenario planning, which asks “what if” questions to explore alternative views of the future and create plausible stories around them; and Theory of Change, which imagines how and why a certain change is expected to happen.



Road Safety and Health

Shell Pilipinas upholds high HSSE standards, and prioritises the wellbeing and welfare of its staff and customers. Keeping people safe inside the premises, and within our operations and activities is a priority under our general business principles and our Goal Zero mandate. The focus on health and safety extends to our employees, our business partners, contractors, customers as well as the communities wherein we operate.

Since the COVID-19 pandemic, we've also implemented additional precautions. Across all our mobility destinations, Shell Select Stores, Restroom, and Car Wash bays, the health of our staff is regularly checked, the forecourt service champions are trained on proper sanitation methods, and all machines and equipment are regularly cleaned. Moreover, most mobility stations are accepting contactless payment for safer transactions.

We also continued two flagship PSFI programmes in 2022 that have a lasting impact in keeping roads, towns and communities bright and safe.

▪ BiyaHERO Road Safety Campaign

Launched in 2007, PSFI has been increasing Filipino drivers' understanding and skills in defensive driving. Under the program, commuters and pedestrians are taught about road safety through proper road conduct and behaviour. Training is conducted in communities and schools across the Philippines. The modules of the workshop include: Our Roads, Pedestrian Safety, Commuter Safety, Bicycle Safety, General Road Conduct, and Motorcycle Safety.

The campaign is done in partnership with the European Chamber of Commerce of the Philippines, the Automotive Association of the Philippines, and the Philippine Global

Road Safety Partnership, to foster greater cooperation between the public and private sectors to provide safer roads for all Filipinos.

In 2022, 289 individuals completed safety training on road safety, water rescue safety, and urban rescue safety, in locations around the Philippines.

▪ Save, Invest, Nurture Access to Green Energy and Technologies (SINAG) Programme

Aside from lighting up off-grid communities in need, the SINAG programme also works to bring light to dark roads in underserved areas. A stretch of road in Barangay Tabangao is now well lit at night by 16 solar powered streetlights, promoting road safety in the area, as well as peace and order.

The project covers an area that is heavily used by trucks and lorries moving supplies and products of big industries along the Tabangao and Lobo coastline, and by private and public vehicles transporting students, employees, residents, and other members of the community to and from these sites. SINAG is a testament to Shell Pilipinas' commitment to safety, and forms part of Powering Progress by providing timely and cleaner energy solutions for Filipino communities.

Through its SINAG programme, PSFI has provided power and microgrid systems to 436 households in 14 communities, which has served and benefitted some 4,667 individuals — paving the way for development opportunities for generations to come.



Community Health and Disaster Response Programmes

Shell Pilipinas also aids in tackling the nation's most pressing health concerns. From supporting individuals living with HIV/AIDS, working to eliminate Malaria in the Philippines, to augmenting the government's efforts to curb the effects of the COVID-19 pandemic, Shell Pilipinas continues to Power Lives for a healthier, more prosperous nation.

■ HIV/AIDS Programme: PROTECTS

In partnerships with the government, the business sector, and civic organisations, PSFI founded the Philippine Business Sector Response to HIV/AIDS in 2009. The programme seeks to address the increase of HIV cases in the Philippines. In 2019, the Global Fund renewed its commitment by giving a three-year grant to PSFI to strengthen the ongoing response. This led to the launch of PROTECTS in 2021. The grant supported the implementation of the Philippine Health Sector HIV Strategic Plan 2020-2022, as well as the AIDS and STI Prevention and Control Program of the Department of Health of the Philippines (DOH). It has supported more than 240,000 individuals through various trainings and workshops across the Philippines.

According to the DOH, from the first case of HIV infection reported in the Philippines in 1984 until June 2021, there have been some 101,768 confirmed HIV cases. Of those diagnosed with HIV, 94% were male and 6% were female. In 2022, there was a 23% increase in diagnosed cases in January to June 2022 compared to the same period the previous year. This is why the work of the Foundation, alongside its partners, is more important than ever.

■ Movement Against Malaria

Formerly known as Kilusan Ligas Malaria, Movement Against Malaria is a signature programme of the foundation which aims to ensure the elimination of malaria in the Philippines. The programme already helped make 60 of 81 provinces completely malaria-free. Over 12.5 million beneficiaries were impacted, with 2.6 million houses sprayed against mosquitoes, 10,000 health professionals trained, and 2,200 facilities given antimalaria drugs and facilities. Starting its work in the area over 22 years ago, the foundation has helped to reduce the incidence of malaria by 93%. In partnership with the Department of Health, and through a Global Fund Grant, PSFI aims to achieve the total elimination of malaria by 2023.



COVID-19 Care

In responding and adapting to the COVID-19 pandemic, Shell Pilipinas ensured that it placed the health and safety of its own employees with its customers, and the community at the highest priority.



For our employees

COVID-19 greatly impacted our working environment. We made the necessary provisions to protect the health and safety of all our staff. To this end, during the peak of the pandemic, we offered flexible working arrangements and gave financial assistance such as access to emergency loans. We also provided temporary accommodation and transport support needed to ensure business continuity. Our employees continue to be given access to 24x7 Telemedicine and virtual counselling services to avoid going to hospitals and clinics. With the pandemic impact declining, Shell Pilipinas is now slowly introducing Return to Office arrangements that have safety and effectiveness in mind.

For our customers

3-3

Shell Pilipinas is committed to providing for the energy needs of Filipinos. Our customers are at the centre of what we do, therefore Shell Pilipinas found innovative ways to continue servicing the needs of all our customers while adhering to strict health and sanitation standards. Across mobility destinations, Shell Select Stores, Restroom, and Car Wash, all areas are sanitised regularly. Employees are also routinely encouraged to report on their health. For the protection of our customers, contactless payment has also been enacted for safer and faster transactions.



■ Disaster Response

The Philippines remains one of the countries most at risk from the climate crisis. While global warming is causing more extreme weather conditions and stronger typhoons, the country's unique location on the ring of fire also makes it prone to earthquakes and volcanic eruptions. In 2022, the region of Abra was hit twice by powerful quakes, a magnitude 7.0 earthquake in July and a magnitude 6.4 earthquake in October. Meanwhile, severe tropical storm Paeng (international name Nalgae) unleashed torrential rains that caused floods and landslides across the country, hitting Mindanao's Maguindanao del Norte the hardest. Shell Pilipinas contributed to the relief efforts and disaster response of many such calamities in 2022 by providing food packs, water, hygiene kits and more to those affected. The Company will continue being a responsive corporate citizen and a steady partner of the Philippine Government and non-government organisations such as Philippine Disaster Resilience Foundation, Inc. and Benita and Catalino Yap Foundation Inc. in responding to and mitigating the effects of climate change.

- 17 individuals trained on capacity building during Data Labelling Training
- 1,500 pcs of seven-litre mineral water provided to families affected by Abra Earthquake
- 500 food packs containing canned goods, rice, water and hygiene kits have been provided during Tropical Storm Paeng relief operations in Quezon and Cavite
- 639 families received relief food pack and hygiene kits affected by Looc, Mandaue fire incident
- 1,500 families received relief food packs (900) and hygiene kits (600) in support to Misamis Occidental and Misamis Oriental December 25 flooding
- 15 sites identified as Disaster Response Network pre-position hubs



EMPLOYEES

2-7, 3-3



An excellent business strategy is only valuable if you have brilliant people executing it. Powering Progress entails continuing to be bold and challenging the paradigms of our times. It is because of this that Shell Pilipinas nurtures and invests in the health and well-being of its workforce, while providing training and opportunities for professional growth.

We are also working towards more inclusion, whether of age, background, ethnicity, gender or religion. Gender and diversity is definitely an area where the oil and gas, as well as the energy industry is globally lagging behind. While the 2021 global industry average of women in the workforce is at 22%, in Shell Pilipinas, we are well above the trend, with 38% of our workforce being female. While progress is being made, much remains to be done, and we are working towards policies that will encourage more gender parity in the organisation.

Our relentless focus on safety has enabled us in 2022 to have zero cases of death and serious injury & fatality. In addition

to our strong HSSE standards, we continue to protect our employees from COVID-19 at home and at work; and we are putting in place more efforts to support their mental health and well-being in their day-to-day.

The key to our performance as a Company is in keeping our people safe, healthy and motivated. Through our approach, we are able to attract the best talent from the Philippines and from around the world. This was recognised by LinkedIn, the Philippine Daily Inquirer and Statista as Shell Pilipinas was among the top and most preferred employers in their surveys.

Shell Pilipinas has emerged among the top and most preferred employers in the survey conducted by LinkedIn, the Philippine Daily Inquirer, and Statista.

Diversity, Equity, and Inclusion (DE&I)

From Diversity & Inclusion (D&I), Shell Pilipinas has transitioned to Diversity, Equity, and Inclusion (DE&I) which focuses on the fair treatment and advancement of all employees while eliminating the barriers that hinder certain groups from thriving.

In our efforts to create more equitable working environments for our employees, we have enacted Workforce of an Inclusive, Diverse and Engaged Network (WIDEN). A move from the previous Women's Network, WIDEN will help forge a gender-neutral community that is inspired and driven to their full potential. Launched in June 2022, the network fosters equal participation of women and men in all areas of work, at all levels and in all locations.

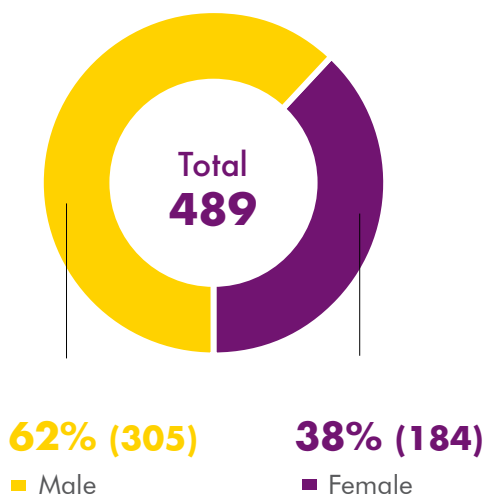
With balanced and inclusive compositions in our teams and in our leadership, we become more capable to innovate and respond to the needs of our broad customer base and better able to adapt and change in an environment filled with volatility and uncertainty.



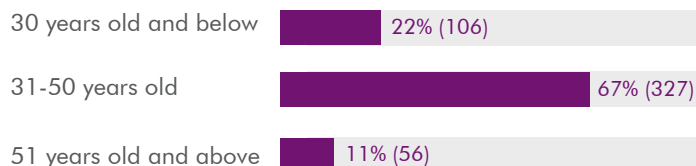
Employee Diversity

2-6, 405-1

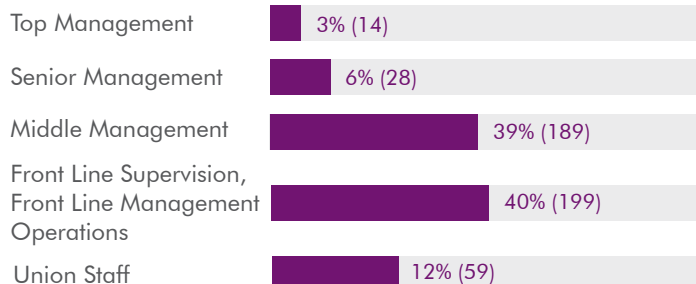
By Gender



By Age Group



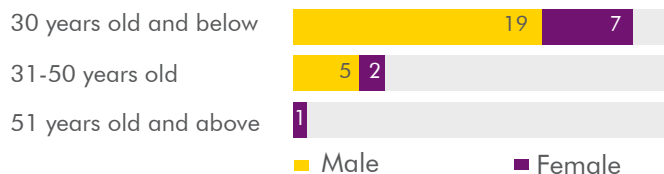
Employee Category



New Employee Hires

401-1

By Age Group

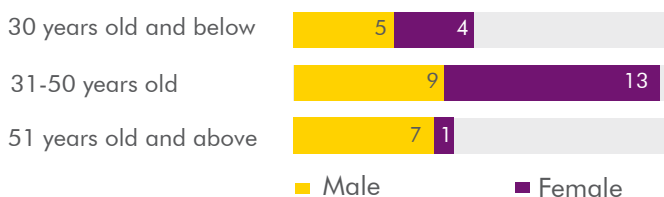


Shell Pilipinas ensures that resourcing remains fair and transparent to all. Through the lead of HR, a standard resourcing process is consistently applied across all departments: from the broadcast of all roles open for application, application guidance, up until the announcement of a successful job role fulfillment.

Employee Turnover

401-1

By Age Group



Talent and succession planning activities are in place per business and across Shell Pilipinas to ensure a robust talent pipeline. Additionally, Shell Pilipinas is able to pull in talent from other Shell entities in the Philippines as needed, ensuring that we have the right people for the right jobs, at the right place and at the right time.

Benefits

3-3, 401-2, 401-3

	% OF WOMEN WHO AVAILED	% OF MEN WHO AVAILED
SSS	8%	7%
PAG-IBIG	3%	4%
Parental Leave	3%	4%
Vacation Leave	98%	98%
Sick Leave	93%	97%
Housing Assistance (aside from PAG-IBIG)	11%	15%
Further education support	2%	1%
Company stock options	58%	55%
Life Insurance	28%	43%

To lead in the energy transition and to deliver our business objectives, we need to attract and retain the best talent, and to do that, we need a strong Employee Value Proposition that properly rewards our people and sets us apart from other companies.

The Management Team recognises our employees in a holistic way, from our strong corporate culture (e.g., Safety and Well-being, Care, DE&I), the market-leading benefits we

provide, to the learning opportunities available for our people to grow and develop. Of course, a key part of that overall package is pay.

Shell Pilipinas ensures that our total cash, which includes base salary, allowances (if applicable), and on-target performance bonus, is competitive against our comparator group. This means that Shell Pilipinas salary is at the top quartile of our competitors.

In the Philippines, our comparator group includes various companies from the general industry such as consumer goods, energy, utilities, oil & gas, high tech/telecommunications, pharmaceuticals, banking & financial services, among others. These companies reflect the talent markets where we need to compete strongly.

We have a strong and competitive market position, based on the results of the recent comprehensive pay benchmarking exercise. Our professional reward experts, together with third party pay consultants, analysed pay data along with economic factors (inflation, growth, unemployment), the business context, as well as attraction and attrition metrics.

Shell rewards performance and does so competitively. Individual Performance Review Outcomes (IPRO) statements are made available to employees every February. The IPRO statement will confirm the bonus.

■ One-off rewards

The Company recognises that the operational and economic impacts of the pandemic are far from over, but we started 2022 on the back of the positive results of the employees' hard work, professionalism, and commitment.

The Company also provides in-time support (e.g., work from home support) and has previously awarded an 8% annual bonus due to increased Company performance.

■ Parental leave extended to non-birthing parents

3-3

In Shell Pilipinas, we offer 120 days maternity leave to our female employees, which is above the 105 days mandated by the government. However, in line with our commitment to inclusion and equity, we have extended the benefit of parental leave to now include non-birthing parents. The eight-week parental leave extends to all employees regardless of gender, gender identity, sexual orientation and marital status, who are new or adoptive parents, either through their wife or partner's birth of their child, or by legal adoption or surrogacy. The benefit, which will come into effect on January 3, 2023, is a testament to the Company's understanding and support for new families and the importance of caregiving, especially in the beginning of every child's life.

Training and Development

3-3, 404-2



All employees receive performance and career development reviews.

Our learning and development programme adopts a combination of in-role development (70%), coaching and mentoring (20%), and formal training (10%). We also make sure to provide our people with training that is relevant to our business needs and goals.

Each employee must undergo and pass around 10 mandatory digital training, usually taken during the first couple of weeks of their employment in the Company. These training sessions are conducted to ensure that before engaging in their work, each employee is compliant and aligned with the Company's core values.

Mandatory Training Topics

- Welcome to Shell
- Two courses of Data Privacy Knowledge E-Learning
- Code of Conduct Awareness E-Learning
- Anti-Bribery & Corruption
- Code of Conduct Refresh
- Life-Saving Rules Induction
- Safeguarding Information Awareness E-Learning
- Compliance and Competence Assurance

As part of the ongoing conversation on talent, SPC has a robust structure in managing the talent pool. We look at both commercial and technical talents to ensure continuous availability and professional growth, as well as identify whether there is a need to tap external talent. We have separate competency and skills development for internal and external talent pooling. These are done in parallel and they complement each other to deliver and maintain a quality and diverse working group.

Worker Welfare

3-3



Safety drills conducted monthly and semi-annually on all terminals/depots and corporate offices



100% implemented safety walkabouts throughout the year

Shell People Survey

2-25

The annual SPS is our principal tool to measure our employees' engagement, their level of affiliation and commitment to Shell, and their satisfaction with the quality of leadership and management. The Company has a structured employee grievance mechanism in place, that is part of the wider Investigation and Compliance Board process.

Shell Pilipinas, through its leaders and the HR function, deployed several programmes in 2022 to ensure that we

sustain a high employee engagement culture. These include the rolling-out of leadership development initiatives, planning for talent reviews and people development, reviewing organisation effectiveness and ways of working, implementing care and resilience programmes, driving behaviours aligned with our core values, focusing on our DE&I agenda, designing competitive pay and benefits, and ensuring that we remain a responsible business.

RESULTS	TQB	SHELL GROUP	SPC
Response Rate	-	87% (+4)	97% (+1)
Employee Engagement	79	75	85 (+3)
Organisational Leadership	74	69	82 (+3)
Team Leadership	80	79	87 (/)
Collaboration	83	82	89 (+1)
Working Conditions	75	71	81 (+5)
Your Job	80	78	88 (+2)
People Development	77	75	84 (+1)
Reputation	81	76	90 (+1)
Total Rewards and Benefits	72	66	79 (+4)
Diversity and Inclusion	84	80	88 (+2)
Operational Excellence	79	74	85 (+1)
Responsible Business	86	82	89 (+1)
Learner Mindset	82	79	87 (+1)

TQB means Top Quartile Benchmark

Compliance to Worker Welfare Guidelines

3-3, 403-1, 403-2, 403-4, 403-5, 403-7, EM-EP-320a.2

Shell Pilipinas maintains high standards of health and safety in the workplace to safeguard its people, assets, and the communities wherein it operates. Towards this, the “Goal Zero” ambition strives for no fatalities and no incidents, and focuses on three areas which have the highest risks: personal, process and transport safety.

Maintaining a high HSSE standard is therefore central to how Shell operates. These standards apply to all aspects of Shell Pilipinas’ activities, from designing a facility to decommissioning a work site; and applies to employees, contractors, and joint ventures where Shell has operational accountability.

■ Platforms for Safety Discussions

The HSSE Tech Forum is a committee where all the HSSE representatives from all the various business and service sections convene once a month to discuss HSSE updates, share HSSE reports and best practices. The committee is responsible for ensuring that all HSSE related risks and learnings are shared across the business sections, and that there is alignment on the requirements and standards required by both internal and external stakeholders.

Additionally, there is a monthly Country Health Team Meeting where Shell Health staff members meet to discuss and share any health updates or concerns.

■ Asset Integrity Principles

Beyond ensuring that the conditions are safe for work, our workers are also trained to watch out for their safety and that of others. In identifying, assessing, and managing occupational safety hazards and risks, Shell Pilipinas follows four asset integrity principles.

1. Design integrity – which means building to specific engineering standards;
2. Technical integrity – which involves testing, inspection, maintenance, and repair of facilities in accordance with the Shell Global Reliability and Integrity maintenance plan;
3. Operating integrity – which includes safe operating procedures and safeguarding systems; and
4. Integrity leadership – which obliges business leaders to be accountable for asset integrity and worker safety.

■ Training for Health and Safety, and Disaster Preparedness

Various training programmes are available at Shell Open University on the topics of health and safety, as well as on disaster risk reduction. Training needs are assessed based on the professional development requirements of the staff for the role.

Staff who are assigned to cover the scope of HSSE should undergo the HSSE trainings based on Shell requirements and local legislation requirements. On the other hand, Members of the Shell Health Team have to undergo the Awareness Health Risk Assessment, Knowledge HRA Trainings [EL1] and OneHealth IT User Trainings. As for the audits, the HSSE Audit Courses are being offered as well at Shell Open University.

To be prepared in times of an emergency or a disaster, the Health Rescue Team regularly performs First Aid Training, Basic Life Support and Advance Rescue Trainings, done in partnership with the Philippine Red Cross and partner hospitals. The Shell Incident Management System 300 Training is also facilitated for operation in critical roles in select large assets.

Moreover, Shell Pilipinas follows a Calamity Resiliency Manual that provides a protocol on the steps to be followed should a disaster occur. It details how Shell employees would be accounted for and instructs how to provide immediate and long-term support for relief to all staff and their families. Preparation is of utmost importance; therefore, each business section also outlines their own Emergency Response Plan.

■ Hydrocarbon Fire Management

In keeping with our high standards for health and safety, Shell Pilipinas constantly educates and trains both its employees and its network of institutions to be the most equipped to respond in emergency situations.

In collaboration with the Bureau of Fire Protection (BFP), the Company completed a two-day Hybrid Basic Tank Farm Firefighting course on March 22-23, 2022, at the Shell Poro Terminal, in San Fernando City, La Union. This BFP Masterclass on hydrocarbon fire management was organised in line with Fire Prevention Month.

An online Tank Fire Fighting Master class was also facilitated by the Emergency Management Specialist and the T&S DOS Advisor/Emergency Response Coordinator.



A fire drill was also conducted between Shell Poro Terminal and San Fernando Fire Station to test our Poro terminal's firefighting capability and BFP's response. The training aims to broaden the knowledge of BFP Emergency Response Teams in responding to oil depot tank fires, including their familiarisation with petrochemical industry equipment.

■ Employee Health and Wellness

While the Company adheres to strict health and safety protocols at work, we also care deeply about our employees' general well-being. This is why all our employees, and their dependents, are covered by generous Health Maintenance Organizations (HMO) packages, life insurance, and disability or invalidity coverage.

Shell Pilipinas has, in recent years, also increased its support for the mental health of its employees. This was especially important at the height of the COVID-19 pandemic and remains a key area of focus to this day.

Non-work-related health risks programmes include:

1. The Employee Assistance Program (Mental Health Program) provides access to free counselling from psychologists and counsellors for not only the employees but also their dependents.
2. The Resilience Program is a self-paced learning tool which aims to build individual resilience by going through the different modules which arm employees with the right coping mechanisms and resilience when faced with stressful situations.
3. The Nutrition Program is a personalised assessment of personal nutritional needs; and includes the referral to a nutrition specialist for free, when applicable. Nutrition Counselling is also offered as part of employees' and enrolled dependents' HMO coverage.

4. The Go Light Program (Obesity Management Program) was launched mid-2022 to eligible employees whose BMI scores are above 25. This is to guide and help them practice healthier lifestyle choices focusing particularly on nutrition, physical activities, sleeping well and managing risky behaviours aiming to reduce the risk of lifestyle-related illnesses associated with being overweight or obese.
5. The Sleep Well Program provides personalised and team coaching on sleep hygiene, so employees can achieve optimal quality of sleep.
6. The Be Well Program is a voluntary employee-organised sports group which allows members to take care of their minds and bodies while creating a sense of community through clubs like basketball, volleyball, yoga, cycling & scuba.



Occupational health services are also provided to eliminate hazards and minimise risks while at work. These include:

1. A Medical Evaluation of Fitness to Work is done for employees or workers assigned to medium and high risks tasks. They have to undergo a comprehensive fitness for work process that will assess if the staff is fit for work and will be able to execute work safely.
2. All employees also undergo the Annual Medical Exam (AME) to evaluate the overall well-being of the staff and to provide appropriate advice or management if needed.
3. Onsite clinics (TFC, SHIFT) are made available on large Shell sites; and HMO accredited hospitals nationwide are tapped when managing emergency cases.
4. Health Risk Assessments are also done to prevent harm from health hazards in the work environment. These assessments enable Shell Health to identify, assess, and manage potential health risks in all our operation sites.

Continuing COVID Care for Employees

We are committed to protect our employees from the threat of COVID-19, so that they may also keep their families and loved ones safe.

To manage pandemic-related stress, the Company enacted the Employee Assistance Program to aid in any mental health struggles they might be experiencing. Through this programme, all staff and dependents can avail of free counselling with ease with our accredited psychologists.

With the country slowly easing back into normalcy in 2022, the Company had to psychologically and physically prepare the staff members to Return to Office (RTO). To give time for staff members to adjust, the RTO programme was done in phases and remains fairly flexible. The COVID-19 updates and RTO engagements were done through "Health Buzz" virtual and in-person sessions.

Shell Pilipinas recognised the importance and value of disease prevention and emphasised the promotion of administering COVID Booster Vaccinations in 2022. The Company organised 24 vaccination events for COVID-19 and 33 vaccination events for the yearly Flu shot, exclusively for Shell Pilipinas. A total of 3,337 individuals (1,539 staff and 1,798 dependents/other recipients) received inoculation for COVID-19, while 2,728 individuals (1,232 staff and 1,496 dependents) received shots for the seasonal flu.



In Picture: March 2022 Health Buzz Sessions and booster shot sessions organised for family members and dependents.

HSSE Performance Summary

403-9, 403-10, EM-RM-320a.1, EM-RM-320a.2, EM-EP-320a.1



Zero fatalities and other significant events



Zero work-related ill-health



Zero major pipeline accidents



Zero severe transport incidents



Zero environment non-compliant incidents

Shell Pilipinas adheres to stringent HSSE standards and supports a no-harm mindset toward people and the environment. This safety requirement is also enforced on contractors, whose standards must be comparable to Shell Pilipinas.

	SIF FREE MAN HOUR FOR 2022 (in Million)	YEARS SIF FREE AS OF 2022
SPC	9.40	3.90
Trading and Supply	4.88	18.80
Mobility	4.12	3.90
Aviation	0.04	15.51
Lubricants	0.12	10.15
Construction and Road	0.13	13.01
Real Estate	0.12	9.93

SIF means *Serious Injury and Fatality*

Respecting Human Rights

EM-EP-210b.1

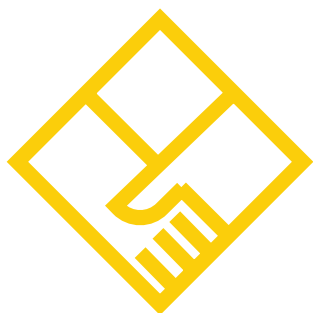
Our approach to human rights is informed by the UN Guiding Principles on Business and Human Rights.

Our commitment to human rights is embedded into our existing frameworks and processes, applicable to all employees and contractors, such as our Shell General Business Principles, our Code of Conduct as well as our HSSE and SP Control Framework. The Shell Supplier Principles include specific labour and human rights expectations for contractors and suppliers.

Shell conducts exercises of re-assessing and identifying current most salient issues with the assistance of an external advisor, Business for Social Responsibility, as part of the ongoing effort to ensure our human rights approach is effective and fit for purpose. The resulting list of key issues to our human rights focus areas are in the workplace, supply chains, communities, and security.

Salient human rights issues identified in these focus areas are health and safety discriminations, decent living conditions in workers' accommodation, access to adequate and readily available channels to voice concerns, safe and healthy working conditions, social impact management, vulnerable persons/communities, land access, livelihoods and cultural heritage, engagement and access to remedy, human rights impacts on communities by private security and/or government security forces we rely on, and security of employee and contract staff in high-risk environments where we work.

Whilst this lists our most salient issues, we're committed to monitoring and addressing human rights issues beyond these areas. You can find more on Shell's human rights approach through this [link](#).



GENERATING SHAREHOLDER VALUE

3-3

- Tax and Economic Performance
- Dividend Payout
- Serving the Country's Growing Energy Needs

The Powering Progress strategy builds the pathways to ensure Shell's goal of being an energy business for the future. It is, therefore, important that our growth is done with sustainability in mind – as a purposeful and profitable Company. With new technology and innovations, as well as the widening of our portfolio, Shell will continue to be an industry leader, able not only to meet the demands of today, but also serve the energy needs of the future.

In the Philippines, we continued to grow and widen our business. This success has resulted in over Php20Bn in dividends distributed since our Initial Public Offering in 2016, generating value for thousands of shareholders.

As our business continues to expand, so will our impact and our ability to provide more and cleaner energy solutions for all.

TAX AND ECONOMIC PERFORMANCE

3-3, 207-1, 207-2

As an importer, Shell Pilipinas is especially susceptible to fluctuations in exchange rates. It manages foreign currency risk by managing its importation and by taking into account the projection of foreign exchange rates.

The Board of Directors oversees the Company's financial reporting process through the Board Audit and Risk Oversight Committee, including the evaluation and approval of financial statements. In compliance with the Philippine Standards on Auditing, the independent auditor, whose selection was also approved by the shareholders, renders its opinion on the fairness of its audited financial statements.

Business managers certify separate Business Assurance Letters at the end of each year to confirm that there have been no instances of non-compliance or trust breaches. The President and Chief Executive Officer, as well as the Corporate Audit

and Assurance Manager, certify the sufficiency and efficacy of internal controls. The Board Audit and Risk Oversight Committee evaluates the effectiveness of Shell Pilipinas' controls, governance, and risk management on the basis of these declarations and assurances from internal and external auditors.

In 2022, the Corporate Assurance and Audit Department (CAAD), which serves as SPC's internal audit function, underwent an EQAR by Punongbayan & Araullo (P&A) Grant Thornton. According to P&A, SPC "Generally Conforms" to both the Code of Ethics for Internal Audit Practitioners and the International Standards for the Professional Practice of Internal Auditing, the highest rating awarded in connection with an EQAR. The accreditation is valid for 5 years until 2027. Until then, CAAD will sustain high quality and ensure continuous improvement through its Quality Assurance Improvement Program.

DIVIDEND PAYOUT

2-19, 2-20

Through the disciplined and resilient implementation of our strategy, and our strong culture of sustained performance even in the midst of a prolonged volatile business environment, the Company returned to its dividend-paying position, paying out Php1/share in August 2022, coming from its Php4.1Bn unrestricted retained earnings for that period as of June 2022.

We aim to pay annual dividends of at least 75% of prior year audited net income, subject to Board approval. Dividend amounts is reviewed periodically in light of our earnings, financial condition, cash flows, capital requirements, and other considerations, while maintaining a level of capitalisation that is commercially sound and sufficient to ensure that we can operate on our own.

In 2022, in pursuit of improving shareholder value, the Company changed the frequency of its dividend declaration from annual to semi-annual with the same basis of 75% of the net income after tax during the relevant period and provided that Shell Pilipinas has sufficient unrestricted retained earnings. The change in payout frequency will allow our shareholders to have more frequent discrete gains – that they can use in a more timely manner, which should enable less market risk.

Consistently, Shell Pilipinas is one of the top dividend-yielding stocks (5.6% for 2022¹) in the Philippine Stock Exchange.

¹Calculated as the Dividend Payout divided by share price on Board Meeting Date; *based on August 9, 2022 closing price.

SERVING THE COUNTRY'S GROWING ENERGY NEEDS



In Picture: Darong Import Facility groundbreaking last February 2022. It was led by (third, fourth, and fifth from left) Shell Pilipinas VP for Supply and Distribution Kit Bermudez, Municipality of Sta. Cruz Mayor Engr. Jaime G. Lao, Jr., and President of DMCI Holdings, Inc. Sid Consunji.

For full year 2022, the Company spent Php5.6Bn on capital expenditure programmes to serve the growing Filipino consumers' needs nationwide.

The Company opened 55 stations nationwide that are strategically located in key demand areas and complement our Mobility network. We shifted to constructing more company-owned sites with full mobility offerings that would cater to local demand. We also continue to improve our current Mobility network to maximise the value gain from each station. This includes more Shell Select convenience stores, two-storey buildings for rentals, more co-locator spaces, and our innovative vehicle care constructs like Shell Helix oil service centres, Shell MotoCare and Shell Car Wash. To date, our non-fuels business segment includes 217 Shell Select stores, 93 Deli2go, 223 Select Express, and 479 Shell Helix oil service centres.

In parallel, we aim to expand our capacity to support our marketing business's growth by building our fourth import terminal. The Darong Import Facility is our planned 67ML medium range-capable import terminal with target operational

date by mid-2024. It will be situated in initially four hectares of land between two main demand and growth centres in South Mindanao, namely Davao and General Santos City.

The import terminal will be bigger and more strategically located than the current depot in the area. We expect that this will further enhance product availability and competitiveness in that growing market. Moreover, this will strengthen our Company's BCP in the area as we ensure supply availability & reliability during typhoons & natural calamities.

Post-refinery operations, our relatively lighter asset portfolio has allowed us to focus our spending on higher-yielding projects. Nevertheless, safety remains our number one priority on-site, and we make sure that we periodically implement our asset integrity activities, most especially in our biggest asset, in SHIFT.

Shell Pilipinas has an industry-leading ROACE of 14% this 2022.



APPENDIX

3-3

- GRI Content Index
- SASB Index
- 2022 Chief Compliance Office Certification
- Independent Auditor's Report
- 2022 Attestation of Internal Control
- Report of the Board Audit and Risk Oversight Committee to the Board of Directors

GRI CONTENT INDEX



**CONTENT INDEX
ESSENTIAL SERVICE**
+ SECTOR STANDARDS ADD-ON

2023

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report.

Statement of use	Pilipinas Shell Petroleum Corporation has reported in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard (s)	GRI 11: Oil and Gas Sector 2021

GRI Standard / Other Source	Disclosure	Location/Direct Answer	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
General Disclosures						
GRI 2: General Disclosures 2021	The organization and its reporting practices					
	2-1	Organizational details	8			
	2-2	Entities included in the organization's sustainability reporting	6			
	2-3	Reporting period, frequency and contact point	6			
	2-4	Restatements of information	None			
	2-5	External assurance	This report has not been externally assured.			
	Activities and workers					
	2-6	Activities, value chain and other business relationships	11, 12, 69			
	2-7	Employees	56, 68			
	2-8	Workers who are not employees		2-8-a to 2-8-c	Information incomplete	Too many information that is not yet centrally tracked
	Governance					
	2-9	Governance structure and composition	38			
	2-10	Nomination and selection of the highest governance body	41			
	2-11	Chair of the highest governance body	38			
	2-12	Role of the highest governance body in overseeing the management of impacts	41			
	2-13	Delegation of responsibility for managing impacts	41			
	2-14	Role of the highest governance body in sustainability reporting	45			
	2-15	Conflicts of interest	45			
	2-16	Communication of critical concerns	45			
	2-17	Collective knowledge of the highest governance body	43			
	2-18	Evaluation of the performance of the highest governance body	43			
	2-19	Remuneration policies	78			
	2-20	Process to determine remuneration	78			
	2-21	Annual total compensation ratio		2-21-a to 2-21-c	Confidentiality constraints	Contains sensitive information for both the Company and the impacted stakeholders

GRI Standard / Other Source		Disclosure	Location/Direct Answer	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
		Strategy, policies and practices					
	2-22	Statement on sustainable development strategy	18-19				
	2-23	Policy commitments	44				
	2-24	Embedding policy commitments	44				
	2-25	Processes to remediate negative impacts	72				
	2-26	Mechanisms for seeking advice and raising concerns	13				
	2-27	Compliance with laws and regulations	44				
	2-28	Membership associations	19				
		Stakeholder engagement					
	2-29	Approach to stakeholder engagement	13				
2-30	Collective bargaining agreements	12% At Shell Pilipinas, a Labor Management Council is tasked with supervising labor relations and conducting negotiations related to collective bargaining agreements.					
Material Topics							
GRI 3: Material Topics 2021	3-1	Process to determine material topics	15				
	3-2	List of material topics	Generating Shareholder Value <ul style="list-style-type: none">• Corporate Governance• Transparent, Accurate and Responsible Reporting• Economic Performance• Supply Chain Management• Asset Integrity and Process Safety• Brand Management Achieving Net-zero Emissions <ul style="list-style-type: none">• Product & Services Offerings• Development and Innovation• Evolving Customer Demands• Digital Transformation• Energy Transition Respecting Nature <ul style="list-style-type: none">• Environmental Compliance & Impact including Biodiversity Powering Lives <ul style="list-style-type: none">• Local Community Development• Employee Management• Social impact of operations on host communities, business partners, and local government• Social Investment• Customer Service• Promotion of sustainable development				

GRI Standard / Other Source	Disclosure		Location/Direct Answer	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
Corporate Governance							
GRI 3: Material Topics 2021	3-3	Management of material topics	38-45				11.14.1
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	To ensure that there is a robust leadership pipeline, Pilipinas Shell hires the best Filipino talent, here and abroad, and promotes from the ranks.				11.11.2 11.14.3
GRI 206: Anticompetitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	44				11.19.2
GRI 205: Anticorruption 2016	205-1	Operations assessed for risks related to corruption		205-1-a to 205-1-b	Legal Prohibitions	Contains sensitive information for both the Company and the impacted stakeholders	11.20.2
	205-2	Communication and training about anti-corruption policies and procedures	44				11.20.3
	205-3	Confirmed incidents of corruption and actions taken	44				11.20.4
GRI 415: Public Policy 2016	415-1	Political contributions	Php 0 Bn				11.22.2
Transparent, Accurate and Responsible Reporting							
GRI 3: Material Topics 2021	3-3	Management of material topics	6-7				
Economic Performance							
GRI 3: Material Topics 2021	3-3	Management of material topics	59-67, 78				11.14.1 11.21.1
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	20, 28				11.14.2
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	21-23, 59-67				11.14.4
	203-2	Significant indirect economic impacts	21-23				11.14.5
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	28				11.21.2
	201-4	Financial assistance received from the government	Php 0 Bn				11.21.3
GRI 207: Tax 2019	207-1	Approach to tax	78				11.21.4
	207-2	Tax governance, control, and risk management	78				11.21.5
	207-3	Stakeholder engagement and management of concerns related to tax	13-14				11.21.6
	207-4	Country-by-country reporting		207-4-a to 207-4-c	Not applicable	Pilipinas Shell only operates in one country, Philippines	11.21.7
Supply Chain Management							
GRI 3: Material Topics 2021	3-3	Management of material topics	8-9, 11, 58				11.10.1
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria		414-1-a	Information unavailable	Too many information that is not yet centrally tracked	11.10.8
	414-2	Negative social impacts in the supply chain and actions taken		414-2-a to 414-2-e	Confidentiality constraints	Contains sensitive information for both the Company and the impacted stakeholders	11.10.9

GRI Standard / Other Source	Disclosure		Location/Direct Answer	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria		414-1-a	Confidentiality constraints	Contains sensitive information for both the Company and the impacted stakeholders	11.10.8 11.12.3
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers		204-1-a to 204-1-c	Information unavailable	Too many information that is not yet centrally tracked	11.14.6
Asset Integrity and Process Safety							
GRI 3: Material Topics 2021	3-3	Management of material topics	73-76				11.9.1
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	73				11.9.2
	403-2	Hazard identification, risk assessment, and incident investigation	73				11.9.3
	403-3	Occupational health services	74				11.9.4
	403-4	Worker participation, consultation, and communication on occupational health and safety	73				11.9.5
	403-5	Worker training on occupational health and safety	73				11.9.6
	403-6	Promotion of worker health	74				11.9.7
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	73				11.9.8
	403-8	Workers covered by an occupational health and safety management system	100% of workers are covered by an occupational health and safety management system				11.9.9
	403-9	Work-related injuries	75				11.9.10
	403-10	Worker-related ill health	75				11.9.11
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures		410-1-a to 410-1-b	Information unavailable	Too many information that is not yet centrally tracked	11.18.2
Brand Management, Product & Services Offerings							
GRI 3: Material Topics 2021	3-3	Management of material topics	11-12				
Development and Innovation / Evolving Customer Demands / Energy Transition							
GRI 3: Material Topics 2021	3-3	Management of material topics	3-4, 26, 43, 47-48				
Digital Transformation							
GRI 3: Material Topics 2021	3-3	Management of material topics	3-4, 55				
Environmental Compliance & Impact Including Biodiversity							
GRI 3: Material Topics 2021	3-3	Management of material topics	16, 50-55				11.1.1
GRI 302: Energy 2016	302-1	Energy consumption within the organization	51				11.1.2
	302-2	Energy consumption outside of the organization		302-2-a to 302-2-c	Information unavailable	Too many information that is not yet centrally tracked	11.1.3
	302-3	Energy intensity	51				11.1.4
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	20, 52				11.1.5
	305-2	Energy indirect (Scope 2) GHG emissions	20, 52				11.1.6
	305-3	Other indirect (Scope 3) GHG emissions		305-3-a to 305-3-g	Information unavailable	Too many information that is not yet centrally tracked	11.1.7
	305-4	GHG emissions intensity	52				11.1.8
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	16				11.2.2

GRI Standard / Other Source	Disclosure		Location/Direct Answer	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
GRI 305: Emissions 2016	305-5	Reduction of GHG emissions	16, 51				11.2.3
GRI 305: Emissions 2016	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	54				11.3.2
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	54				11.4.2
	304-2	Significant impacts of activities, products and services on biodiversity	54				11.4.3
	304-3	Habitats protected or restored	54				11.4.4
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		304-3-a	Not applicable	No known IUCN Red List species and national conservation list species with habitats in areas affected by operations	11.4.5
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	55				11.5.2
	306-2	Management of significant waste-related impacts	55				11.5.3
	306-3	Waste generated	55				11.5.4
	306-4	Waste diverted from disposal	55				11.5.5
	306-5	Waste directed to disposal	55				11.5.6
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	53				11.6.2
	303-2	Management of water discharge-related impacts	53				11.6.3
	303-3	Water withdrawal	53				11.6.4
	303-4	Water discharge			Information unavailable	Too many information that is not yet centrally tracked	11.6.5
	303-5	Water consumption	53				11.6.6
GRI 306: Effluents and Waste 2016	306-3	Significant Spills	53				11.8.2
Local Community Development							
GRI 3: Material Topics 2021	3-3	Management of material topics	38, 59-67				11.15.1
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	59-67				11.15.2
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	No known incidents of violations involving rights of indigenous peoples				11.17.2
Employee Management							
GRI 3: Material Topics 2021	3-3	Management of material topics	38, 68-72				11.7.1
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	There is no "standard" minimum number of weeks as engagement plans would depend on the change and the impact of the change on employees, but an engagement will be definitely be conducted prior to any change.				11.7.2
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance program	3-5, 71				11.7.3
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	70				11.10.2
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	70				11.10.3
	401-3	Parental leave		401-3-c to 401-3-e	Information incomplete	Too many information that is not yet centrally tracked	11.10.4

GRI Standard / Other Source	Disclosure	Location/Direct Answer	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	There is no "standard" minimum number of weeks as engagement plans would depend on the change and the impact of the change on employees, but an engagement will be definitely be conducted prior to any change			11.10.5
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	404-1-a	Information unavailable	Too many information that is not yet centrally tracked	11.10.6
	404-2	Programs for upgrading employee skills and transition assistance program	71			11.10.7
GRI 401: Employment 2016	401-3	Parental leave	401-3-c to 401-3-e	Information incomplete	Too many information that is not yet centrally tracked	11.11.3
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	404-1-a	Information unavailable	Too many information that is not yet centrally tracked	11.11.4
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	33-37, 69			11.11.5
	405-2	Ratio of basic salary and remuneration of women to men	405-2-a to 4-5-2-b	Confidentiality constraints	Contains sensitive information for both the Company and the impacted stakeholders	11.11.6
GRI 406:	406-1	Incidents of discrimination and corrective actions taken	406-1-a to 406-1-b	Legal Prohibitions	Contains sensitive information for both the Company and the impacted stakeholders	11.11.7
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	409-1-a to 409-1-b	Confidentiality constraints	Contains sensitive information for both the Company and the impacted stakeholders	11.12.2
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	407-1-a to 407-1-b	Confidentiality constraints	Contains sensitive information for both the Company and the impacted stakeholders	11.13.2
Social Impact of operations on host communities, business poartners, and local government						
GRI 3: Material Topics 2021	3-3	Management of material topics	59-67			11.15.1
GRI 413: Local Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities		Confidentiality constraints	Contains sensitive information for both the Company and the impacted stakeholders	11.15.3
Social Investment						
GRI 3: Material Topics 2021	3-3	Management of material topics	57-67			
Customer Service						
GRI 3: Material Topics 2021	3-3	Management of material topics	66			11.3.1
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	All our products and services have been assessed of the health and safety impacts to our customers and operations that is in compliance to government regulations. All of our chemical and hydrocarbon products are assessed through the utilization of the Safety Data Sheet that is reviewed and maintained on a regular basis.			11.3.3
Promotion of Sustainable Development						
GRI 3: Material Topics 2021	3-3	Management of material topics	19			

Sustainability Accounting Standards Board (SASB)

Shell Pilipinas has also prepared this report following the industry-specific ESG guidance framework of SASB Standards Extractives & Minerals Processing Sector - Oil & Gas – Exploration & Production, Extractives & Minerals Processing Sector - Oil & Gas – Refining & Marketing. This content index provides an overview of Shell Pilipinas' Environmental, Social, and Governance data that align with these standards. Other SASB codes are omitted due to lack of applicability, confidentiality, or unavailability of data.

EXTRACTIVES & MINERALS PROCESSING SECTOR - OIL & GAS – EXPLORATION & PRODUCTION					
Topic	Accounting Metric	Category	Unit of Measure	Code	Location/Direct Answer
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Quantitative	Metric tons CO ₂ -e (t), 2 Percentage (%)	EM-EP-110a.1	20, 51
	Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	Quantitative	Metric tons CO ₂ -e 2	EM-EP-110a.2	54
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	EM-EP-110a.3	51
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM ₁₀)	Quantitative	Metric tons (t)	EM-EP-120a.1	54
Water Management	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m ³), Percentage (%)	EM-EP-140a.1	20, 53
	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	Quantitative	Thousand cubic meters (m ³), Percentage (%), Metric tons (t)	EM-EP-140a.2	Information unavailable.
	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Quantitative	Percentage (%)	EM-EP-140a.3	0%
	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	Quantitative	Percentage (%)	EM-EP-140a.4	0%
Security, Human Rights & Rights of Indigenous Peoples	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Discussion and Analysis	N/A	EM-EP-210a.0	13-14

EXTRACTIVES & MINERALS PROCESSING SECTOR - OIL & GAS – EXPLORATION & PRODUCTION

Community Relations	Discussion of process to manage risks and opportunities associated with community rights and interests	Discussion and Analysis	N/A	EM-EP-210b.1	76
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	Quantitative	Rate, Hours (h)	EM-EP-320a.1	75-76
	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Discussion and Analysis	N/A	EM-EP-320a.2	73-76
Business Ethics & Transparency	Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion and Analysis	N/A	EM-EP-510a.2	44
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and Analysis	N/A	EM-EP-530a.1	16, 44-45
Activity Metric		Category	Unit of Measure	Code	Location/Direct Answer
Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas		Quantitative	Thousand barrels per day (Mbbbl/day); Million standard cubic feet per day (MMscf/day)	EM-EP-000.A	0
Number of offshore sites		Quantitative	Number	EM-EP-000.B	0
Number of terrestrial sites		Quantitative	Number	EM-EP-000.C	0

EXTRACTIVES & MINERALS PROCESSING SECTOR - OIL & GAS – REFINING & MARKETING

Topic	Accounting Metric	Category	Unit of Measure	Code	Location/Direct Answer
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO ₂ -e, 2 Percentage (%)	EM-RM-110a.1	20, 51
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	EM-RM-110a.2	51
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) particulate matter (PM ₁₀), (4) H ₂ S, and (5) volatile organic compounds (VOCs)			EM-RM-120a.1	54
	Number of refineries in or near areas of dense population			EM-RM-120a.2	0
Water Management	(1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m ³), Percentage (%)	EM-RM-140a.1	20, 53
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	Number	EM-RM-140a.2	53

EXTRACTIVES & MINERALS PROCESSING SECTOR - OIL & GAS – EXPLORATION & PRODUCTION

Topic	Accounting Metric	Category	Unit of Measure	Code	Location/Direct Answer
Hazardous Materials Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	EM-RM-150a.1	55
	(1) Number of underground storage tanks (USTs), (2) number of UST releases requiring cleanup, and (3) percentage in states with UST financial assurance funds	Quantitative	EM-RM-150a.1	EM-RM-150a.2	There are no underground storage tank systems (USTs) for petroleum and hazardous substances.
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees	Quantitative	Rate	EM-RM-320a.1	75-76
	Discussion of management systems used to integrate a culture of safety	Discussion and Analysis	N/A	EM-RM-320a.2	75-76

EXTRACTIVES & MINERALS PROCESSING SECTOR - OIL & GAS – REFINING & MARKETING

Topic	Accounting Metric	Category	Unit of Measure	Code	Location/Direct Answer
Product Specifications & Clean Fuel Blends	Percentage of Renewable Volume Obligation (RVO) met through: (1) production of renewable fuels, (2) purchase of “separated” renewable identification numbers (RIN)	Quantitative	Percentage (%)	EM-RM-410a.1	<p>The Biofuels Act of 2006 was implemented with the aim of reducing dependence on imported fuels.</p> <p>It also aimed to develop and utilise indigenous renewable and sustainable clean energy sources to reduce dependence on imported oil; to mitigate toxic and greenhouse gas (GHG) emissions; to increase rural employment and income; and to ensure the availability of alternative and renewable clean energy without any detriment to the natural ecosystem, biodiversity and food reserves of the country.</p> <p>Shell Pilipinas currently blends diesel with 2% coconut methyl ester (CME) and gasoline with 10% ethanol as mandated in the current Philippine National Standards.</p>

EXTRACTIVES & MINERALS PROCESSING SECTOR - OIL & GAS – EXPLORATION & PRODUCTION

Topic	Accounting Metric	Category	Unit of Measure	Code	Location/Direct Answer
Product Specifications & Clean Fuel Blends	Total addressable market and share of market for advanced biofuels and associated infrastructure	Quantitative	Reporting currency, Percentage (%)	EM-RM-410a.2	There are currently no advanced biofuels available.
Pricing Integrity & Transparency	Total amount of monetary losses as a result of legal proceedings associated with price fixing or price manipulation ³	Quantitative	Reporting currency	EM-RM-520a.1	Php0 Bn
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and Analysis	N/A	EM-RM-530a.1	16, 44-45
Critical Incident Risk Management	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1) and lesser consequence (Tier 2)	Quantitative	Rate	EM-RM-540a.1	0%
	Challenges to Safety Systems indicator rate (Tier 3)	Quantitative	Rate	EM-RM-540a.2	0%



REPUBLIC OF THE PHILIPPINES)
TAGUIG CITY, METRO MANILA) S.S.

CERTIFICATION

I, **ERWIN R. OROCIO**, the duly designated Chief Compliance Officer of **PILIPINAS SHELL PETROLEUM CORPORATION** (the "**Corporation**"), a corporation duly organized and existing under the Philippine laws, with address at 41st Floor, The Finance Center, 26th Street corner 9th Avenue, Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City, Metro Manila, 1635, hereby certify that:

1. I have been monitoring the compliance of the Corporation with its Revised Manual on Corporate Governance ("Manual");
2. Pursuant to Section 2.1.2 (g) of Manual, the Corporation has complied with the applicable provisions of the Manual for the year 2022; and
3. This certification is being issued to attest to the truth of the foregoing statements and for whatever other legal purpose it may serve.

IN WITNESS WHEREOF, I have hereunto affixed my signature this JAN 31 2023 day of January 2023.

CERTIFIED CORRECT:

ERWIN R. OROCIO
Chief Compliance Officer

SUBSCRIBED AND SWORN TO BEFORE ME, this JAN 31 2023 day of January 2023 at Taguig City, affiant exhibiting to me competent evidence of her identification:

Name	Community Tax Certificate		Competent Evidence of Identification	
	Number	Date/Place Issued	Type/Number	Date/Place Issued
ERWIN R. OROCIO	CCI202122791965	27 January 2023 / Tananauan City, Batangas	Passport No. P6608305A	21 April 2018 / DFA Manila

Doc. No. 282;
Page No. 58;
Book No. 11;
Series of 2023.

ATTY. SARAH JEAN ZEROSSA A. TALI
Notary Public for Taguig City
NOC No. 13 (2022-2023) Expires on 12/31/2023
Unit 1210 High Street South Corporate Plaza Tower 2,
26th St., Bonifacio Global City, Taguig City
Roll No. 75379; IBP No. 251941; 20 December 2022; RSM
PTR No. A-5787991; 01/03/2023; Taguig City
MCLE No. VII-00009498; 11/17/2022 valid until 4/14/2025



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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Shell Pilipinas Corporation
41st floor, The Finance Centre, 26th Street corner 9th Avenue
Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City, Metro Manila

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Shell Pilipinas Corporation (the Company), formerly Pilipinas Shell Petroleum Corporation, which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.





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We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Adequacy of provision for legal cases and recoverability of claims from government

The Company is involved in legal proceedings and assessments for excise tax arising from importations of Catalytic Cracked Gasoline (CCG), Light Catalytic Cracked Gasoline (LCCG) and Alkylate. We focused on this area because the estimation of the potential liability resulting from these assessments require significant management judgement. The inherent uncertainty over the outcome of these matters is brought about by the differences in the interpretation of the relevant laws and regulations.

In addition, the Company has claims from the government relating to excise duties paid under protest for Alkylate shipments. We considered this as a key audit matter because of the materiality of the amount involved, and the significant management judgment required in assessing whether there is any indication of impairment.

The relevant disclosures on these matters are included in Notes 4, 7 and 28 to the financial statements.

Audit response

We involved our internal specialist in the evaluation of management's assessments on (a) whether any provision for tax contingencies should be recognized and the estimation of such amount; and (b) the assessment of recoverability of claims. We discussed with the management the status of the tax assessments along with the related claims and obtained the opinion of the Company's internal and external legal counsels. We have also evaluated the tax position of the Company by considering relevant tax laws, rulings, and jurisprudence. In addition, we traced selected claims from government to its supporting documents.

Valuation of inventories

The Company's inventories substantially comprise of finished petroleum products. As of December 31, 2022, total inventories amounting to ₱17.94 billion represent 15% of total assets of ₱117.04 billion. We considered this as a key audit matter because the prices of petroleum products are highly volatile due to various factors such as global trends in demand and other economic factors and the determination of the net realizable value requires management to make an estimate of the inventories' selling price in the ordinary course of business. The high price volatility may give rise to a circumstance where the cost of the Company's inventories is significantly higher than its net realizable value.

The disclosures in relation to inventories are included in Note 5 to the financial statements.





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Audit response

We obtained an understanding of the Company's inventory valuation process and related controls. We obtained management's calculation of the inventories' net realizable values. We tested the net realizable value of selected inventories by obtaining the prevailing market prices and historical selling costs, and compared these against the cost of inventories.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022 are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.





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As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





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Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 35 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Shell Pilipinas Corporation, formerly Pilipinas Shell Petroleum Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Jose Pepito E. Zabat III.

SYCIP GORRES VELAYO & CO.

Jose Pepito E. Zabat III
Partner

CPA Certificate No. 85501

Tax Identification No. 102-100-830

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 85501-SEC (Group A)

Valid to cover audit of 2020 to 2024 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-060-2020, December 3, 2020, valid until December 2, 2023

PTR No. 9566022, January 3, 2023, Makati City

March 23, 2023





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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Shell Pilipinas Corporation
41st floor, The Finance Centre, 26th Street corner 9th Avenue
Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Shell Pilipinas Corporation (the Company), formerly Pilipinas Shell Petroleum Corporation, as at December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022, included in this Form 17-A, and have issued our report thereon dated March 23, 2023. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Jose Pepito E. Zabat III
Partner

CPA Certificate No. 85501

Tax Identification No. 102-100-830

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 85501-SEC (Group A)

Valid to cover audit of 2020 to 2024 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-060-2020, December 3, 2020, valid until December 2, 2023

PTR No. 9566022, January 3, 2023, Makati City

March 23, 2023





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INDEPENDENT AUDITOR'S REPORT COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Shell Pilipinas Corporation
41st floor, The Finance Centre, 26th Street corner 9th Avenue
Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Shell Pilipinas Corporation (the Company), formerly Pilipinas Shell Petroleum Corporation, as at December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated March 23, 2023. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Jose Pepito E. Zabat III
Partner

CPA Certificate No. 85501

Tax Identification No. 102-100-830

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 85501-SEC (Group A)

Valid to cover audit of 2020 to 2024 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-060-2020, December 3, 2020, valid until December 2, 2023

PTR No. 9566022, January 3, 2023, Makati City

March 23, 2023



March 10, 2023

The Board Audit and Risk Oversight Committee ("Committee")

Pilipinas Shell Petroleum Corporation

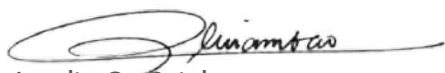
2022 ATTESTATION OF INTERNAL CONTROL

The Corporate Assurance and Audit Department (CAAD) has reviewed the adequacy and effectiveness of the overall internal control system of Pilipinas Shell Petroleum Corporation (PSPC or Company) for the year ended December 31, 2022. The review covered all material controls, including financial, operational, and compliance controls.

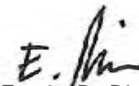
The review approach was based on the results of the Business Assurance Letter (BAL) process of Management and the various assurance activities undertaken within the Company for the year ended December 31, 2022. Management's response to controls self-assessment, in line with the BAL process, is either a "qualification", "commentary", or "no issue". Responses to the Business Assurance Letter are validated by CAAD in conjunction with the results of the various assurance activities, which are risk-based and are not intended to cover all areas of PSPC nor all possible risks. The risk-based assurance plan has been approved by and the results thereof have been reported to the Committee. CAAD activities conform with the International Standards for the Professional Practice of Internal Auditing and are continuously evaluated through internal and external assessments.

Based on the results of controls self-assessments and risk-based assurance reviews, and the reliance on the work of SGV & Co., the Company's external auditor, on their audit of the December 31, 2022 financial statements, we conclude that, to the best of our knowledge and confidence, PSPC's system of internal control is generally adequate and effective.

Sincerely yours,



Lorelie Q. Osial
President and Chief Executive Officer



Erwin R. Riñon
Corporate Assurance Manager

REPORT OF THE BOARD AUDIT AND RISK OVERSIGHT COMMITTEE TO THE BOARD OF DIRECTORS

The Board of Directors
Pilipinas Shell Petroleum Corporation

In compliance with the Board Audit and Risk Oversight Committee (BARC) Charter and PSPC Corporate Governance Manual, the Committee confirms the following:

An independent director chairs the BARC; three of the five members are independent directors; all the members are not executives of Pilipinas Shell;

- The Committee held four meetings in 2022 and all the members of the Committee were present during the meetings;
- The Committee reviewed and approved the amendments to the BARC Charter;
- The Committee reviewed and approved the appointment of a new Chief Audit Executive;
- The Committee discussed and confirmed with the independent external auditor and internal auditor their independence;
- The Committee reviewed and approved the internal audit plan to ensure its conformity with the objectives of the company, including the audit scope, resources, and budget necessary to implement it;
- The Committee reviewed the reports of the Internal Auditors to ensure that management is implementing appropriate corrective actions promptly, including addressing governance, risk management, internal controls system, and compliance issues;
- The Committee recommended to the Board of Directors the re-appointment of SGV & Co. as independent external auditor for 2022, based on the review of their performance and qualifications, with consideration of management's recommendation;
- The Committee reviewed and approved all audit, audit-related, and permitted non-audit services provided by SGV & Co. to the Company and the related fees for such services;
- The Committee discussed and approved the overall scope and the audit plans of SGV & Co. and reviewed the results of the audits and their assessment of the overall quality of the financial reporting process;
- The Committee reviewed the quarterly and the annual financial statements of the Company, including Management's Discussion and Analysis of Financial Condition and Results of Operations as of and for the year ended December 31, 2022;
- The Committee discussed the financial results with Company's management, which has the primary responsibility for the financial statements and with SGV & Co., who is reporting the process for expressing an opinion on the conformity of the audited financial statements with Philippine Financial Reporting Standards; and
- Based on the BARC's review and in reliance on the reports of Internal Auditors and Independent Auditors including management's representations, the Committee confirmed that there is reasonable assurance that the governance, risk management, and internal controls system including financial reporting controls of the Company are adequate and effective

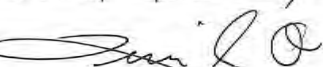
Based on the reviews and discussions undertaken in the year 2022, within the limits of the Committee's scope and responsibilities aforementioned, the BARC recommends to the Board of Directors the filing of the Company's audited financial statements for the year ended December 31, 2022, with the Securities and Exchange Commission, and for its inclusion in the Company's Annual Report to Stockholders.

Respectfully submitted.

March 21, 2023



Mr. Cesar A. Buenaventura
Chairman/Independent Director



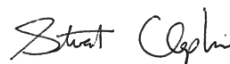
Mr. Luis C. la O
Member/Non-Executive Director



Dr. Lydia Echaz
Member/Independent Director



Mr. Amando Tetangco Jr.
Member/Independent Director



Mr. Stuart Chaplin
Member/Non-executive Director



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Taguig City 1635, Republic of the Philippines