

Providing Today's Needs and Pioneering for a Cleaner Future

Shell Pilipinas Corporation Annual and Sustainability Report 2023

Disclaimer

Cautionary Note

The companies in which Shell plc directly and indirectly owns investments are separate legal entities. In this 2023 Shell Pilipinas Annual and 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 2023 Shell Pilipinas Annual and 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 2023 Shell Pilipinas Annual and 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 2023 Shell Pilipinas Annual and 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) regional conflicts, such as Russia's invasion of Ukraine, and a significant cybersecurity breach. No assurance is provided that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this 2023 Shell Pilipinas Annual and 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, 2023 (available at <https://www.shell.com/investors/news-and-filings/sec-filings.html>). These risk factors also expressly qualify all forward-looking statements contained in this 2023 Shell Pilipinas Annual and Sustainability Report and should be considered by the reader. Each forward-looking statement speaks only as of the date of this 2023 Shell Pilipinas Annual and Sustainability Report, April 11, 2024. Neither Shell plc nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events, or other information. In light of these risks, results could differ materially from those stated, implied, or inferred from the forward-looking statements contained in this 2023 Shell Pilipinas Annual and Sustainability Report.

Shell's Net-carbon Intensity

Also, in this 2023 Shell Pilipinas Annual and Sustainability Report, we may refer to Shell's Net-carbon Intensity (NCI), which includes Shell's carbon emissions from the production of our energy products, our suppliers' carbon emissions in supplying energy for that production and our customers' carbon emissions associated with their use of the energy products we sell. Shell 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 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 2023 Shell Pilipinas Annual and Sustainability Report may contain certain forward-looking non-GAAP measures such as cash capital expenditure and divestments. We are unable to provide a reconciliation of these forward-looking non-GAAP measures to the most comparable GAAP financial measures because certain information needed to reconcile those non-GAAP measures to the most comparable GAAP financial measures is dependent on future events some of which are outside the control of Shell, such as oil and gas prices, interest rates and exchange rates. Moreover, estimating such GAAP measures with the required precision necessary to provide a meaningful reconciliation is extremely difficult and could not be accomplished without unreasonable effort. Non-GAAP measures in respect of future periods which cannot be reconciled to the most comparable GAAP financial measure are calculated in a manner which is consistent with the accounting policies applied in Shell plc's consolidated financial statements.

The contents of websites referred to in this 2023 Shell Pilipinas Annual and Sustainability Report do not form part of this report.

We may have used certain terms, such as resources, in this 2023 Shell Pilipinas Annual and 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.

Inside this Report

Table of Contents



3	Introduction from the Chairman
6	About the Report
8	Shell Pilipinas at a Glance
14	Sustainability at Shell Pilipinas
16	Support for International Agreements Shell Pilipinas and the UN Sustainable Development Goals
17	Review of Stakeholder Concerns
20	2023 Highlights
22	Awards and Recognitions
23	Message from the President and Chief Executive Officer
26	2023 Financial Highlights
28	Report from the Chief Financial Officer
31	Generating Shareholder Value
32	Adapting to a Changing Environment
33	Enhancing Customer Experience
37	A Trusted Brand
38	Setting Industry Standards
39	Achieving Net-zero Emissions
40	The Future of Mobility
43	Low-carbon Solutions
45	Decarbonising Alongside Our Customers
46	Climate-related Risk and Opportunities
48	Managing Our Emissions
50	Respecting Nature
51	Responsible Resource Management
53	Promoting a Circular Economy
54	Powering Lives
55	Taking Care of Our Employees
68	Giving Back to the Community through Pilipinas Shell Foundation, Inc.
69	Engaging with Partners in the Value Chain
70	Respecting Human Rights
71	Corporate Governance
92	Appendix

Inside this Report / About the Title & Cover

About the Title & Cover

Shell Pilipinas Corporation (“Shell Pilipinas”, “SPC”, “the Company”) seeks to provide more and cleaner energy solutions, purposefully and profitably, to support the needs of the nation’s flourishing economy. SPC supports key sectors such as transport, aviation, energy, infrastructure, and manufacturing with innovative products and services, including low-carbon solutions, so they too may thrive while contributing to the energy transition.

Entitled “Providing Today’s Needs and Pioneering for a Cleaner Future,” this 2023 Annual and Sustainability

Report of Shell Pilipinas showcases the economic, environmental, social, and governance performance of SPC, and highlights how SPC generates value and provides today’s energy needs while investing and innovating for a cleaner energy future.

The cover art exemplifies SPC’s goal to Power Progress today and in the future, so that the next generations will have the same opportunities to thrive and prosper. As the Company works to become a net-zero emissions company by 2050, SPC will continue to build on its strengths to provide more value with less emissions.



Introduction from the Chairman

3-3, 404-2

**Min Yih Tan**

Chairman of the Board

**Welcome to the eighth Annual and Sustainability Report of Shell Pilipinas Corporation.**

Amidst a backdrop of diverse challenges—from geopolitical tensions to technological revolutions, persistent economic fluctuations, to the looming climate change—we have navigated a complex landscape with resilience and resolve. In our unwavering commitment to future-proofing, we are steadfast in executing our Powering Progress strategy, strengthening our existing competencies and developing new capabilities, while maintaining the agility necessary to capitalise on opportunities and adapt to unforeseen shifts in the external milieu.

Introduction from the Chairman

3-3, 404-2



Building Resilience

In 2023, Shell Pilipinas realised a net income of Php 1.2 Bn with an 8% return on average capital employed, underpinned by a ~60% increase in core marketing income. Strengthening our nationwide presence, we expanded our mobility stations to over 1,100 through the opening of 36 new locations. The impending launch of our fourth import terminal in Davao promises to enhance Southern Mindanao with a more reliable energy supply. Notable successes also include the expansion of non-fuel retailing through alliances and innovative formats such as Shell Café, alongside the growth of our lubricants segment facilitated by e-commerce platforms, partnerships with auto workshops and the introduction of carbon-neutral products.

As we convert our Tabangao refinery into a major import facility, we maintain focus in reinforcing our competitive advantages—delivering differentiated customer propositions, streamlining our portfolio and fostering an empowered organisation. Though the path to growth is seldom linear, this trajectory positions us to navigate headwinds adeptly and seize opportunities emerging from the evolving energy landscape.

Advancing Sustainability

Our efforts toward emission reduction extend beyond efficiency improvements to integrate renewable energy into our operations. To date, Shell Pilipinas has slashed 90% of Scope 1 and 20% of Scope 2 emissions since 2016. Innovation remains central to our sustainability agenda, evident in the development of lower-carbon products and services like Shell Bitumen FreshAir for road construction and the Accelerate to Zero programme for fleet customers in their decarbonisation endeavours. Investments in Shell Recharge stations including the pioneering geothermal-powered site at Bonifacio Global City, underscore our progress in electric mobility.

As stalwart contributors to national development, we advance the UN Sustainable Development Goals across our value chain, alongside initiatives by Pilipinas Shell Foundation Inc. (PSFI) which focus on education, livelihood, health, safety, nutrition, food security, environmental stewardship and energy access. We prioritise the well-being of our workforce with expanded initiatives supporting both physical and mental health.

“With an emphasis on performance, discipline and simplification in our dynamic portfolio, we are making clear choices and deliberate strides towards creating maximum value for our investors and customers.”

Our commitment to diversity, equity and inclusion has garnered recognition, as evidenced by our fourth consecutive Diversity Company Circle of Excellence at the CEO Asia Awards, affirming Shell Pilipinas as a premier employer¹ of choice in the country.



Cementing Advantage

I extend my gratitude to our staff, partners, management, and the Board for their service and dedication. Grounded in our core values of honesty, integrity and respect, we pursue excellence with determination.

¹ According to Inquirer, Statista, and Prosple in 2023 surveys.

With an emphasis on performance, discipline and simplification in our dynamic portfolio, we are making clear choices and deliberate strides towards creating maximum value for our investors and customers.

I am confident that Shell Pilipinas has the right talent, asset and strategy to deliver more value with less emissions, positioning us as the investment case and partner of choice throughout the energy transition. Together, we shall realise our mission of Powering Progress for the Filipinos, forging a sustainable and prosperous future.

Min Yih Tan

Chairman of the Board

About the Report

2-2, 2-3, 3-3



The 2023 Annual and Sustainability Report (ASR) of Shell Pilipinas is entitled: "Providing Today's Needs and Pioneering for a Cleaner Future." It is the eighth ASR, and it covers Shell Pilipinas' environmental, social, safety, governance, and financial performance in 2023.

This report has been prepared in accordance with the GRI Standards, following the industry sector-specific GRI 11: Oil and Gas Sector 2021. The report also complies with the Sustainability Reporting Guidelines for Publicly Listed Companies of the Philippine Securities and Exchange Commission (SEC) as well as the Task Force on Climate-related Financial Disclosures (TCFD), and the Sustainability Accounting Standards Board (SASB).

Reporting Framework

Philippine SEC Sustainability Reporting Guidelines, GRI Standards TCFD, and SASB

Reporting Period

January 1 to December 31, 2023

Reporting Cycle

Annual

Reporting Scope

Shell Pilipinas Corporation

Contact

*Investor Relations
PSPC-Investor-Relations@shell.com
(+632) 3499-4001*

How Do We Report?

3-3

How Do We Report?

1

Consultations and Alignment

Business unit heads identified stakeholder concerns, business accomplishments, and key performance indicators noted within the reporting period.

2

Stakeholder Review and Materiality Assessment

The feedback and concerns from stakeholders, industry trends, and the Company's sustainability goals informed the identification of key material topics.

3

Data Gathering and Review

Business unit heads answered data templates based on sustainability reporting frameworks and were also invited for one-on-one interviews to contextualise their performance data.

4

Writing and Evaluation

The report underwent several levels of reviews and approvals from the business representatives, business unit heads, and function heads.

5

Final Review

The report was designed, relevant photos and graphics were added, and the report was then sent to the Corporate Disclosure Committee for review and final approval.

6

Publication and Dissemination

The printed and digital copies of the 2023 ASR are distributed to shareholders and other stakeholders, especially during the Annual Stakeholders' Meeting and other engagements. It is also made publicly available on Shell Pilipinas' website.

With this reporting process, Shell Pilipinas ensures the completeness, accuracy, balance, clarity, comparability, reliability, and timeliness of this report's content. Involving internal and external stakeholders in this process also ensures that the materiality of the topics reflect the current concerns and aspirations of Shell Pilipinas as it Powers Progress for more Filipinos.

Shell Pilipinas at a Glance

Shell Pilipinas at a Glance

2-1, 3-3



Shell Pilipinas Corporation is engaged in the importing and marketing of petroleum products, including gasoline, diesel, jet fuel, fuel oil, lubricants, and bitumen. It also offers non-fuels retail products and services through Shell Select convenience stores, Shell deli2go outlets, Shell Cafés, and vehicle service centres nationwide. Its wide mobility network consists of over 1,100 service stations. Shell Pilipinas has an integrated supply chain network composed of 24 fuel terminals and supply points, ten lubricant warehouses, two speciality facilities, and three import facilities.

Shell Pilipinas represents the downstream operations of 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.

Find out more about Shell Pilipinas on www.shell.com.ph.

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, such as Pilipinas Shell Petroleum Corporation in 1973. The Company’s corporate name was changed to Shell Pilipinas Corporation (SPC) in 2023, to reflect its adaptive business strategy and progressive sustainability priorities, as the Company aims to deliver services beyond petroleum.

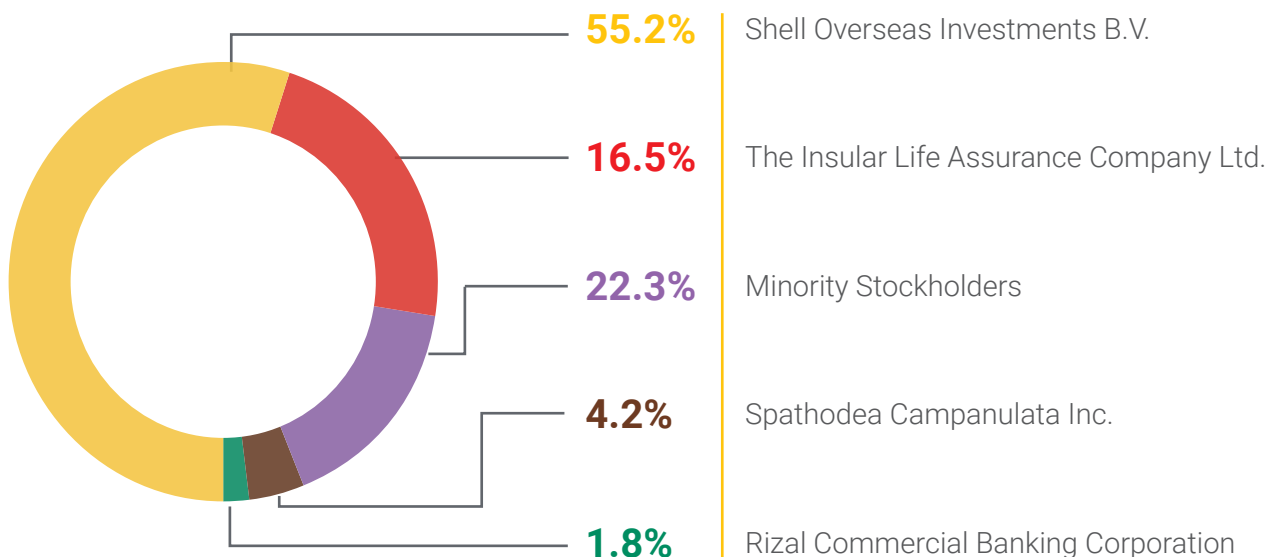
The Tabangao Refinery began its commercial operations in 1962, with an initial nameplate capacity of 30,000 barrels per day (bpd). Modernisation and expansion activities between 1993 and 1995 further increased the oil refinery’s nameplate capacity to 110,000 bpd. It was one of only two oil refineries in the Philippines. In 2020, the Company permanently ceased its refining operations and shifted into a full-import supply chain model. The Company transformed its Tabangao Refinery into a 100% import terminal aptly called Shell Import Facility-Tabangao, or 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 over 1,100 service stations nationwide.

Shell Pilipinas Shareholdings Structure



Shell Pilipinas at a Glance

Shell companies in the Philippines



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 welcomed 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

At Shell, we share a set of core values—honesty, integrity, and respect for people—which underpin all the work we do. The Shell General Business Principles, Code of Conduct, and Ethics and Compliance Manual help everyone at Shell act in line with these values and comply with relevant laws and regulations.

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 make the right decisions.

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 [Shell Pilipinas About Us](#) 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 Regain strong earnings, cash & dividend-paying positions.
- 2 Continue to be a major player in the energy industry
- 3 Elevating industry standards on governance & advancing the energy transition

Please visit our latest [Business Strategy and Investors Briefings](#) for more information.

Shell Pilipinas at a Glance

Our Value Chain

2-6, 3-3



Class of Business



Supply and Distribution



Commercial Business



Mobility

Stakeholders



Customers



Business Partners



Employees



Community

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 centers 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, and bitumen. 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.

Sustainability at Shell Pilipinas



Sustainability at Shell Pilipinas

15 Our Approach to Sustainability

16 Shell Pilipinas and the UN Sustainable Development Goals

17 Review of Stakeholder Concerns

20 2023 Highlights

22 Awards and Recognitions

23 Message from the President and Chief Executive Officer

26 2023 Financial Highlights

28 Report from the Chief Financial Officer

Our Approach to Sustainability

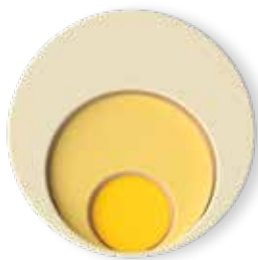
2-22

Shell Pilipinas imbeds its sustainability commitment into its Powering Progress strategy, which aims to provide more and cleaner energy solutions in a responsible manner—integrating economic, environmental, and social considerations into its business processes and decision-making. Powering Progress sets out Shell’s strategy to transition to a net-zero emissions business. It is underpinned by the core values of honesty, integrity, and respect for people, and focus on safety.



The Powering Progress 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, supporting an inclusive society, and contributing to local communities.



GENERATING SHAREHOLDER VALUE

Growing value through a dynamic portfolio and disciplined capital allocation.

Sustainability at Shell Pilipinas

Support for International Agreements

2-22, 2-28, 3-3

Shell Pilipinas respects 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.

Shell Pilipinas also works to support governments and societies achieve the Sustainable Development Goals (SDGs) and the UN Paris Agreement on climate change, of which the Philippine government is also a signatory. As a founding member of the UN Global Compact Network in the Philippines, the Company adheres to voluntary codes that promote responsible business practices.

Shell Pilipinas and the UN Sustainable Development Goals

In 2015, all United Nations Member States adopted the 2030 Agenda for Sustainable Development, launching 17 SDGs set to bring peace and prosperity for people and the planet, now and into the future. The goals address the most pressing issues of the world today—ending poverty, improving health and education, making cities sustainable, and tackling climate change.

These goals were one of the considerations in the development of the Powering Progress strategy. Shell believes that this strategy helps contribute directly to 13 SDGs, while indirectly contributing to others. Shell’s commitment to respecting Human Rights, and its target to be a net-zero energy business by 2050 also help move the SDGs forward.

Our Focus	Our Enablers 3-1	Our Impact
 <p>Achieving Net-zero Emissions</p>	<ul style="list-style-type: none"> Product & Service Offerings Development and Innovation Evolving Customer Demands Digital Transformation Energy Transition 	
 <p>Powering Lives</p>	<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 	
 <p>Respecting Nature</p>	<ul style="list-style-type: none"> Environmental Compliance & Impact Including Biodiversity 	
 <p>Generating Shareholder Value</p>	<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 	

Additionally, Shell Pilipinas indirectly contributes to SDGs 1, 2, 3, 4, 7, 11, and 13 through the various programmes of PSFI.




Review of Stakeholder Concerns

Review of Stakeholder Concerns

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

Stakeholder engagement is of great importance to Shell Pilipinas, as it provides timely and relevant insights into the needs and concerns of our different stakeholders. For this reporting cycle, various business units reviewed and consolidated the stakeholder feedback which was then elevated to the Annual Sustainability Report Committee.

The committee is composed of the Vice President for Finance, the Vice President for Corporate Relations, and the Managing Counsel and Chief Compliance Officer, to undertake the materiality assessment process. The material topics stem from stakeholder consultations as well as global energy trends, Shell plc’s goals, and Shell Pilipinas’ sustainability scorecard.



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 Philippine National Police (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., social impact management and 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 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

Review of Stakeholder Concerns

Review of Stakeholder Concerns

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

Stakeholder Group	Our Responsibilities	Stakeholder Concerns	Engagement Channels	Company Response
 <p>Society</p>	<p>We take pride in being a welcomed 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.</p>	<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 ■ Sanayan sa Kakayahang Industriyal (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, Master of Disaster Programme, Children and the Community Disaster Awareness and Preparedness Programme) ■ Road Safety Programmes (BiyaHERO) ■ Science Technology Education Programme (STEP) ■ Science, Technology, Engineering, and Mathematics (STEM) education opportunities (NXplorers) ■ Access to Energy programme (SINAG) ■ Environmental awareness and conservation initiatives (Turismo at Negosyo Dulot ng Ingat Kalikasan)

Stakeholder Group	Our Responsibilities	Stakeholder Concerns	Engagement Channels	Company Response
 Government/Regulatory Bodies	<p>We strive to be a partner in nation-building through strict compliance with applicable local laws and international standards.</p>	<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 Participation to government-led conferences and inter-agency meetings
 Shareholders	<p>We have a responsibility to protect the interests of our shareholders and ensure healthy and long-term competitive returns.</p>	<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)







2023 Highlights





2023 Highlights

201-1, 203-1, 203-2, 305-1





Generating Shareholder Value

 <p>Php 1,183 Mn Net Income</p> <p>Link to section</p>	 <p>Php 254.9 Mn Value Generated</p> <p>Link to section</p>	 <p>Php 83 Mn Taxes Paid</p> <p>Link to section</p>	 <p>35.9% Brand Share of Preference</p> <p>Link to section</p>
--	---	---	--





Achieving Net-zero Emissions

 <p>837.1 tons GHG Emissions (Scope 1)</p> <p>Link to section</p>	 <p>3 sites EV Charging Stations</p> <p>Link to section</p>	 <p>4,826 metric tons Carbon Credits</p> <p>Link to section</p>	 <p>920 tonnes of CO₂e Carbon Reduction Offset</p> <p>Link to section</p>
---	---	---	--

Respecting Nature

 <p>1,264.5 million litres Water Withdrawn</p> <p>Link to section</p>	 <p>48% Water Withdrawn Decreased (2022-2023)</p> <p>Link to section</p>	 <p>521.8 tons Hazardous Waste Generated and Disposed</p> <p>Link to section</p>	 <p>587.8 tons Non-hazardous Waste Generated and Disposed</p> <p>Link to section</p>
---	--	--	--

Powering Lives

 <p>Approximately Php 158 Mn Community Investment/Spent</p> <p>Link to section</p>	 <p>18 PSFI Number of Programmes</p> <p>Link to section</p>	 <p>479 Total Number of Employees</p> <p>Link to section</p>	 <p>39% 61% Gender Ratio of Employees</p> <p>Link to section</p>
--	---	---	--

Shell Celebrates Sustainability Week 2023

3-3



Shell companies in the Philippines celebrated its second sustainability week last November 2023, with the theme “Engage for Change.” The week-long event underscores continued efforts to future-proof the business and ensures that all employees from different business units understand the gains and opportunities that arise from operating and innovating with sustainability in mind. The Company also strengthens its understanding of the Powering Progress strategy, which highlights getting to net zero, generating value for stakeholders, respecting nature, and powering lives.



2023 Highlights

Awards and Recognitions



GOLD STEVIE® WINNER

Award for Innovation in Communications / PR. Award for Innovation in the Use of Video for Shell Philippines' Let's Keep Moving the Philippines Forward Video



SILVER STEVIE® WINNER

Award for Innovation in Product Design and Development. Award for Innovation in Construction, Manufacturing or Materials for Shell Bitumen FreshAir.



BRONZE STEVIE® WINNER

Award for Excellence in Corporate Innovation. Award for Excellence in Social Impact Companies with 100 or More Employees for "40 Stories in 40 Years: How Pilipinas Shell Foundation Touched the Lives of 12 million Filipinos."

Award for Innovation in Communications / PR. Award for Innovation in Community Relations or Public Service Communications for "40 Stories in 40 Years: How Pilipinas Shell Foundation Touched the Lives of 12 million Filipinos."

Award for Innovative Achievement in Corporate Social Responsibility, for "Power and Empowerment through SINAG: Save, Invest, Nurture, Access to Green Energy and Technologies."



ASIAN EXPERIENCE AWARDS 2023

Philippines Distribution Experience of the Year – Energy

Philippines User Experience of the Year – Energy



GOLDEN ARROW AWARDS

SPC was awarded by the Institute of Corporate Directors with a 2-Arrow recognition for an exemplary performance based on the ASEAN Corporate Governance Scorecard.



Prosple's Top 100 Employers for Fresh Graduates

SPC was ranked 5th on the 2023 top employer's list, as selected based on programme quality and prevalence.



IR Magazine SEA Awards 2023

Angelica Castillo won Best Investor Relations Officer (small-cap) and SPC was shortlisted in these categories: Best Annual Report (small-cap), Best ESG Report (small-cap), Best Overall Investor Relations (small-cap)



Inquirer/ Statista

Shell Pilipinas was recognised as the 13th best employer in the Philippines. The Company was the only employer in the oil & energy industry within the top 15 companies.



Recognition from the International Institute of Internal Auditors

IIA presented the 2023 Building Awareness Champion Award to SPC's Corporate Assurance and Audit Department for demonstrating an exceptional commitment to promoting the internal audit profession.



Diversity Company Circle of Excellence Awardee 2023

SPC was awarded by the Asia CEO Awards 2023 as one of the organisations in the Philippines that demonstrated proactive acceptance and respect for human differences, such as race, religion, gender, gender identity, and physical ability.

Message from the President and Chief Executive Officer

3-3



Lorelie Q. Osial
President and CEO

Towards a Balanced and Sustainable Energy Transition

Shell Pilipinas remains a constant partner in nation-building, committed to Powering Progress for the Filipino. Our Powering Progress strategy is central in our approach, enabling us to continue delivering on value creation and growth for our stakeholders while pursuing our sustainability ambitions. The strategy serves as Shell's global blueprint towards four key pillars: generating shareholder value, achieving net-zero emissions at pace with society, respecting nature, and powering lives.

For Shell Pilipinas, this has helped us remain resilient and agile as a company—providing the country's energy security needs today while investing in future-forward solutions and products that go beyond petroleum. In facilitating a balanced energy transition, our purpose is to provide our customers with more and cleaner energy solutions and in turn, minimise our carbon footprint.

Seizing Opportunities for Growth

2023 marked our name change to Shell Pilipinas Corporation. This change has supported a more

adaptive business strategy, one that has enabled us to have a dynamic business portfolio, which includes non-petroleum products and services. This move has opened more opportunities to grow in electric mobility, non-fuel retail and new low-carbon solutions to our customers.

2023 was also met with challenges for the industry. With a backdrop of high peso depreciation, high borrowing costs and high inflation, we ended the year with Php 1.2 Bn. Despite external macroeconomic pressures, our delivery has remained as strong as ever. Our marketing delivery grew by around 60% and we've maintained high premium product penetration, underlining that Shell Pilipinas is still an industry leader in the Philippines.

In two major surveys done across Filipino consumers in 2023, we see that Shell continues to enjoy a high brand share preference (36%) which means four out of 10 motorists would prefer to gas up at Shell. For the trust survey, Filipinos continue to trust the Shell brand and gave us a score of 8.3 out of 10. The highest score of a Shell organisation anywhere in the world—a testament to the deep level of confidence that Filipino customers and stakeholders have in what Shell Pilipinas can offer and deliver. We continued to expand our business, opening 36 new

Message from the President and Chief Executive Officer

3-3

mobility sites so more Filipinos could access our products, bringing our nationwide count to over 1,100. We have also dominated in e-commerce platforms such as Shopee and Lazada through our lubricants products and became the top engine oil brand online. This year, Shell Lubricants' growth doubled in profit versus 2022.

Our 4th Import Terminal in Davao is set to open in the second half of 2024 which will allow us to provide the energy needs of southern Mindanao—spurring new economic activity in the area, expanding our mobility network in the region, and providing resources for mobility during emergencies. This import facility will be Shell Pilipinas' 3rd largest, with a rated capacity of 67 million litres of petroleum products. We have also signed a contract to break ground on our 5th Import Terminal located in Cebu to further strengthen our position in the Visayas region.

Building Future-Forward Partnerships

Progress is accelerated by forging partnerships that align with our sustainability aspirations alongside our relentless focus on value creation.



Shell Pilipinas signed a tripartite agreement with the Department of Energy (DOE) and Shell Energy Philippines (SEPH) in early 2023 to conduct a pilot study on electric vehicle (EV) charging stations supplied by renewable energy. This supports the creation of an enabling environment for the electric mobility sector to flourish and develop.

The Company also partnered with the Department of Environment and Natural Resources (DENR) to develop nature-based solutions with focus on the protection, restoration and regeneration of the country's natural resources.

Getting to Net-zero

To support the national thrust on electric mobility, we continue to invest in the EV infrastructure of the Philippines. This year, we opened two new Shell Recharge stations, one at the Shell Mobility TPLEX junction in Rosario, La Union, and another in the Neo Building at the Bonifacio Global City, Taguig. The latter is the first 100% geothermal-powered charger in the world. Shell Recharge allows vehicles a 700-kilometre loop coverage of TPLEX and SLEX Mamplasan, connecting major economic hubs north and south of Metro Manila.



We are exploring the pilot deployment of advanced battery-swapping technology for two- and three-wheeled electric vehicles, which would allow battery swapping in minutes at identified Shell mobility stations.

Two of our Bitumen Facilities celebrated their 20 years of operation in 2023—one in Tabangao, Batangas and another in Villanueva, Misamis Oriental. Both facilities have produced the pioneering low-carbon road pavement technology, Shell Bitumen FreshAir, which effectively reduces specific gases and particulate matter by 40%. Shell Instapave is another low-carbon solution we provide, which is used as a road surface treatment in preventive maintenance.



Aside from offering a wide selection of low-carbon products, we also ensure we are reducing our emissions year on year. In 2023, our GHG Scope 1 and 2 emissions have decreased by around 90% and 20%, respectively, driven primarily by significant efforts to optimise our electricity sourcing and usage. Over 5,200 solar panels power our terminals and bitumen facilities, and some sites use LED lights, Eco brick installations and green wall installations. Our Batangas Import Terminal, and SLEX Mamplasan and NLEX Bulacan mobility sites now run 100% on renewable energy.

Paving the Way for Prosperity

Shell Pilipinas continues to power the lives of its customers, employees, and communities, so more people can reap the gains of a flourishing economy.

We always adapt and innovate to enhance our customer experience. Two new apps were launched in 2023, the Shell Advantage Rewards App, which is a loyalty program that extends to mechanics and retail staff using Shell Lubricants; and the Shell Fleet App, which empowers small and medium enterprises to manage their fleet more effectively.

We've also launched Shell Café, which will revamp our existing Shell deli2Go brand by offering more premium food and drink offerings, in a sit-down coffee shop setting. This will allow us to grow our non-fuels retail business and attract a wider customer base to our mobility destinations.



Our People Make the Difference

When it comes to our organisation, we envision Shell to become one of the most inclusive organisations in the country. In addition to the 120 days maternity leave, this year, we introduced our eight-week parental leave for non-birthing parents. We also launched several programmes to deepen conversations around diversity, equity and inclusion. In addition, we celebrated

International Women's Day, Pride Month, International Coming Out Day, International Day of People with Disabilities, and marked International Day for Elimination of Racial Discrimination for the first time.

We've strengthened our focus on our employees' mental and physical health and have made strides in preparing for the Future of Work as it continues to evolve.

Our social development arm, Pilipinas Shell Foundation Inc., empowered more Filipino communities near and far, with programmes aimed to build the capabilities of those in the most vulnerable sectors and social groups.

Leadership for a Balanced Transition

Only through the guidance of our core values of honesty, integrity, and respect for people can we bring about the meaningful implementation of our strategy.

This is where good governance can play a critical role. I am happy to share that Shell Pilipinas received its first Two-Arrow Award from the Golden Arrow Awards, given by the Institute of Corporate Directors, as a recognition of our exemplary performance against the ASEAN Corporate Governance Scorecard.

In 2023, we also redeveloped our short-term strategy to better provide today's energy needs as well as that of the future. Our Mid-Point Strategy Refresh will enable us to strengthen our financial performance, capture new opportunities, and carry out our sustainability initiatives geared towards a balanced energy transition—one that leaves no one behind.

As we enter our 110th year of operations, we reflect on the long journey that has gotten us here. For over a century, we have been contributing to the rise of an incredible nation. Opportunities and challenges lie ahead and we have the expertise, the experience, and the passion to optimise them so we can Power Progress for the Filipino, for generations to come.

Lorelie Q. Osial
President and CEO

2023 Financial Highlights

201-1

Summary Statement of Financial Position (in Php million)

	2019	2020	2021	2022	2023
Current assets	47,469.4	29,902.6	36,475.6	49,833.3	43,435.7
Non-current assets	55,450.1	56,647.5	58,673.6	67,203.2	72,486.5
Total assets	102,919.5	86,550.1	95,149.2	117,036.4	115,922.2
Current liabilities	39,453.2	33,394.3	32,704.3	59,770.8	47,848.9
Non-current liabilities	23,680.0	29,524.0	36,372.4	28,336.2	37,791.6
Total liabilities	63,091.2	62,918.3	68,977.7	88,107.0	85,640.5
Total equity	39,828.3	26,631.8	26,171.5	28,929.4	30,281.7
Total liabilities and equity	102,919.5	85,550.1	95,149.2	117,036.4	115,922.2

Summary Statement of Income (in Php million)

	2019	2020	2021	2022	2023
Gross sales	224,288.6	162,022.7	182,522.5	296,382.4	258,788.8
Sales discounts and rebates	(5,885.6)	(5,070.8)	(5,365.6)	(4,899.8)	(5,472.7)
Net sales	218,403.0	156,951.8	177,156.9	291,482.6	253,316.1
Cost of sales	(194,952.7)	(153,291.2)	(154,412.7)	(266,119.8)	(233,176.7)
Gross profit	23,450.3	3,660.6	22,744.2	25,362.8	20,139.4
Operating expenses	(14,448.6)	(13,722.8)	(15,347.7)	(16,679.6)	(17,372.0)
Other operating income (loss), net	388.4	177.8	1,914.8	(3.1)	1,273.8
Income (loss) from operations	9,390.1	(21,008.8)	9,010.9	8,680.2	5,038.2
Income (loss) before income tax	8,021.2	(23,028.2)	6,765.9	5,466.3	1,614.1
Profit (loss) for the year/period	5,621.2	(16,182.7)	3,855.7	4,075.7	1,182.9

Summary Statement of Cash Flow (in Php million)

	2019	2020	2021	2022	2023
Net cash from operating activities	6,897.2	5,945.5	1,071.6	1,621.0	4,255.8
Net cash used in investing activities	(4,903.3)	(3,961.5)	(3,339.3)	(4,507.8)	(5,303.9)
Net cash from (used in) financing activities	(1,670.1)	(472.3)	(2,351.5)	4,172.7	(112.2)
Net increase (decrease) in cash for the year	323.7	1,511.6	(4,619.3)	1,285.9	(1,160.4)
Cash at the beginning of the year	4,455.1	4,778.8	6,290.5	1,684.3	2,957.2
Cash at the end of the year	4,778.9	6,290.5	1,684.3	2,957.2	1,796.8

Net Income Segmentation (in Php billion)

	2019	2020	2021	2022	2023
Core Income ¹	4.2	1.1	2.3	2.8	2.3
Marketing	8.1	4.9	3.1	2.9	4.8
Manufacturing /Supply/Others	(3.8)	(3.8)	(0.8)	(0.1)	(2.5)
Inventory Holding Gains/Losses ²	1.4	(4.8)	2.3	1.6	(1.8)
Non-Core Income One-Offs	-	(11.8)	(0.7)	(0.3)	0.6
Net Income (loss)	5.6	(16.2)	3.9	4.1	1.2

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 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.

Key Financial Ratios

	2019	2020	2021	2022	2023
Current ratio ¹	1.2	0.90	1.12	0.8	0.9
Debt to equity ratio ²	0.4	0.68	0.84	1.1	1.3
Debt ratio ³	0.1	0.18	0.23	0.3	0.3
Return on assets ⁴	5.5%	(18.7%)	4.05%	3.5%	1.0%
Return on equity ⁵	14.3%	(70.3%)	15.12%	14.6%	4.0%
Return on average capital employed ⁶	16.3%	(40.0%)	18.0%	14.0%	8.1%

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).

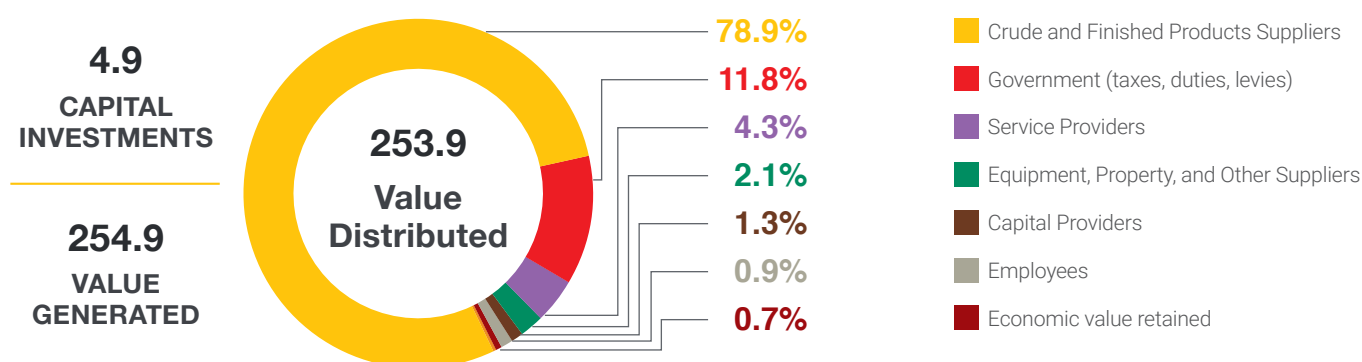
³ Debt ratio is computed as net debt divided by total assets.

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.

Direct Economic Value Generated and Distributed (in Php billion)



Report from the Chief Financial Officer



Reynaldo P. Abilo
Chief Financial Officer

Core Earnings and Cash Flow from Operations (in Php billion)



Shell Pilipinas has shown resilience this past year, facing headwinds such as volatile oil prices, sustained high interest rates, and high inflation.

The Company has recognised that these, and many other internal and external factors, have changed the competitive landscape of our industry. In 2023, SPC communicated its refreshed strategy that reflects the changes in the way we are going to do business, adapting to the evolving external environment.

In June 2023, Shell plc cascaded via the Capital Markets Day (CMD) updates to the Powering Progress strategy, specifically on the Generating Shareholder Value pillar. The CMD focuses on performance, discipline, and simplification which Shell Pilipinas has embraced as part of its local strategy. These served as guiding principles in our strategy moving forward.

We re-evaluated our businesses and what strategy will work for us. The refreshed strategy is anchored on three key intents, which are 1) regaining strong earnings, cash, and dividend paying positions, 2) continuing to be a major player in the energy industry, and 3) elevating industry standards on governance and advancing the energy transition.



Strong Earnings, Cash, and Dividend Paying Position

The Company reported a net income of Php 1.2 Bn attributed to improved marketing delivery and disciplined spending. In 2023, we lowered our gearing to 56% at the end of the year against 1H performance, through working capital optimisation. As a result, cash flow from operations improved to Php 4.3 Bn, excluding working capital movement is at Php 9.6 Bn.

In the next two years, we aim to reduce spend by a total of Php 2.0 Bn (Opex + Capex), and lower our gearing to below 50% while maintaining our attractive dividend policy.



A Major Player in the Energy Industry

Shell Pilipinas continues to be one of the leading energy companies in the country. Volume and value growth are focus areas as we profitably recover lost volume. Cross business integration will also be the key driver for the coming years as we further strengthen our business to defend our current position while capturing new opportunities.



Elevating Industry Standards on Governance and Advancing the Energy Transition

The Company has strong corporate governance, and this has been recognised by the Institute of Corporate Directors through the Two-Golden Arrows award in 2023. We will continue to promote advocacies to level playing field, increase awareness on the benefits of using biofuels, and other initiatives in partnership with the government.

To achieve our strategic intents, we will pursue three priorities that will enable our businesses to deliver on our targets.



Recapture the Market Profitably

We will profitably grow our volume by improving our competitiveness using marketing promotions through our loyalty app—Shell Go+, as our tool to reach more customers. We have seen volume growth in our Mobility, Aviation, and Lubricants businesses. More campaigns will be launched as we celebrate our 110th year and move the Philippines forward with more and cleaner energy solutions.

Premium products such as V-power, Helix, and Bitumen FreshAir will enhance competitiveness in our offers. We ended the year with high premium penetration of 27% for fuels and 23% for lubricants.

Our presence in the Visayas and Mindanao regions will be further strengthened as we open up our 4th and 5th import terminals. This will enable faster and more efficient transport of product to our terminals, supply points and ultimately, our customers.



Maximising End-to-End Margin

SPC aims to sustain double digit growth in Non-Fuels Retail (NFR) by maximising real estate through the addition of around 100 to 150 co-locators and clip-ins.

In 2023, we launched Shell Café, our new sub brand that offers premium food and beverage choices with 13 new branches. This new offering doubled our cup sales and boosted food sales by ~40%. This was followed by the opening of Shell Recharge in TPLEX

Report from the Chief Financial Officer



Rosario to complement Shell Recharge in Mamplasan, which enable EV drivers to travel from north to south with confidence and reduced range anxiety.

We will also invest to further enhance our import terminals for optimal asset utilisation and potential revenue streams.

Cost and Capital Reduction

Careful and conscious tail management will be executed across all businesses. High-yielding sites will be transformed to optimise volume and value delivery while adhering to our capital expenditure programme. We will continue to be very selective in our investments, while being prudent in our cost and capital spend.

Sustainability remains to be at the heart of what we do, as this is also embedded in the Powering Progress strategy. Local application for sustainable installations in mobility stations is well underway and reducing emissions through our products and services will continue to be an important consideration.

Lastly, I want to highlight our most valuable asset—our people. They have tirelessly worked to create the roadmap for our businesses to succeed in the coming years. We continue to nurture world-class talents within the organisation which have enabled us to thrive in this challenging environment. And with improved agility, these same people will help propel us to a more profitable and sustainable future.

Reynaldo P. Abilo
Chief Financial Officer

Generating Shareholder Value



Generating Shareholder Value

3-3



At Shell Pilipinas, we aim to create more value for our shareholders by focusing on performance, discipline, and simplification as we work to provide more and cleaner energy solutions for all Filipinos.

We do so by being agile in adapting to a changing environment. In 2023, we refreshed our strategy in order to better deliver on the goals of Powering Progress. We also continue to enhance customer experience by leveraging technology and expanding our non-fuels retail offerings. We remain a trusted brand and a market leader in several sectors, playing an important role in key industries like power, manufacturing, and mining. We also set industry standards when it comes to ethics and compliance, and good business practices, responsibly leading the way towards a balanced energy transition.

32	Adapting to a Changing Environment
33	Enhancing Customer Experience
37	A Trusted Brand
38	Setting Industry Standards

Generating Shareholder Value

Adapting to a Changing Environment

Capital Markets Day

Shell plc announced in June 2023 an enhanced focus on performance, discipline, and simplification, as the Company aims to deliver more value with less emissions. Shell plc is investing to provide the energy needs of today, while simultaneously making good progress on its target to become a net-zero emissions energy business by 2050.

Click here for more information: [Shell plc Capital Markets Day 2023](#)

Mid-point Strategy Refresh

Shell Pilipinas' net income in 2023 stands at Php 1.2 Bn as the Company's marketing business core earnings rose by 60% and premium penetration increased across key products. Various macro-economic factors made the business environment challenging in 2023, including geopolitical tensions, higher borrowing costs, and rising oil prices.

In November 2023, Shell Pilipinas updated its action plan in operationalising the Powering Progress strategy through a Mid-point Strategy Refresh to help the organisation adapt to a competitive landscape and a changing business environment.

Looking forward, the refreshed strategies will enable Shell Pilipinas to face the headwinds ahead as the Company continues to maximise value, expand its sustainability efforts, and pursue more and cleaner solutions today and in the future.

Shell Pilipinas has identified three key strategic priorities for 2023 through 2025. Firstly, the Company aims to regain strong earnings, and cash and dividend-paying positions. Secondly, as a major industry player in the Philippines, SPC aims to maximise value, and capture new market opportunities. Lastly, Shell Pilipinas will continue elevating industry standards on governance, while remaining committed to advancing the energy transition. Shell Pilipinas aims to strengthen its performance by recapturing the market profitably, maximising end-to-end margins, and lastly, through prudent cost and capital reduction. With these efforts,

Shell Pilipinas aims to be better positioned to create value for its shareholders while contributing to the decarbonisation of the world's energy system.



EAGLE: Shell's 4th Terminal

Shell Pilipinas is set to open its fourth import facility, named EAGLE, in 2024. Southern Mindanao is a strategic location for growth, and the new terminal will provide a more stable, uninterrupted supply of energy in the region.

Located in Darong, Sta. Cruz, in Davao del Sur, EAGLE will be Shell Pilipinas' third largest import facility with a rated capacity of 67-million-litres of petroleum products. The Shell Import Facility Tabangao (SHIFT) in Batangas is the largest, with a 263-million-litre capacity; followed by the North Mindanao Import Facility (NMIF) in Cagayan de Oro City with a 90-million-litre capacity.

The new terminal supports Shell Pilipinas' marketing business as it expands in underserved markets, as well as the Company's plans to establish more Shell Mobility sites in the region. The Company also aims to promote business continuity and stability in the area, providing resources for mobility during incidents of storms, floods, and other natural calamities.

Enhancing Customer Experience

Shell Pilipinas innovates with its customers in mind. In 2023, the Company leveraged the use of technology to sell its products more efficiently, to communicate with its customers better, and to provide ease of doing business for entrepreneurs. Shell Pilipinas also assisted its customers through technical services, offering solutions and fostering sustainability. The Company is also transforming its non-fuel retail business to attract more customers to its mobility destinations by launching Shell Café.



E-commerce Dominance: Top Engine Oil Brand in Shopee and Lazada

Shell Lubricants remain dedicated to delivering unparalleled value to customers through digital platforms like Shopee and Lazada, the largest e-commerce sites of the Philippines.

In 2023, Shell Lubricants was among the top engine oil brands on both sites, doubling its profit compared to the previous year. Shell Advance Long Ride has consistently maintained its position as the top engine oil brand throughout the year.

Moreover, Shell Advance products made a notable impact during the 9.9 online sale for both sites, claiming seven out of the top 10 spots in the product lineup.



**SCAN NOW TO ENJOY
REWARDS WITH SHELL HELIX**



Shell Advantage Rewards App

In a bid to elevate customer experience and empower mechanics, Shell Lubricants introduced the Shell Advantage Rewards App (SHARE) in 2023, a transformative loyalty program that extends benefits to thousands of mechanics and retail staff across partner workshops nationwide.

Through SHARE, mechanics and trade outlet staff earn points for every successful oil change conducted with Shell Helix and Shell Advance products. These accrued points are redeemable for vouchers, enabling trade influencers to enjoy groceries, meals, and various rewards with their families.

The programme goes beyond incentivising oil change recommendations by incorporating a learning and upskilling component through the Shell Workshop Academy, an embedded online platform within SHARE.

This dual approach not only recognises and rewards immediate contributions but also invests in the long-term progress of mechanics, offering them opportunities to stay abreast of the latest advancements in engine maintenance and grow their businesses.

Generating Shareholder Value

Enhancing Customer Experience



Lubricants Supply Chain Sets Logistics Record

Highlighting a significant stride in sustainability and operational efficiency, the Lubricants Supply Chain has achieved an impressive 95% On Time, In Full (OTIF) rate in logistics, versus the 94% target.

This achievement is remarkable given the challenges of being a full import country, with limited control over sailing schedules and stock allocation at the source level.



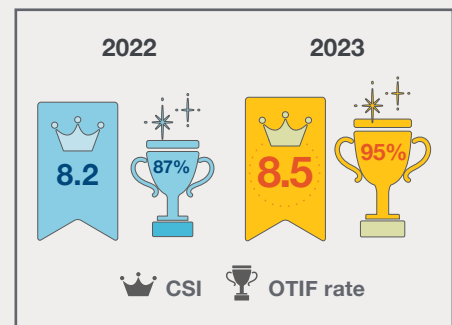
Understanding Customer Transaction Journeys

Recognising the evolving landscape of digital transactions, Shell Lubricants' Customer Operations team took a significant stride in 2023 by expanding its Customer Service Index (CSI) surveys to include Digital Voice-of-Customer (VOCs).

This goes beyond the traditional assessment of transactional experiences to incorporate feedback on customers' interactions with Shell's online platforms, including Markethub 2.0. Such a digital transition enabled the team to gain an end-to-end understanding of customers' journeys, facilitating quicker resolution of concerns.



The team achieved a commendable CSI rating of 8.5, higher than prior year.





Technical Services Generates Operational Savings for Its Customers

Shell Lubricants not only serves as a leading lubricants supplier but also stands out as a holistic lubrication solutions provider, fostering sustainability through Technical Services. These services translated to significant operational savings for its customers.

The technical services provided help in various industries like Power, Construction, and General Manufacturing to curtail maintenance costs and maintain productivity through efficient solutions.

Beyond on-site interventions, Shell Lubricants also provides accessible solutions through tools like Shell LubeMatch, aiding in optimal oil selection, and Shell LubeChat, a 24/7 chat platform ensuring customers have expert lubrication advice at their fingertips.



Non-Fuels Retail: Shell Café

The Shell sub brand, Shell deli2go, has successfully met increasing consumer expectations around choice and quality of food and drinks, giving consumers a wider selection of products.

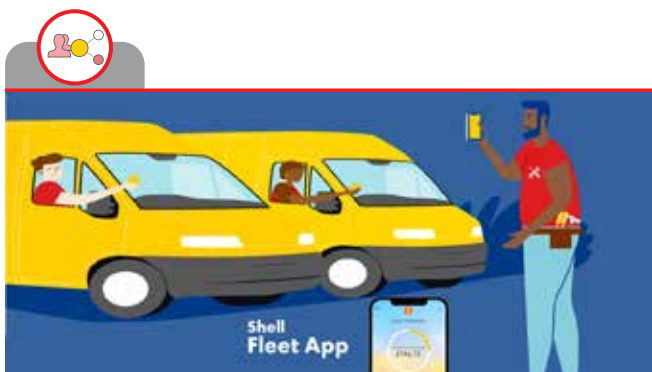
In 2023, Shell Pilipinas started rebranding Shell deli2go to Shell Café, making coffee the heart of the proposition. This is aimed at driving the growth of Shell Retail and strengthening the existing value of the Shell brand.

The coffee, fresh food, and baked goods menu is designed to give a more premium offering, with products sourced from the Philippines and around the globe.



Generating Shareholder Value

Enhancing Customer Experience



■ Shell Fleet App – Empowering SMEs

In recognising the large impact small and medium enterprises (SMEs) have in the Philippines, contributing to 65% of the country's total employment, Shell launched the Shell Fleet App in April to empower entrepreneurs to manage their business more efficiently.

The platform was built to provide a digital solution for SMEs to help them manage their fleet more conveniently through an app. The Shell Fleet App helps streamline the fleet card application process and offers a transition to a cashless fuel management system. It offers real-time card management features, online payment and monthly billing through electronic invoices while offering SMEs security, convenience, and time-saving benefits.

To date, Shell is the only player in the Philippines offering a B2B digital platform for new fleet customers. Since its launch, the Shell Fleet App has gotten a positive response from the market—over 1,000 SME customers were registered, facilitating an increase in SME customer acquisition. Because of its unique focus on empowering SMEs, the app was recognised at the Asian Experience Awards 2023 with the Philippines User Experience of the Year - Energy award. Shell continues to enhance and expand the app's features to provide its B2B customers with the best user experience, one that is smart, simple, and hassle-free.



■ SPC and Grab Philippines Partner for Fleet Card Distribution Nationwide

In 2023, Shell Pilipinas ran a nationwide Fleet Card distribution campaign in collaboration with ride-hailing and delivery company, Grab which grants Grab drivers a seven-day payment term for fuel purchases through the Shell Fleet Card. This provides drivers with some economic relief considering the dynamic nature of their work.

The campaign aimed to ease the access to Shell Fleet Cards so drivers may use them in Shell Mobility stations nationwide. The project resulted in the distribution of more than 3,000 Fleet Cards in 5 months, doubling Grab's volume growth with Shell and significantly reduced the Company's courier fees in the distribution of Fleet Cards.

Shell aims to find more solutions for its delivery and merchant customers in managing fluctuations in fuel costs, especially in these volatile economic times.



A Trusted Brand

Shell Pilipinas continues to be a major player in the energy industry of the Philippines. In 2023, the Company received its highest trust rating to date, and a high brand share of preference with Shell Lubricants leading in key industries.



■ New and Improved Shell V-Power restores 100% engine performance

Motorists can now use the new and improved Shell V-Power that cleans engines of performance-robbing deposits and prevents future build-up on vital engine parts. The latest formula has been specially designed with powerful cleaning agents that can remove deposits from key fuel system components and restore up to 100% of engine performance.

Shell V-Power has been developed to work even more effectively in challenging conditions such as within the newest, more fuel-efficient engines, solidifies its role in driving sustainability across the automotive sector, fostering relationships with Original Engine Manufacturers (OEMs) for a greener and more resilient future.



■ Shell: High brand share of preference in PH market

With a brand share of preference standing at 35.9%, Shell Pilipinas has earned a commendable trust rating of 8.3/10 in 2023, marking an improvement from the 8.1 rating in 2022.

This rating is one of the highest among Shell entities globally, reflecting a profound level of trust and confidence from customers and stakeholders alike.

Shell Lubricants maintains its position as the No. 1 Global Lubricants supplier for 17 years in a row. In the Philippines, Shell Lubricants takes pride in a substantial 27%, 35%, and 22% preference rate among motorcycle, passenger car, and truck owners respectively.

Shell Lubricants continues to be the trusted partner for the world's largest OEMs. As the preferred supplier for these industry giants, most of the Philippine OEM market relies on Shell for their lubricant needs.

This accomplishment not only underscores the Company's commitment to quality but also solidifies its role in driving sustainability across the automotive sector, fostering relationships with OEMs for a greener and more resilient future.

Generating Shareholder Value

Setting Industry Standards



Shell Pilipinas core values are honesty, integrity, and respect for people. The Company is guided by the [Shell General Business Principles](#), which set out SPC's responsibilities to shareholders, customers, employees, business partners, and society.

The [Code of Conduct](#), meanwhile, instructs how employees, contractors, and others acting on behalf of Shell need to act to live up to the Shell business principles.

Shell Pilipinas celebrated a milestone in corporate governance on September 28, 2023, winning its first ever Two Arrow award from the Golden Arrow Awards. This recognition is given by the Institute of Corporate Directors to top Philippine Publicly Listed Entities that show exemplary performance against the ASEAN Corporate Governance Scorecard.

Shell Pilipinas will continue to enhance its corporate governance through its processes and culture. The Company believes that in order to Power Progress for more Filipinos, honest and transparent communication is key.



Successful Ethics and Compliance Week Celebration

For Shell Pilipinas, the emphasis on ethics and compliance is deeply rooted in the Company's values, underscoring the importance of conducting business with integrity.

The integral role of ethics and compliance in the Company's operations is paramount, ensuring that every aspect aligns with ethical standards and regulatory requirements.

In October 2023, the Ethics and Compliance Week was held to serve as a timely reminder, reinforcing the importance of these principles in maintaining the Company's integrity and reputation.

The discussion panels and sessions held during this event play a crucial role in fostering understanding and awareness about the significance of ethical conduct, providing valuable insights into anti-bribery and corruption measures, and reinforcing the collective responsibility within the organisation to uphold these standards in day-to-day operations.

Achieving Net-zero Emissions



Achieving Net-zero Emissions



Shell Pilipinas aims to achieve net-zero emissions by 2050. To support the goals set out in the UN Paris Agreement, the Company will reduce the emissions from its operations, and from the fuels and other energy products sold to our customers. As of 2023, SPC aims for a 50% reduction of Scope 1 and 2 GHG emissions by 2030, with current delivery of 90% reduction of scope 1 GHG emissions and 20% reduction in scope 2 GHG emissions compared to 2016.

40	The Future of Mobility
43	Low-carbon Solutions
45	Decarbonising Alongside Our Customers
46	Climate-related Risks and Opportunities
48	Managing Our Emissions

Achieving Net-zero Emissions



In the Philippines, Shell is paving the way for electric mobility to ripen by opening electric vehicle charging stations and battery swapping services. SPC is promoting low-carbon solutions for partners and customers.

The Company manages emissions and energy use through sustainable installations and design in its own operations. Lastly, Shell Pilipinas forges partnerships to expand its portfolio in renewable energy, finding the opportunities that lie in a balanced energy transition.

The Future of Mobility

Shell Pilipinas is helping to pave the way for electric mobility to take root in the Philippines. The Company does so by providing EV charging stations and battery swapping services for a wide array of electric vehicles.



Advanced Battery Swapping Technology for EVs

In a new partnership with SUN Mobility, a leading provider of energy infrastructure and services for EVs, SPC is exploring the pilot deployment of SUN Mobility's advanced battery-swapping technology for two and three-wheeled EVs.

The project aims to accelerate the adoption of EVs in the country by introducing practical and economic solutions with zero tailpipe emissions.

Shell Mobility Stations provide Swap Points™ that leverage interoperable battery-swapping technology by SUN Mobility. These include Smart Batteries, Quick Interchange Stations, and a Smart Network (cloud-based IoT backend software), allowing customers with electric bikes and tricycles to swap batteries at selected Shell mobility stations in less than two minutes. This provides EV users with a cost-effective solution with significant range.

The partnership supports the recently passed Electric Vehicle Industry Development Act (EVIDA) that aims to promote sustainable electric transportation in the country. It also supports SPC's efforts to develop solutions that will help decarbonise mobility and transport.



■ SPC, SEPH Sign Agreement with DOE

A tripartite Memorandum of Agreement (MOA) with SPC, Shell Energy Philippines (SEPH), and the Department of Energy (DOE) was signed in January 2023 to conduct a pilot study on electric vehicle charging stations (EVCs) supplied by renewable sources of energy such as solar energy.

The project includes looking into the supply, installation, operation, and maintenance of EVCs, as well as the optimisation of the use of cleaner energy to power their operation.

The data will be a benchmark for SPC and SEPH to continue to develop and roll-out new EVCs across Shell-branded retail sites in the country. In line with SPC's target towards achieving net-zero emissions and playing a key role in a balanced energy transition, understanding, and supporting the country's thrust towards decarbonising mobility is of great importance.

This agreement enables the DOE to reinforce the government's implementation of the EVIDA and support the creation of an enabling environment for electric vehicles to flourish and have widespread adoption.

It also complements the Philippine Energy Plan 2020-2040, aimed at the transition towards clean energy fuels and technologies, and to provide the support infrastructure for the target ten percent penetration rate of EVs for road transport by 2040.



Achieving Net-zero Emissions

The Future of Mobility



Shell Recharge: Shell Pilipinas Opens Two New EV Charging Stations

Shell Pilipinas opened its second Shell Recharge site in September 2023 at the Shell Mobility TPLEX junction site in Rosario, La Union, to cater to EV riders heading to the north of Manila.

This site is making an important contribution to the fast-charging EV infrastructure of the country, enabling more electric motorists to travel towards major economic and touristic hubs such as Baguio, La Union, and Vigan.

The EV charging station is equipped with AC and DC chargers capable of charging four EVs simultaneously. These include two 22kW AC charging points, as well as a 180kW DC ultra-rapid charger with two Combined Charging System

charging points which can charge an EV in under 30 minutes.

A second charging station opened in December 2023, as Shell Pilipinas unveiled the world's first 100% geothermal-powered charger. Located at the Seven/NEO building in Bonifacio Global City (BGC), Taguig, the Shell Recharge station features two 22kW AC charging ports that can charge two vehicles at once.

In line with forging partnerships to forward its sustainability agenda, Shell Pilipinas launched these destinations at the Seven/NEO building, as it is the first net-zero portfolio of buildings certified with the International Finance Corporation's EDGE Zero Carbon and the Philippine Green Building Council's Advancing Net-zero Philippines.

SPC launched its first Shell Recharge site in SLEX Mamplasan in 2022. The site is 100% powered by renewable energy. The Shell Recharge stations are creating an EV highway equipped with fast-charging infrastructure to support a loop of 700 kilometres of EV drive, connecting important cities north and south of the capital.



Building Sustainably: LEED Certified Facility

In 2023, SPC received a Silver LEED certification for the Shell Mobility site Levi Mariano 2, located in Taguig City. It is the first acquired certification for a building in SPC's mobility network.

The Leadership in Energy and Environmental Design (LEED), is the most widely used green building rating system in the world. Available for virtually all building types, LEED provides a framework for healthy, efficient, and cost-saving green buildings. LEED certification is a globally recognised symbol of sustainability achievement and leadership. The certification of the mobility site is a testament to SPC's continuing journey towards greener and more efficient operations.



Low-carbon Solutions

Shell Pilipinas innovates to meet the needs of a low-carbon future. With its bitumen products that help industries reduce emissions, and with lubricant products that offer carbon credits, Shell Pilipinas helps Filipinos accelerate decarbonising the economy for a sustainable future.



Shell Bitumen FreshAir

The development of cleaner solutions for road paving is integral to improving local air quality. Shell Bitumen FreshAir is a ready-to-use bitumen that effectively reduces specific gases and particulate matter from asphalt mixtures by an average of 40%, helping industries reduce their impact on local air quality levels.

In the Philippines, Shell Pilipinas has shifted almost 74% of its conventional bitumen volume to Shell Bitumen FreshAir in 2023.

In 2023, SPC’s work on Bitumen FreshAir earned a Silver Stevie Award in the realm of Construction, Manufacturing, or Materials, under the Product Design and Development category.



Shell Instapave

Shell Instapave is a bituminous cold-mix application used as road surface treatment for preventive maintenance. The product adds a thin waterproof layer that helps prevent the intrusion of moisture to the underlying base course thereby decreasing pavement permeability. It corrects minor road pavement distress while minimising additional pavement lift. It is only supplied and applied by competent applicators who have been trained by Shell Pilipinas.

As part of Shell Pilipinas’ continuing efforts to create lower-carbon solutions, Shell Instapave emits less CO₂ emissions since no heating is required for processing, it has a lower environmental impact, it is easy to transport, and it is more cost effective.

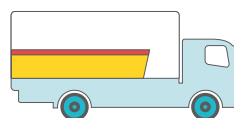
For Road Surface Treatment Cold-Mix Application means Shell Instapave is



Less CO₂ emissions since no heating required reduction offset



Lower environmental impact



Highly mobile as compared to HMA



Cost effective given its implementation flexibility

Achieving Net-zero Emissions

Low-carbon Solutions



DPWH Roadshows for Shell Instapave

In coordination with the Department of Public Works & Highways' (DPWH) Bureau of Research and Standard (BRS), Shell Construction and Road (C&R) Philippines conducted a refresher training on Shell Instapave on April 28, 2023.

SPC's C&R Team organises different activities to help drive preference for its premium emulsions. This refresher session was organised to respond to an increased awareness on cold mix application, use, benefits, and requirements for construction and project acceptance. Currently, Shell Instapave is specified in the DPWH Blue Book standards under Item 304A Slurry Seal for Road Surface Treatment.



200,000

Litres of Carbon-Neutral Oils Sold



920

Tons of CO₂ Equivalent (CO₂e) Carbon Reduction Offset



20 Years of Bitumen Facilities in the Philippines

Two Shell C&R Bitumen Facilities in the Philippines, located in Tabangao, Batangas and in Villanueva, Misamis Oriental, celebrated their 20th year of operation in 2023.

The facilities were built in 2003 in order to serve a growing network of customers across the islands. The Shell Bitumen Blending and Import Facility in Batangas was constructed with the aim to modernise the 1995 Bitumen Blending Unit under the Shell Refinery Plant in Pililia and has since supported the blending and supply of Shell Bitumen in Luzon's main and inter-islands. On the other hand, the Shell Bitumen Depot in Villanueva allowed for a faster expansion in the Visayas and Mindanao regions. Both facilities bring nationwide supply reliability and boast of a Customer Satisfaction Index of 9.7—one of the highest regionally, and globally.

Paving the way towards decarbonisation, both facilities have produced pioneering road pavement technologies, such as Shell Bitumen FreshAir. In line with Shell's Net Zero by 2050 aspirations, both facilities use solar energy in their operations—using energy from the sun to offset daytime consumption from the grid, thereby further reducing their CO₂ emissions.



Decarbonising Alongside Our Customers



Lubricant Products with Carbon Credits

Shell Lubricants takes pride in being a key participant in the largest carbon-neutral programme within the global lubricants industry.

In 2023, Shell Pilipinas sold 200 kilolitres of carbon-neutral oils such as Omala, Tellus, Gadus, Coolant, and Helix (Power, Protect, Ultra). The total volume sold is equivalent to 920 tons of CO₂e carbon reduction offset. These products enable both the consumer and the industrial sectors to contribute to a more sustainable future.



Commercial Fuels ends 2023 with **4,826** metric tons of Carbon Credits for the banner year of the Carbon Compensation Programme.

This is equivalent to 1.46M litres for its customers.

Shell Pilipinas continuously develops solutions to decrease the carbon footprint of its customers, by product innovations or through strategic partnerships with renewable energy providers.



Integrated Deals on Green Energy: SPC x SEPH

2023 marked the first SPC Commercial Fuels (CF) green electricity deal in collaboration with SEPH, one of its long-standing reseller partners. This was made possible through leveraging on the strong relationships of CF with its customers. Shell is able to seal contracts for renewable energy provision, to help them reduce their emissions from their electricity use by switching from conventional supply from the grid to cleaner alternatives such as renewable sources.

In line with CF's goal to support their customers in their energy transition journey, CF offers solar PV installation with their Fuel Supply Agreement, providing customers with quality solar PV systems to provide a greener alternative to support their operations, thereby lessening cost volatility and the carbon footprint for customers in manufacturing industry.

The cross-business integration of CF and SEPH is enabling the energy transition in the Philippines by helping commercial customers accelerate decarbonising their operations.



Achieving Net-zero Emissions

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

Disclose the organisation’s governance around climate-related risks and opportunities.

Shell Pilipinas’ Board of Directors provides oversight and guidance on matters of corporate governance. Specifically, the Board Audit and Risk Oversight Committee (BARC) ensures that there is an effective and integrated risk management process in place, including that of climate-related risks.

In addition, 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 and opportunities. The Committee is also accountable for reviewing the Company’s Sustainability Report prior to its issuance.



Strategy

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.

Shell Pilipinas is 55% owned by Shell plc. 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.

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.

Themes	Recommended TCFD Disclosures	Resources
 <p>Risk Management</p>	<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 and accountabilities of each Management-level member in the identification, assessment, response, and monitoring of risks involved in running the business, including climate-related risks.</p> <p>The Chief Risk Officer supervises the entire ERM process – see page 91 of the Corporate Governance Manual for the extent of responsibility. 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>
 <p>Metrics and Targets</p>	<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. Additional relevant sustainability targets were shared in the recently disclosed Shell Pilipinas 2021 Strategy Day (Strategy Day webpage, slides 26-27).</p> <p>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. The historical GHG Scope 1 & 2 emissions are reported on pages 48 and 49 of this report.</p>

Achieving Net-zero Emissions

Managing Our Emissions

3-3, 305-1, 305-2, 305-4, 305-5, 305-7

To accelerate the energy transition needed to support the goals of the Paris Agreement, Shell Pilipinas aims to be net zero on emissions generated by its own operations by 2050, as well as on emissions associated with the energy needed to power them. The Company aims to reduce its Scope 1 and 2 emissions by 50% by 2030. As of this year, SPC has already reduced 90% of Scope 1 and 20% of Scope 2 emissions compared to 2016 levels and is well on track to achieving its 2050 aspirations.

Shell Pilipinas manages its own emissions from operations through the efficient use of energy.

The Company does so by measures such as progressively switching to renewable sources of energy to power its terminals, mobility sites, and offices. SPC also invests in sustainable installations like LED lights to lower day-to-day consumption. Moreover, carbon capture and storage programmes in other countries allow the Shell group to offset its emissions in the country.

In measuring Shell Pilipinas' carbon footprint, the HSSE & SP Control Framework is implemented, and an inventory of the Company's GHG emissions is maintained through the CO₂ Business Plan to ensure Shell Pilipinas is in alignment with Shell's global requirements.

Within Shell's operations, the highest energy consumption is attributed to the product pumps, terminal offices, and gantry systems which are crucial in ensuring timely delivery to customers. The Company reduces its consumption by ensuring assets that use fuel are in optimal condition and maintained properly.

Shell Pilipinas' Scope 1 and Scope 2 emissions are tracked by the Trade and Supply Operations unit. Scope 1 emissions are measured monthly by tracking the fuel consumption of generator sets, fire pumps, machinery, and equipment from our day-to-day operations, maintenance, and project activities.

Scope 2 emissions track all electricity consumed in Shell-operated sites on behalf of Shell or by Shell for Shell operations. This looks at emissions coming from the electricity consumption of the terminals from the local grid through the monthly or hourly billings by the

local Distributor Units. For our terminals powered by renewable energy, emissions are tracked based on the generation factor provided by the Renewable Energy provider.

Energy Consumption

302-1, 302-3

Energy Consumption (in GJ)

	2021	2022	2023
Own Energy Generated (Natural Gas)	13,758.0	-	-
Electricity Imported (Non-renewable)	109,850.0	8,489.9	7,708.3
Electricity Imported (Renewable)	21,076.2	51,339.6	41,633.0
Electricity Exported	-	-	-
Energy Used	138,242.6	-	108,998.8
Energy Intensity (GJ/tonne)	0.03	0.11	0.12

GHG Emissions/ Disclosures

3-3, 305-1, 305-2, 305-4, 305-5, EM-RM-110a.1, EM-RM-110a.2, EM-EP-110a.1, EM-EP-110a.3

Terminal Operations

GHG Emission (in tCO₂e)

	2021	2022	2023
Gross Direct (Scope 1)	1,111.0	1,985.2	837.1 ¹
Gross Indirect (Scope 2)	13,233.3	1,990.2	1700.2
Emissions Intensity (kgCO ₂ e/tons)	2.8	0.6	0.1

¹ Less Scope 1 is due to less Capex/project executions in 2023 than in 2022.

Mobility Operations

GHG Emission (in tCO₂e)

	2021	2022	2023
Gross Indirect (Scope 2)(tCO ₂ e)	18,800	19,300	20,426.9
Total Energy Use ¹ (kWh)	25,800	26,500	28,136.3
Overall Average Emission Intensity ² (kgCO ₂ e)(kWh)	0.7	0.7	0.7

¹ Grid only energy use for all utilities in a company-owned site

² Emission per energy used in a company-owned site







Sustainable Installations and Lower-carbon Operations









3-3

In order to make meaningful strides towards the energy transition, Shell Pilipinas believes that the Company must begin by decarbonising its own business operations. Through the years, SPC has made significant investments and changes in how it does business to become a net-zero energy company of the future.

Sustainable Installations and Eco-friendly Initiatives

<p>Import facilities and terminals are now using 100% LED lights.</p> 	<p>Conventional hand soaps were replaced by Suds Sustainable Pods to reduce plastic use.</p> 
<p>Dried leaves and food scraps were used to naturally fertilise small gardens. The harvested vegetables were distributed to contractors and employees. Likewise dry leaves are collected and dumped in compost pits. The total number of bags hauled was 492.</p> 	
<p>An annual savings of Php 1.4 Mn in electricity costs and the equivalent of 4,908 trees in reduced carbon emissions were reached by reducing the air conditioner usage by 50% from 24/7 to 12 hours each workday for energy efficiency.</p> 	

Lower-carbon Operations

Mobility	<p>LED lights: Completed installation for all 500 sites</p> 	<p>Solar panels: 176 out of a total of 200 sites</p> 	<p>All sites painted with non-harmful paints</p> 
	<p>Ecobrick installations: 110 out of a total of 120 sites</p> 	<p>Green wall installations: 115 out of a total of 120 sites</p> 	
Terminals	<p>Approximately 5,200 solar panels in terminal facilities</p> 		<p>Approximately 300 solar panels in Bitumen Facilities</p> 
	<p>100% Renewable Power in Batangas Import Terminal & SLEX Mamplasan and NLEX Bulacan Mobility sites</p> 		

Respecting Nature



Respecting Nature



Shell Pilipinas aims to be a good steward of the environment by protecting biodiversity, preventing oil spills, managing our use of natural resources, and reducing emissions from our operations and our customers.

We look at solutions to contribute to the circular economy and find ways to minimise the waste coming from our facilities. We invest in sustainable installations and are increasingly using renewable sources of energy to power our facilities, mobility sites, and offices.

Working hand in hand with the government, partners, and suppliers, Shell Pilipinas will continue to respect nature in more innovative ways to contribute to the realisation of the Sustainable Development Goals.

51 Responsible Resource Management

53 Promoting a Circular Economy

Responsible Resource Management

Shell Pilipinas recognises that its business activities may have an impact on nature and its resources like land, water, air, and materials for its operations. Respecting nature is therefore imperative to protect the environment and local communities from adverse impacts. This is why the Company has policies in place towards the responsible use of these limited resources.



Water Management

3-3, 303-1, 303-2

Water is one of the most crucial resources to sustain life. Shell Pilipinas continuously works on reducing its water consumption in its operations and finds ways to increase water re-use and recycling.

The Company’s terminals collect rainwater through its drain canals, making sure it is filtered on-site using an oil-water separator which separates oil from discharged water to prevent potentially oil-contaminated water from being released.

Effluents are regularly monitored and sampled against standards in the HSSE & SP Control Framework manual. The effluent regulations outlined in DENR Administrative Order (DAO) 34 and 25, DAO 2016-08, the Clean Water Act, and the Global Energy Monitor (GEMS) apply to terminal effluents. Effluent samples are tested by a DENR-accredited third-party laboratory.

In reducing the fresh water consumed in facilities, Shell Import Facility Tabangao (SHIFT) is one of the terminals considered by the global team to contribute significant savings toward meeting their 2025 target of 15% reduction of freshwater use by 2025. While four of the major facilities are in areas with high levels of water stress, the Company has water management plans to address this to mitigate its impact.

Water Withdrawal (in ML)

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

	2021	2022	2023
Groundwater	673.4	1,188.7	1,238.5
Seawater	6,311.0	377.4	- ¹
Third Party Water	2.4	28.4	26.1
TOTAL	6,987.8	2,594.5	1,264.5

¹ Sea water data for 2023 was not being monitored.

Biodiversity

3-3, 304-1, 304-2,304-3

Shell endeavours to have a positive impact on biodiversity, wherever it operates. The Company applies stringent standards to help reduce any impacts its operations may have, especially in critical habitats that are rich in biodiversity or under protection.

Shell Pilipinas works closely with the local government units on the ground in SHIFT and 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.

An oil spill contingency plan is in place to mitigate risks when loading or receiving products in terminals involving vessels of different sizes. Shell Pilipinas supports all the local and national policies on environmental protection and biodiversity conservation and aims to support the government in efforts to rebuild critical habitats.

Oil Spill Mitigation

3-3, 306-3

Shell Pilipinas seeks to ensure that its facilities are well designed, safety operated, and appropriately inspected and maintained to avoid spills and leaks of hazardous substances from harming the environment and neighbouring communities. It regularly invests in the right equipment and trains its employees to deal with any spills that may occur.

Respecting Nature

Responsible Resource Management

The Company aims to comply with both internal and government requirements, including training related to preventing accidents and incident responses related to oil spills. Every terminal ensures that an Oil Spill Contingency Plan is in place, which details the nearby protected areas with high biodiversity and the appropriate response to potential oil spill incidents.

Oil spill response is integrated in the Company's crisis management, which ensures that the leaders in the company are well equipped to handle such an incident if it should occur. Company-wide simulation exercises also enhance the Company's response capabilities.

Mitigation is also done through the fit-for-purpose infrastructure and equipment. The Company has invested in spill prevention and preparedness through primary and secondary containment measures such as terminal bund walls and containment bunds.

Should an incident occur, the terminals are equipped with their own oil spill response equipment.

Solid and Hazardous Waste

3-3, 306-1, 306-2, 306-3, 306-4, 306-5

For Shell Pilipinas, non-hazardous waste comes mostly in the form of paper waste from daily loading operations. Hazardous waste may come from oil separators and from additive containers. In reducing the Company's waste, digitisation has been key. It has helped optimise the process and helped reduce the amount of paper being used.

The Management believes that a circular economy should always be considered when it comes to waste, therefore the Company partners with organisations like Green Antz to recycle and upcycle some of its waste products.

Solid and Hazardous Waste Management (in tons)

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

Non-Hazardous

2021		2022		2023	
Landfill Domestic solid wastes directed to landfill	416.0	Landfill Biodegradable/ Domestic Waste	465.3	Biodegradable/Domestic Waste	341.3
Recycling Other recycled materials collected by the MRF	90.1	Recycling Recyclable/ Residual/ Scrap Metal	30.1	Recycling Recyclable/ Residual/Scrap Metal	246.5 ¹

¹ The increase is due to higher tank maintenance and tank demolition activities.

Hazardous

2021		2022		2023	
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	2,632.9	Treatment Hazardous wastes are directed to accredited third-party services provider (Ecotech)	521.8

Promoting a Circular Economy

A circular economy is a model of resource production and consumption which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products for as long as possible. Shell Pilipinas uses this concept to reduce the amount of waste produced going to landfills.

Shell Pilipinas partners with Green Antz, a provider of eco-friendly building and housing solutions, in various environmental programmes, like the conversion of plastic waste into Ecobricks. In 2021, Shell Pilipinas built the first station in the world with Ecobricks, using 1,200 kilos of plastic waste. In 2023, Shell Pilipinas partnered with Green Antz once more to upcycle empty lubricant bottles and pails in an initiative called Shell LubeRecycle.



Shell LubeRecycle Launched to Collect Plastic Bottles

A pioneering initiative was introduced by Shell Lubricants in partnership with Green Antz for 2023. The Shell LubeRecycle programme is designed to champion the principles of a circular economy by responsibly managing plastic waste.

With a focus on collecting and recycling empty lubricant bottles and pails, the initiative aims to handle 200 tons of plastic in its first year and 1,600 tons within the initial five years. To facilitate easy disposal, strategically placed bins, crafted from recycled materials, are available at key locations, including customer and supplier sites.

Customers are encouraged to deposit used lubricant containers in designated bins at partner locations, including Autocasa, Car Doctor, Foton Motor Philippines, and Chery Auto Philippines.

The initiative, currently piloted in Mega Manila, is set to expand with ongoing partnership pursuits. Through these collaborative efforts, SPC's goal is not just waste reduction but a transformation of collected plastic into resilient construction materials, exemplified by the Shell Mobility station in Plaridel, Bulacan.

Powering Lives



Powering Lives



Access to energy that is affordable, reliable, and sustainable allows people in both urban centres and far-flung communities to thrive and achieve their fullest potential. This is the goal that SDG 7: “Affordable and Clean Energy” is hinged upon.

Shell Pilipinas helps power lives by providing vital energy to homes, businesses, and transport.

Shell Pilipinas powers the lives of its own employees by aiming to be one of the most inclusive and diverse organisations in the world. We empower our people with programmes on mental health and physical health. We create an environment where everyone feels respected and valued no matter their gender, sexual orientation, race, ethnicity, or disability.

55	Taking Care of Our Employees
68	Giving Back to the Community through Pilipinas Shell Foundation, Inc.
69	Engaging with Partners in the Value Chain
70	Respecting Human Rights



We invest in the community so we may power lives for more Filipinos around the country. With over 40 years of operation and millions spent on livelihood, environment, education, disaster response, science, and health initiatives, the PSFI continues to alleviate the well-being and prosperity of Filipino communities so more families may climb out of poverty.

Underlining our powering lives strategy is a deep respect for human rights in all parts of our business, as informed and guided by the UN Guiding Principles of Business and Human Rights.

Taking Care of Our Employees

2-7



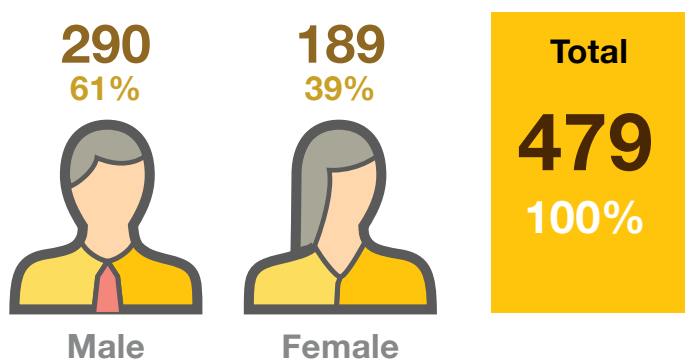
Diversity, Equity & Inclusion

Shell Pilipinas envisions becoming one of the most diverse and inclusive organisations in the world: a place where everyone feels valued, respected, and has a strong sense of belonging.

In 2023, Shell launched “DE&I in Action,” a global multimedia experiential campaign that brings care, courage, and curiosity to the next phase of the DE&I journey, enabling the Shell community to carve out time and space for deeper conversations about DE&I. “How are you showing up?” was the theme and call to action this year. The campaign featured a film series and online content designed to be watched by teams, which then forms part of a 60-minute leader-facilitated discussion which took place within the same week across the globe.

Employees by Gender

405-1



Powering Lives

Taking Care of Our Employees


Employees by Age

405-1

Category	< 30	30-50	> 50	TOTAL
Regular (Including Probationary)	78	349	49	476
Contractual/ Fixed Term	1	2	-	3
Total	79	351	49	479
% Rate	16.5%	73.3%	10.2%	100.0%

Employees by Position

405-1

Category	< 30	30-50	> 50	TOTAL	% Rate
 JG1+ Top Management	-	6	7	13	2.7
 JG2 Senior Management	-	29	3	32	6.7
 JG3-4 Middle Management	14	182	27	223	46.6
 JG5- Supervisors	29	80	6	115	24.0
 JG6- Rank and File	36	54	6	96	20.0
Total				479	100.0%



To keep Shell's progress transparent, the Powering Lives DE&I Employee Dashboard was launched. It includes metrics which align with Powering Lives DE&I Aspirations and DE&I Pillars and Goals. Shell also released the Goal Setting DE&I Guidance.

Shell Pilipinas revamped the Disability, Accessibility & Inclusion Portal to support all staff to create a working environment that is psychologically safe, accessible, and inclusive for people with disabilities. The Workplace Accessibility (WPA) programme focuses on providing physical adjustments in the form of Real Estate and IT items/adaptations through a centralised service. The service is available in over 80 locations including the Philippines, supported cross-functionally by WPA Advisors, Real Estate (RE), IT, and Shell Health (SH). Shell Pilipinas' catalogue of offerings details a wide range of physical adjustments including accessibility software, workstation adjustment, reading & lighting, headset adjustment, as well as non-physical adjustments.

The programme Self-ID went live in the Philippines, wherein Shell encouraged employees in 23 countries to voluntarily submit DE&I data to further understand the representation and diversity of its people, and better understand their varied experiences.

This year, Shell Pilipinas celebrated International Women’s Day, Pride Month, International Coming Out Day, International Day of People with Disabilities, and marked International Day for Elimination of Racial Discrimination for the first time.

In October 2023, Shell companies in the Philippines were recognised at the Asia CEO Awards as part of the Circle of Excellence award under the Diversity Company of the Year category. This recognition is awarded to organisations who demonstrate proactive acceptance and respect for human differences which may include but are not limited to race, religion, gender, gender identity, and physical ability.



International Coming Out Day

Shell Pilipinas recognises our part in fostering a safe space where everyone can bring their whole and best selves to work.

Through everyday actions like using inclusive language, engaging in team discussions, and advocating for those facing discrimination, Shell Pilipinas contributes to a more inclusive, welcoming, and empowering workplace.

The Company celebrated International Coming Out Day in October 2023 to provide a meaningful dialogue with the members of the LGBT community. This year’s theme, “Allyship in Action,” emphasises the pivotal role allies play in creating an inclusive environment for our LGBT+ family, friends, and colleagues.



International Women’s Month

In celebration of Women’s Month, the focus is not only on acknowledging the remarkable achievements of women globally but also on addressing the various challenges they are confronted with—from marginalisation and gender-based violence to the impacts of climate crises.

The 2023 theme Embrace Equity signifies a crucial shift, recognising that equal opportunities are insufficient. Emphasising individual circumstances, Embrace Equity seeks to address imbalances and achieve fair outcomes for everyone. The establishment of Workforce of an Inclusive, Diverse, and Engaged Network further promotes a gender-balanced community within Shell Pilipinas that inspires individuals to reach their full potential.



Powering Lives

Taking Care of Our Employees

New Hires and Turnovers

401-1

Shell Pilipinas ensures that resourcing is fair and transparent. Led by 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 fulfilment. Talent and succession planning activities are in place per business and across Shell Pilipinas to ensure a robust talent pipeline. Shell Pilipinas is also able to pull in talent from other Shell entities in the Philippines as needed, ensuring the right people for the right jobs, at the right place and at the right time.

In attracting the best talent in the country, Shell Pilipinas promotes its strong corporate culture (such as Safety and Well-being, Care, DE&I), the learning opportunities it provides, its market-leading benefits, and its competitive remuneration packages.

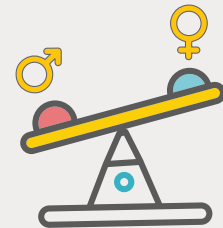
Shell Pilipinas ensures that the total cash, which includes base salary, allowances (if applicable), and on-target performance bonus is competitive against its comparator group. Shell Pilipinas' professional reward experts, together with third party pay consultants, analysed pay data along with economic factors (inflation, growth, unemployment), the business context, as well as attraction and attrition metrics. Shell Pilipinas salary is at the top quartile of our competitors.

Shell Pilipinas remains as a top employer of choice among business and engineering graduates in the Philippines.

Shell Pilipinas must remain agile in competing for talent, and this includes the ability to rehire former employees. In 2023, the Company introduced a more relaxed rehire policy, allowing for a more agile hiring process. It has lowered the minimum period that needs to elapse before the employee can be considered eligible for rehire down to just six months from their last day on payroll.



Narrowing the Gender Pay Gap



Shell Pilipinas believes in the right to equality of opportunity and treatment, including in the aspect of gender and wages.

In SPC, a gender pay equity analysis is conducted for selected countries every second year, unless there is a legal requirement to produce one annually. The process calculates the percentage pay difference as the average difference between predicted and actual pay for females and males.



In the Philippines, the average pay gap in Shell Pilipinas is (<1%), lower than Shell plc's action threshold of 3%. The Company set an affirmative action plan per business unit with the aim of closing the gender gap across its operations. The targets differ per business, considering factors such as external talent supply availability, current gender balance, and regional/global gender gap goals.



New Hires Breakdown in 2023

405-1

New Hires by Age

Category	< 30	31-50	> 50	TOTAL
 Male				
Regular (Including Probationary)	11	15	-	26
Contractual/ Fixed Term	1	1	-	2
 Female				
Regular (Including Probationary)	9	5	-	14
Contractual/ Fixed Term	-	-	-	-
Total	21	21	-	42



New Hires by Position

Category	< 30	31-50	> 50	TOTAL
 Male				
JG1+ Top Management	-	-	-	-
JG2 Senior Management	-	-	-	-
JG3-4 Middle Management	1	8	-	9
JG5 Supervisors	5	6	-	11
JG6- Rank and File	6	2	-	8
 Female				
JG1+ Top Management	-	-	-	-
JG2 Senior Management	-	-	-	-
JG3-4 Middle Management	-	2	-	2
JG5 Supervisors	1	2	-	3
JG6- Rank and File	8	1	-	9
Total	21	21	-	42



Turnover Breakdown in 2023

405-1

Turnover by Age

Category	< 30	31-50	> 50	TOTAL
 Male				
Regular (Including Probationary)	3	7	9	19
Contractual/ Fixed Term	-	1	1	2
 Female				
Regular (Including Probationary)	2	4	1	7
Contractual/ Fixed Term	-	-	-	-
Total	5	12	11	28

Turnover by Position

Category	< 30	31-50	> 50	TOTAL
 Male				
JG1+ Top Management	-	-	-	-
JG2 Senior Management	-	-	2	2
JG3-4 Middle Management	-	4	4	8
JG5 Supervisors	1	1	2	4
JG6- Rank and File	2	3	2	7
 Female				
JG1+ Top Management	-	-	-	-
JG2 Senior Management	-	-	-	-
JG3-4 Middle Management	-	3	1	4
JG5 Supervisors	1	1	-	2
JG6- Rank and File	1	-	-	1
Total	5	12	11	28

Powering Lives

Taking Care of Our Employees

Talent Attraction and Employer Branding

Shell Pilipinas remains a top employer in the Philippines, according to LinkedIn, the Philippine Inquirer, Statista, and Prospire. To promote building a career in Shell, the Company engages with different audiences and age groups through activities and job fairs across the nation.



Shell Pilipinas ranked **13th** in Top PH Employers

SPC garnered a score of 8.89 and ranked 13th out of 300 in Statista's The Philippines' Best Employers list. The survey was conducted via online access panel and among Philippine Daily Inquirer readers.



Engaging with Students in STEM

Since 2013, PSFI and Philippine S&T Development Foundation Manila, Inc. (PhilDev) have supported STEM scholars nationwide, nurturing the Filipino youth to pioneer innovations that can thrive on the global stage, bolstering economic growth in the Philippines.

In a recent collaboration, HR Integrated Resourcing (Philippines), PSFI, and PhilDev orchestrated an engagement session for budding engineers, aiming to promote meaningful careers within Shell Pilipinas. Bringing together Shell-PhilDev scholars and alumni, this gathering marked a reunion post the constraints of a three-year hiatus due to the COVID-19 pandemic. Held at the esteemed Solaris One office, the event saw the participation of approximately 40 scholars and alumni hailing from prestigious universities across Luzon.

Through such initiatives, Shell Pilipinas embarks on a journey to empower young Filipino STEM talent, enriching their comprehension of the energy transition and encouraging them to envision a fulfilling career within the Shell ecosystem.



Job Fairs

SPC has forged dynamic partnerships with esteemed academic institutions and organisations, fostering meaningful interactions and opportunities for both students and professionals alike.

From the University of the Philippines Career Assistance Programme SCENE 2022 to the Enderun Entrepreneurs Society's Career Convention, SPC offered insights into career pathways and sustainability initiatives. At Pamantasan ng Lungsod ng Maynila Job Fair, the spirited exchange between recruiters and students underscored the mutual eagerness for growth and exploration. Similarly, at the National Federation of Junior Philippine Institute of Accountants (NFJPIA) Young Business Leaders' Summit, SPC representatives provided invaluable guidance to budding accountants, preparing them for the journey ahead. The recent Filipino-French Career Fair and Lee Hecht Harrison's Global Career Fair further exemplified SPC's focus on diversity, sustainability, and global connectivity.



Benefits

401-2, 401-3

Employees are incentivised with a competitive benefits and remuneration package.

In 2023, Shell Pilipinas conducted a benefits package review, and the results showed that most of its offerings remain to be above industry standards. The review led to further harmonisation of over 90% of the benefits across all businesses.

At SPC, pay is based on these core principles: we pay well, we pay fairly, and we reward performance. The Company’s pay is in the top 25% of the companies it competes with for talent. When making comparisons with other organisations, Shell Pilipinas looks at “total cash”, considering base pay, bonus, and applicable allowances which are fixed.

Today, the organisation allows more flexibility in the healthcare plan and benefits to continuously provide essential support for staff and family members, positioning its plan as one of the best in the industry.

With a measured approach on the Future of Work, the organisation launched a Playbook providing an option for staff to adopt a flexible work pattern, while still being anchored to a specific work location. As hybrid work setups will become the norm of the future, we leverage on software and hardware tools, and provide both onsite and virtual IT support for all staff.

Benefits	Provided	% who availed	
		Female	Male
SSS	●	3.1%	1.8%
Philhealth	●	4.9%	2.1%
PAG-IBIG	●	2.2%	3.8%
Parental Leave	●	2.4%	3.6%
Vacation Leave	●	85.3%	88.2%
Sick Leave	●	20.4%	11.8%
Medical benefits (aside from Philhealth)	●	-	-
Housing assistance (aside from Pag-IBIG)	●	2.2%	4.4%
Retirement fund (aside from SSS)	●	0.4%	1.8%
Company Stock options	●	-	-
Flexible working hours	●	-	-
Life Insurance	●	24.4%	50.9%
Cash entitlements (such as Choice Pot, Flexible Spending Allowance, other bonuses, merit increase)	●	100.0%	100.0%
Various life milestone assistance (death, funeral, disability, service milestone etc.)	●	-	-
Additional leave entitlements (honeymoon, bereavement, emergency, solo parent)	●	-	-



Inclusion of Sustainability Products Category to Choice Pot

Among the four approved spending buckets, sustainability stands out, enabling staff to be reimbursed for eco-friendly purchases like solar panels, inverter appliances, electric scooters, and similar items, within the allocated annual budget.

The strategic refresh of Choice Pot by adding a sustainability category allows the staff to transition toward a more sustainable and eco-friendly lifestyle. The aim is to extend the values upheld at SPC from the workplace to their homefront.



Powering Lives

Taking Care of Our Employees



The Company also supports the well-being of its employees and their families by providing parental leaves, which since January 2023, has been extended to non-birthing parents as well.

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. This is a testament to the Company's ambition towards inclusion and non-discrimination.



Parental Leave

Indicators	 		TOTAL
	Female	Male	
Total number of employees that were entitled to parental leave	340	225	565
Total number of employees that took parental leave in 2023	8	8	16
Total number of employees that returned to work in 2023 after parental leave ended	8	7	15
Return to work rate	100.0%	87.5%	93.8%

Solo Parental Leave

Indicators	 		TOTAL
	Female	Male	
Total number of employees that were entitled to parental leave	1	1	2
Total number of employees that took parental leave in 2023	1	1	2
Total number of employees that returned to work in 2023 after parental leave ended	1	1	2
Return to work rate	100.0%	100.0%	100.0%

Retention Rate

Indicators	 		TOTAL
	Female	Male	
Retention rate - overall	89.1%	89.3%	89.2%
Return to work rate - availed parental leave	100.0%	87.5%	93.8%
Retention rate - availed solo parent leave	100.0%	100.0%	100.0%



Our Refreshed Benefits Package

In 2023, SPC refreshed its benefit package to promote equitable access to offerings previously limited to specific employee groups, reflecting SPC's aspiration towards a fair and inclusive workplace through regular reviews of HR policies. Such policies ensure the relevance and legal compliance of SPC's employee benefits. Regular benchmarking studies affirm the strong competitiveness of the Company's overall benefits package in the market, with a majority ranking at the top quartile, including Retirement Benefit, Group Hospitalisation Plan or HMO, and Annual Leave.

Considering economic factors such as inflation, cost of living, and unemployment, SPC calibrated the pay structures accordingly. Delving into the business context, challenges in talent attraction and retention, and internal factors like employee feedback, benefits utilisation, and cost analysis, HR initiated a series of improvements to attract and retain top talent, crucial for the continued growth and transformation of the Company's business in the country.

Additionally, Shell Pilipinas harmonised over 90% of benefits across our entities, promoting talent exchanges. This effort ensures that employees enjoy consistent benefits irrespective of their company affiliation, with role, shift, and location-specific benefits being the exception.

Employee Health and Wellness

403-3, 403-6

In addition to being given Health Maintenance Organisations (HMOs), life insurance, and disability or invalidity insurance, Shell Pilipinas also provides:

1 The Employee Assistance Programme (Mental Health Programme)

provides access to free counselling from psychologists and counsellors for not only the employees but also their dependents.

2 The Resilience Programme

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 Programme

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.



Ensuring Employee Wellbeing at the Office

The priority is to create a positive and lasting impression, ensuring employees feel a sense of pride and care within their work environments. The Future of Work Playbook facilitates ongoing conversations between staff and line managers, tailoring effective work arrangements to individual needs.

As of April, 2023, enhancements to benefits, including Flexible Spending Allowance and Choice Pot, align with the Future of Work initiative to fully support employees, irrespective of their working arrangements.



90%

of benefits were harmonised in 2023 to ensure that employees enjoyed consistent benefits irrespective of company affiliation

Powering Lives

Taking Care of Our Employees

Strengthening Employee Relations

3-3

As of 2023, 59 workers have collective bargaining agreements. In addition, the Company conducts a human capital risk assessment annually, as part of the Corporate Audit & Assurance Division review.

Moreover, the human resources department of Shell Pilipinas regularly deploys programmes to maintain high employee engagement. These include the rolling-out of leadership development initiatives, planning for talent reviews and people development, reviewing organisational effectiveness and ways of working, and implementing care and resilience programmes.

The department also designs competitive pay and benefits packages for its talent pool. Furthermore, the leadership and HR actively promote behaviours aligned with the organisation’s core values, optimises the opportunities of DE&I, and ensures Shell Pilipinas remains a responsible business.

Shell People Survey



2-25

The annual Shell People Survey is a useful tool to measure the engagement and level of affiliation of Shell Pilipinas employees. It also reads their satisfaction with the quality of leadership and management in the organisation. The topics covered by the survey included safety, diversity, equity and inclusion, ethics, collaboration, as well as organisational and team leadership.

The results are used to identify trends, inform business planning, and facilitate dialogue among and between teams. All employees are encouraged to participate; however, it is completely voluntary. In 2023, the Shell People Survey’s participation rate is at 98.0% compared to 93.0% in the prior year, and to the Group’s 88.0%.

CBA - Employees Under Collective Bargaining Agreement Terms

2-30

Category	Female 			Male 			TOTAL
	< 30	31-50	> 50	< 30	31-50	> 50	
CBA	11	7	0	18	17	6	59



Shell People Survey KPIs

Per Organisation	Shell Group	SPC
Response Rate	88.0%	98.0%
Employee Engagement	79	82
Organisational Leadership	71	76
Team Leadership	82	87
Collaboration	84	88
Working Conditions	75	80
Your Job	81	87
People Development	78	83
Reputation	78	87
Total Rewards and Benefits	71	78
Diversity and Inclusion	83	76
Operational Excellence	77	84
Responsible Business	84	88
Learner Mindset	82	86

Training and Development

404-2

By building the capacities of its employees through Shell Learning, an online learning platform, Shell Pilipinas enables its people to learn and adapt to the changing needs of the industry.

Geared to help drive individual and organisational performance, Shell Learning offers a rich portfolio of learning solutions, covering topics such as deep technical, commercial excellence, professional skills, leadership skills, health and safety, and compliance. Each employee must undergo and pass 10 mandatory digital training courses upon joining the organisation, to ensure that before engaging in their work, they are fully compliant and aligned with the company’s core values and principles.



Mandatory Training Topics

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



7012.8
Total Training Person Hour



509
Total number of employees who attended the trainings

Average Hours of Training per Year per Employee

405-1

Male

Indicators	JG1+	JG2	JG3-4	JG5	JG6-	Total
Total Training Person Hours	241.4	420.2	2,001.5	781.8	1,025.5	4,470.4
Total Number of employees who attended the trainings	9	19	115	62	108	313

Female

Indicators	JG1+	JG2	JG3-4	JG5	JG6-	Total
Total Training Person Hours	2,542.4	19.1	283.7	1,054.2	612.5	4,511.9
Total Number of employees who attended the trainings	196	2	10	85	49	342

LEGEND | **JG1+** Top Management **JG2** Senior Management **JG3-4** Middle Management **JG5** Supervisors **JG6-** Rank and File

Every year, SPC recognises the achievements of its employees through performance discussions, which are recorded in the employee’s Performance Summary in Workday, and through performance ratings and Performance Share Plan nominations where applicable. When combined with reward differentiation, ratings assist in recognising and rewarding the top performing employees and provide an insight for promotions and resourcing. These are based on a holistic assessment of outcomes and behaviours, measured against individual and business goals.

Additionally, Shell Pilipinas recognises and rewards performance through a Service Recognition Award, which is a one-off reward that is both monetary and non-monetary which is given to employees for contributions outside of the annual performance and reward cycle.



100%
Percentage of Employees Receiving Regular Performance and Career Development Reviews

Powering Lives

Taking Care of Our Employees

Shell's Performance Share Plan, on the other hand, is a long-term incentive measuring a three-year performance period which is designed to retain key employees by ensuring they invest in Shell's future. All these awards recognise the value Shell Pilipinas' people bring to pursuing its Powering Progress strategy.



Energy Transition Foundational e-Learning

Energy Transition capability-building at Shell Pilipinas is aligned with the Powering Progress strategy.

Recognising the pressing need for knowledge and skills in navigating the complexities of the energy transition, it offers an opportunity for all staff to upskill and gain insights into our journey to become a global industry leader in this transformative era. The foundational e-learning course, covers diverse aspects such as the Powering Progress Strategy, eMobility, Nature Based Solutions, Low-Carbon Fuels, and more; delivered in a user-friendly, bite-sized, and self-paced format.

This accessible and interactive learning path encourages exploration at one's own pace. Additionally, the participation in Sustainability Week, led by Team Sulong Pinas, enhances awareness and engagement across SciP. Now in its second year, this unique weeklong event covers crucial topics, including Planetary Boundaries, Carbon Trading, Circularity, Sustainability Reporting, EV Basics, and even Robotics & Waste Management for children of staff, fostering a culture of continuous learning and sustainability.

Occupational Health and Safety

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

HSSE are the standards and requirements Shell Pilipinas uses to ensure that the Company operates responsibly and avoids or minimises the negative social impacts of business operations. The requirements set out in the framework helps the Company maximise benefits arising from local employment and contractual opportunities.

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. Shell's HSSE standards apply to its employees, contractors, and joint ventures where Shell has operational accountability.

The HSSE Tech Forum is a committee that discusses HSSE updates and best practices, ensuring that there is alignment on the requirements and standards from individual contractors and contracted companies, and suppliers on our sites. Health and safety policies are also communicated through country coordinating meetings and business meetings.

A detailed guide to properly identify, assess, and mitigate work-related hazards and risks is provided in the Shell's HSSE & SP Control Framework. Moreover, the HSSE & SP Control Framework Audits and Integrated Assurance Plans check the effectiveness of the organisation's management approach.

To ensure Shell operates at the highest safety standards, it acts on the analysis and reports of actual incidents and near misses, and regularly measures HSSE performance against clear metrics. Most importantly, employees are empowered to intervene if they see an unsafe act or condition and apply and may stop work if necessary.

Health, Safety, and Disaster Preparedness Training

3-3, 403-5

Workers are trained to check that the working environment is safe for work. They do so by assessing and managing occupational safety hazards and risks, particularly when it comes to asset integrity, making

sure that assets are built to specific engineering standards; the Shell Global Reliability and Integrity maintenance plan is followed. Operating integrity is also checked, ensuring that safe operating procedures are being followed. Business leaders are accountable for asset integrity and worker safety.

Employees who work in HSSE-related scopes do HSSE trainings based on Shell requirements and local legislation requirements, while members of the Shell Health Team must undergo the Awareness Health Risk Assessment, Knowledge HRA Trainings, and IT User Trainings. HSSE Audit Courses are also being offered as well at Shell Open University.

On disaster preparedness, 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 operators in select large assets. Oil Spill Regional Exercises are conducted to mitigate the risks of spills and leaks. The organisation also holds Crisis Management Exercises for Shell Pilipinas leaders.

Shell Pilipinas follows a Calamity Resiliency Manual should a disaster occur. It details how SPC employees would be accounted for and instructs how to provide immediate and long-term support for relief to all staff and their families. Each business section also outlines their own Emergency Response Plan.

Occupational Health Services

403-3

Shell Pilipinas provides occupational health services to eliminate hazards and minimise risks while at work. These include a medical evaluation of “fitness to work” for employees or workers assigned to medium and high risks tasks, an annual medical exam for all employees, and onsite clinics on large Shell sites (TFC, SHIFT and Tabangao Facility). Health Risk Assessments are also done to prevent harm from health hazards in the work environment.

To prevent any work-related illnesses, the Health Risk Assessment findings and recommendations are communicated to impacted people so they would know how to protect themselves from the potential health hazards. These health hazards include office

ergonomics (use of ergonomics), chemical (petroleum products), physical (noise source), biological and psychological (stress-related) hazards.

Hazard Mitigation and Safety Audits

403-1, 403-2

The Company’s main tool in managing risks is documented in its Hazards and Effects Management Process. To minimise risks, a multiple barrier thinking method is applied in which control barriers and recovery barriers are in place and operational to ensure that hazards are not released, mitigating high potential consequences. The permit to work system, and a Job Hazard Analysis are some examples of the control barriers, while the Emergency Response procedure is an example of a recovery barrier.

This year, multiple audits were also conducted by business units to ensure they are aligned with global and regional HSSE compliance requirements.

HSSE Performance Summary

403-9, 403-10

Indicators	Employees	Contracted Staff
Number of recordable work-related injuries	1	3
Number of high-consequence work-related injuries (excluding fatalities)	-	50
Lost Workday Case (> 5 days) ¹	3	3
Fatality ²	-	1
Exposure Man-Hours, Mn Hours ³	18,652,249	18,744,635
LTI Free Man Hours ⁴	-	5,581,270
KMs Driven, Kms.	19,005,706	-

¹ Days that employees would have worked but could not due to work-related injury or illness.

² While performing work that involved heights, a contract worker fell and died a few days later.

³ The total amount of time that employees are exposed to a particular risk or hazard within a workplace environment over a given period of time.

⁴ A workplace accident or incident that results in an employee being unable to work or perform their regular duties for a period of time after the day of the injury.

Main Types of Work-related Injury

Types	Employees and Contracted Workers
Bruises	3
Cuts/Scrapes	2
Minor/Inconvenience	9
Minor injuries from car accidents	36

Powering Lives

Giving Back to the Community through Pilipinas Shell Foundation, Inc.

3-3,203-1, 413-1, 413-2

PSFI was established in 1982 as the social arm of Shell companies in the Philippines. The foundation operates social development programmes across the country, aiming towards building the capacities of the most vulnerable sectors. In over 40 years of service, the foundation has impacted some 15 million Filipinos through its diverse programmes in six distinct thematic areas: nutrition and food security, health and safety, education, energy, livelihood, and the environment.

402 Number of students who completed the NXplorers workshop

Shell NXplorers is an innovative educational programme that teaches young people to be creative and critical thinkers about positive change. It aims to build awareness, develop knowledge, and provide thinking tools and complex problem-solving skills for the leaders of the future.

8 Number of scholars who graduated within the year

Shell PhilDev is a multi-year, performance-based college scholarship programme awarded to students from selected partner universities across the nation who are entering their second year of science and engineering education.

8 Number of scholarship grants awarded

Shell Employee Dependents Scholarship Programme (SEDSP)

5 % of scholars enrolled who graduated or completed secondary education as expected

Shell Tabangao Ladies Circle (STLC) was established in 1960 as a non-profit organisation involved in charitable work within the barangays surrounding the Shell Refinery operations.

30 % of scholars who graduate from course

Unlad Sa Pasada is a scholarship programme offered to loyal customers of Shell and members of Shell GO+ Card.

162 Number of scholars who completed Automotive Servicing, Motorcycle Small Engine Servicing, Bookkeeping, and Bread and Pastry Production and Entrepreneurship

Gas Mo, Bukas Ko is a scholarship programme in technical vocational courses and basic entrepreneurship certification for forecourt champions such as Shell site gas attendants, Shell Select staff and retail site administrative support staff.

372 Number of participants trained on Shell LiveWire Training

Shell LiveWIRE is the flagship enterprise development programme of Shell, with the vision to help strengthen local economies by promoting entrepreneurship, innovation, and meaningful employment.

67 Number of individuals who completed capacity building trainings

Sinag is a programme that provides clean, green energy to selected communities concerned with livelihood creation, employment generation, training programmes for capacity building, health and sanitation services, educational opportunities, new teaching tools, food security, and the preservation of culture and the arts.

1,052 Number of SKIL Scholars who completed TALEGENT, Pre-Training Orientation, LEAD Workshop Training, Safety Leadership Training, and Center Training

Sanayan sa Kakayahang Industriyal (SKIL) founded in 1982 to help out-of-school youth access technical-vocational training. This programme aims to lower the unemployment rate, tackle job mismatch challenges, and address some local content concerns within its scope. As time changed, SKIL was also identified as a venue for members of the community to gain training for upgrading or even for additional training alone.

230

Volume in kilograms of laminated plastics collected for EcoHub

Plastic Waste Management

643

Number of individuals trained on fire safety, water safety, disaster preparedness and response, first aid, and basic life support

BiyaHERO is an umbrella programme providing various training and seminars on fire safety, water search and rescue, road safety, and disaster preparedness activities tailor-fitted for the community's needs.

601 Number of individuals reached on Environmental Conservation Awareness Session

Environmental Conservation

5,438 Number of Individuals participated in environmental related activities

TANDIKAN (Turismo at Negosyo Dulot ng Ingat Kalikasan) is Pilipinas Shell's community-based programme which encourages environmental protection.

1,000 Number of barangays supported on Medical Mission

1,812 Number of barangays/partners supported activities

Community Activity/Support

Engaging with Partners in the Value Chain

Shell Pilipinas empowers partners in the automotive sector through free training aimed to increase their knowledge and capabilities, as well as fosters an understanding of business trends and industry optimisation. Creating new and lasting partnerships with entrepreneurs and mechanics, these engagement initiatives are what sets Shell apart as a trusted industry player.



■ Garahe ng Galing: Upskilling Mechanics

Shell Rimula launched the Garahe ng Galing initiative in collaboration with TESDA and Don Bosco Technical Institute Makati. The programme benefited over 100 truck mechanics in the Philippines, affording them access to NC-1 certifications. Developed alongside Don Bosco Technical Institute, this comprehensive upskilling initiative not only refined the mechanics' technical competencies but positioned them to excel within the industry's stringent standards.



29
New Auto Workshop Collaborations



194
Total Participants



■ Supporting SMEs with FAST TRACK

In a new move to bolster SMEs in the automotive sector, Shell Lubricants Philippines initiated the Fast Track: Shell Helix Auto Workshop Business Summit.

This innovative convention brought together auto workshop owners, industry partners, and suppliers for a comprehensive one-day event aimed at fostering industry growth.

The summit featured informative talks on key topics such as automotive business trends, strategic partnerships with Shell Lubricants, leveraging financial technology for workshop optimisation, and setting up workshops for a franchise future.

Beyond supporting SMEs, this initiative not only provided valuable insights into the automotive business but also underscored the benefits of partnering with Shell Helix for sustainable business growth.

Powering Lives

Respecting Human Rights

EM-EP-210b.1

Respect for human rights is fundamental to Shell's core values of honesty, integrity, and respect for people. SPC wants to make a positive impact on society. The Company's approach is informed by the UN Guiding Principles on Business and Human Rights.

The Company's commitment to human rights is embedded into existing frameworks and processes, applicable to all employees and contractors such as the Shell General Business Principles, the Code of Conduct as well as the Health, Safety, Security, Environment, and Social Performance Control Framework.

The Shell Supplier Principles include specific labour and human rights expectations for contractors and suppliers. Please visit [Shell Global's Human Rights](#) to learn more.



Corporate Governance



Corporate Governance

305-5

72 Board of Directors

78 Board Diversity

81 Corporate Governance Structure

85 Shell Pilipinas Corporation
Organisational Chart

86 Board Roles and Responsibilities

88 Investor Briefings

90 Living by Our Principles

91 Our Policies

Board of Directors



Min Yih Tan

Chairman of the Board

Non-Executive Director

Singaporean, 56 years old

Appointed on January 1, 2020

Academic Qualifications

- Bachelor of Engineering (Honours)
- Postgraduate Diploma in Marketing and an MBA

Directorship

- President Commissioner, Shell Indonesia
- Director, Shell Oman Marketing
- Director, Shell Singapore

Experience and Relevant Skills

- Currently Senior Vice President of Mobility Asia and oversees the commercial and operational growth agenda of Mobility business within the region.
- Former Senior VP of Global Mobility Network from 2018 to 2023 where he played a pivotal role in advancing the global expansion and resilience of station and charging networks. His contributions included orchestrating enterprise acquisitions and developing e-mobility infrastructure, while fostering closer integration with Trading & Supply.
- General Manager, Retail Network Development; General Manager, Global Retail & Commercial Strategy; General Manager, Commercial Fuels (East); General Manager, Lubricants (S. E. Asia).
- 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, based in Fairfax, Virginia as Global Planning Advisor.
- His skills are in the fields of General Management, Strategy, Retail, Commercial/Industrial, and Engineering.



Lorelie Q. Osial

President and Chief Executive Officer

Executive Director

Filipino, 48 years old

Appointed on December 1, 2021

Academic Qualifications

- Degree in Accountancy from Silliman University
- Certified Public Accountant
- MBA degree from the University of Western Australia

Directorship

- Vice-Chair, Pilipinas Shell Foundation, Inc.
- Director, Bonifacio Gas Corporation
- Trustee, Philippine Business for Social Progress
- Trustee, Philippine Disaster Resiliency Foundation

Experience and Relevant Skills

- Currently President and CEO of Shell Pilipinas Corporation, Country Chair of Shell companies in the Philippines, President of Pilipinas Shell Foundation, Inc., and President of Bonifacio Gas Corporation.
- Concurrently, she is the Vice President for Global Finance Operations-Expenditure where she manages five major processes covering Shell businesses in more than 50 countries and supports 80,000 employees globally.
- Former Finance Director for Shell Philippines Exploration B.V., and for Basrah Gas Company (BGC) in Iraq, and the operator of Malampaya Deepwater-to-Gas Project.
- 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.
- Her skills are in the fields of Leadership, Economics, Accounting and Finance, and General Management.



Cesar A. Buenaventura

Independent Director

Filipino, 94 years old

Appointed on January 1, 2012

Academic Qualifications

- Degree of Bachelor of Science in Civil Engineering from the University of the Philippines in 1950
- Master's degree in Civil Engineering from Lehigh University in 1954 as a Fulbright scholar

Directorship

- Chairman, Buenaventura Echauz and Partners Inc. .
- Chairman, Mitsubishi Hitachi Power System Philippines
- Vice Chairman, DMCI Holdings
- Director, International Container Terminal Services, Inc.
- Director, Concepcion Industrial Corporation
- Director, Semirara Mining and Power Corporation
- Director, Petroenergy Resources Corporation
- Director, I People Inc.
- Director, Manila Water Company, Inc.
- Founding Chairman, Pilipinas Shell Foundation, Inc.
- Founding Member, Makati Business Club

Experience and Relevant Skills

- Joined the Corporation in 1956 and was Chairman and CEO from 1975 to 1990.
- His skills are in the fields of General Management, Engineering, and Risk Management.



Lydia B. Echauz

Independent Director

Filipino, 76 years old

Appointed on May 16, 2017

Academic Qualifications

- AB Major in Economics and Mathematics from St. Theresa's College
- MBA from Ateneo de Manila University
- DBA from De La Salle University

Directorship

- Director, Manila Electric Company (Meralco)
- Director, D&L Industries, Inc.
- Director, Fern Realty Corporation
- Director, SM Foundation, Inc.
- Director, Riverside College, Inc.
- Director, Mano Amiga Academy, Inc.
- Director, NBS Educational Services, Inc.
- Director, Akademyang Filipino Association, Inc.
- Director, Museo del Galeon Foundation, Inc.
- Trustee, Henry Sy Foundation, Inc.
- Trustee, Felicidad T. Sy Foundation, Inc.

Experience and Relevant Skills

- Former Director of Development Bank of the Philippines, Association of SEA Graduate Schools of Management, Jaime V. Ongpin Institute of Business and Government, and Ateneo de Manila Graduate School of Business.
- Former President of Far Eastern University (PLC), FEU Silang, FEU Diliman, FEU East Asia College, and Association of SEA Institutes of Higher Learning.
- Former Dean of the Graduate School of Business, De La Salle University.
- Former Faculty member of the University of the East College of Business Administration.
- Her skills are in the fields of Academe, Foundations, Finance, Economics, Audit, Risk Management, Corporate Governance, and Related-party Transactions.

Board of Directors



Fernando Zobel de Ayala

Independent Director

Filipino, 63 years old

Appointed on January 1, 2012

Academic Qualifications

- Liberal Arts degree from Harvard College
- CIM from INSEAD France

Directorship

- Director, Ayala Corporation
- Director, Bank of the Philippine Islands
- Chairman, AC Health
- Chairman, Ayala Foundation
- Trustee, Georgetown University
- Trustee, Asia Society
- Trustee, Pilipinas Shell Foundation, Inc.
- Trustee, Caritas Manila

Experience and Relevant Skills

- Director Ayala Corporation from May 1994 to September 2022. Re-appointed in September 2023.
- Ayala Corporation's President and COO for 15 years, before assuming the role of CEO until 2022.
- Member of The Metropolitan Museum International Council, The Tate Asia Pacific Acquisitions Committee, Member of the Chief Executives Organisation, Asia Philanthropy Circle, Habitat for Humanity International's Asia Pacific Development Council.
- His skills are in the fields of General Management, Real Estate, Utilities, and Arts and Culture.



Niña D. Aguas

Non-Executive Director

Filipino, 71 years old

Appointed on August 10, 2021

Academic Qualifications

- Bachelor of Science in Commerce, Accounting degree from the University of Santo Tomas
- Certified Public Accountant

Directorship

- Executive Chairperson of the Board of Trustees, The Insular Life Assurance Co., Ltd. and its subsidiaries: Insular Health Care, Inc. and Insular Foundation, Inc.
- Director, Monde Nissin Corporation
- Director, Union Bank of the Philippines
- Trustee, Insurance Institute for Asia and Pacific

Experience and Relevant Skills

- Formerly held directorship of the Corporation from 2016 to 2018.
- The first woman Executive Chairperson and was the first woman CEO of Insular Life after more than a century of its operations, appointed in January 2018 and January 2016, respectively. A business leader with over 40 years in retail, wealth, investments, and private banking.
- 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.
- Member of the Governing Council of the Philippine Business Coalition for Women Empowerment (PBCWE), Nextgen Organization of Women Corporate Directors (NOWCD) Philippines as well as NOWCD's global community network Women Corporate Directors (WCD). She served as a member of the Advisory Council for Gender and Development by the World Bank Group in 2018-2021.
- Her skills are in the fields of Strategic Visioning, Sound Financial Acumen, Operational and Risk Management Orientation, Transformational Client-centricity, Multi-cultural Sensitivity, and Stakeholder Management.



Amando M. Tetangco, Jr.

Independent Director

Filipino, 71 years old

Appointed on May 11, 2021

Academic Qualifications

- Graduated from Ateneo de Manila University with an AB Economics degree (Cum Laude)
- Obtained his Master's in Public Policy and Administration (Development Economics) at the University of Wisconsin at Madison, Wisconsin, USA, as a BSP scholar
- In 2023, conferred the Honorary Doctorate in Management by the Asian Institute of Management
- Attended various training programs at different institutions, including the Harvard Business School and the New York Institute of Finance

Directorship

- Director and Chairman, SM Investments Corporation
- Director and Vice Chairman, SM Prime Holdings, Inc.
- Director, Belle Corporation
- Director, Converge ICT Solutions, Inc.
- Director, Shell Pilipinas Corporation
- Director, Manila Hotel
- Director, Toyota Motor Philippines
- Director, CIBI Information, Inc.
- Trustee, St. Luke's Medical Center
- Trustee, Tan Yan Kee Foundation
- Trustee, Foundation for Liberty and Prosperity

Experience and Relevant Skills

- Served as Governor of the Bangko Sentral ng Pilipinas (BSP) and Chairman of the Monetary Board from July 2005 to July 2017.
- Held various positions within the BSP, including Deputy Governor in-charge of the Banking Services Sector, Economic Research, and Treasury.
- Held several government positions, including Chairman of the Anti-Money Laundering Council, the Financial Stability Coordination Council, and the Philippine International Convention Center.
- Served as Vice-Chair of the Agriculture Credit Policy Council and member of the Capital Markets Development Council and the Export Development Council.
- Served as Alternate Executive Director of the International Monetary Fund (IMF) in Washington, D.C. from 1992 to 1994.
- Represented the Philippines in several international forums and organisations, including the ASEAN Central Bank Forum, the Executives' Meeting of East Asia and Pacific Central Banks, and the South East Asia Central Banks.
- Held positions as Governor for the Philippines at the IMF and Alternate Governor at the World Bank and the Asian Development Bank.
- Chaired various international committees, including the Meeting of Small Open Economies at the Bank for International Settlements and the Alliance for Financial Inclusion Steering Committee.
- His skills are in the fields of Finance, Risk Management, Legal, Corporate Governance, and Regulatory.

Board of Directors



Reynaldo P. Abilo

Chief Financial Officer

Executive Director

Filipino, 40 years old

Appointed on January 2, 2021

Academic Qualifications

- Graduated cum laude from the University of the Philippines (Diliman) with a Bachelor's degree in Business Administration and Accountancy
- 11th place in the October 2004 CPA board exams

Directorship

- Vice President Finance, Treasurer and Chief Risk Officer of the Company
- Chairman, Tabangao Realty, Inc.
- Chairman, Shell companies of the Philippines Multi-Employer Retirement Plan
- Director, Bonifacio Gas Corporation
- Director, Shell Energy Philippines, Inc.
- Trustee & Treasurer, Pilipinas Shell Foundation, Inc.

Experience and Relevant Skills

- Former the Corporate Assurance Manager who established the assurance and internal audit functions of the Company.
- Formerly appointed as Finance Lead for Special Projects Advisor supporting the Global Downstream Marketing Growth 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.
- Joined Shell in 2009 as the Retail Economics Manager in the Philippines.
- Prior to Shell, he worked at Ernst & Young and Colgate-Palmolive.
- His skills are in the fields of Accounting and Finance, Risk Management, and Economics.



Luis C. la Ó

Non-Executive Director

Filipino, 76 years old

Appointed on May 3, 2018

Academic Qualifications

- Bachelor of Science degree in Management at Ateneo de Manila University
- Master's degree in Business Management from De La Salle University
- General Insurance course from the College of Insurance, Chartered Institute of London, United Kingdom

Directorship

- Non-Executive Vice Chairman of the Board, The Insular Life Assurance Co., Ltd.

Experience and Relevant Skills

- Former Chairman of the Board of Directors of MAPFRE INSULAR Insurance Corporation.
- 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.
- His skills are in the fields of General Management and Insurance.



Randolph T. Del Valle

Executive Director

Filipino-British, 47 years old

Appointed on November 9, 2021

Academic Qualifications

- Chemical Engineer earning his Bachelor of Science in Chemical Engineering from the University of San Carlos (USC), Cebu
- MBA degree from London Business School, United Kingdom

Directorship

- Director, Bonifacio Gas Corporation

Experience and Relevant Skills

- Handled the Downstream Marketing Retail Business that covers ~1,100 sites serving approximately 1 million customers/day enabled by a strong team of >15,000 employees, retailers, and service champions.
- Formerly part of Group Strategy Consultancy based in London, United Kingdom / Hague, NL where he led various high-impact projects in Upstream, Integrated Gas, Shell Business Operations and Downstream.
- Formerly 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.
- His skills are in the fields of General Management, Engineering, and Retail.



Stuart Chaplin

Non-Executive Director

British, 47 years old

Appointed on August 10, 2022

Academic Qualifications

- MA in Economics and Management from the University of St. Andrews, United Kingdom

Directorship

- Vice President, Finance of Shell LNG Marketing and Trading, Global Shipping and Maritime
- Director, Cleantech Solar
- Trustee, Pilipinas Shell Foundation, Inc.
- Member, Shell Pilipinas Audit and Investment Committees

Experience and Relevant Skills

- Former Chief Risk Officer of Shell Trading & Supply.
- 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.
- Fellow of the Chartered Institute of Management Accountants and the Association of Corporate Treasurers.
- His skills are in the fields of Risk Management, Supply Chain, and Economics.

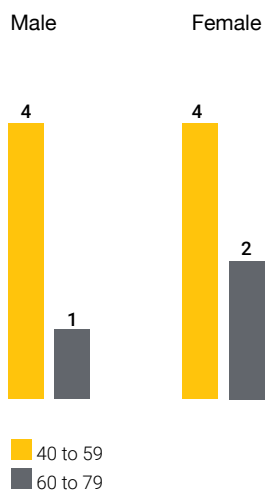
Corporate Governance

Board Diversity

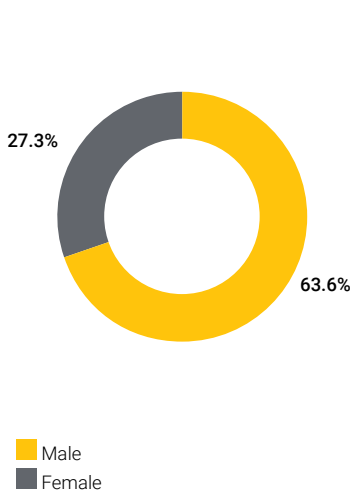
3-3, 304-1, 304-2,304-3

Shell Pilipinas applies a process for the selection of directors who can add value and contribute independent judgement to the formulation of sound corporate strategies and policies. Towards this, the Company has a policy on Board diversity, which include diversity in gender, age, ethnicity, culture, skills, competence, and knowledge.

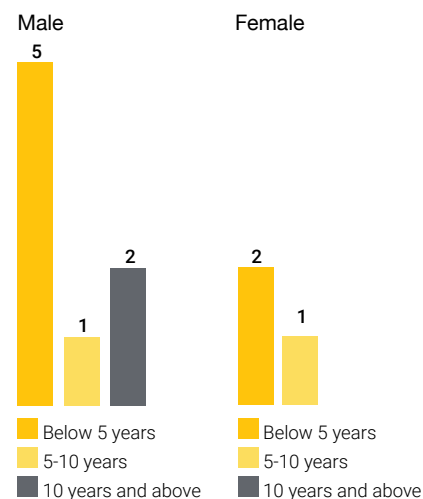
Director by Age



Director by Gender



Director by Tenure



Board Committees

2-10, 2-12, 2-13

Committee	Description	Members
Board Audit and Risk Oversight 2023 Report of the Board Audit and Risk Oversight Committee to the Board of Directors 2023 Attestation of Internal Control	SPC established the Committee to enhance its oversight capability over the SPC’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 SPC’s enterprise risk management (“ERM”) system to ensure its functionality and effectiveness. Other duties include: <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 	Chairman/Independent Director: Amando M. Tetangco, Jr. Member/Independent Director: Lydia B. Echaz Member/Independent Director: Cesar A. Buenaventura Member: Luis C. la Ó Member: Stuart Chaplin

Committee	Description	Members
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 reflected in the relevant reports to the Board regulators/supervisors. Other duties include:</p> <ul style="list-style-type: none"> a. Evaluates all material RPTs to ensure that these are not undertaken on more favourable economic terms b. Ensures that appropriate disclosure is made to related parties c. 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 d. Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process e. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures 	<p>Chairman/Independent Director: Lydia B. Echauz Member/Independent Director: Cesar A. Buenaventura Member: Luis C. la Ó Member: Niña D. Aguas</p>
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> <ul style="list-style-type: none"> a. 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 b. 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 c. Recommends continuing education/training d. Adopts CG policies and ensures that these are reviewed and updated regularly, and consistently implemented e. Proposes and plans relevant trainings for the Board f. Establishes a formal and transparent procedure to develop a policy g. Functions as Compensation and Remuneration Committee 	<p>Chairman/Independent Director: Fernando Zobel de Ayala Member/Independent Director: Cesar A. Buenaventura Member/Independent Director: Lydia B. Echauz Member: Atty. Erwin R. Orocio</p>

Corporate Governance

Committee	Description	Members
Nomination	<p>The Committee invites and screens nominations to the board of directors prior to the annual stockholders' meeting, and in the event of any vacancy in between stockholders' meetings. 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> <ul style="list-style-type: none"> a. Encourage minority stockholders to nominate candidates for seats in the Board b. Review the effectiveness of the Nomination Process under the Revised CG Manual c. In consultation with the other members of the Board, revisit the role, duties, and responsibilities of the CEO d. Consider the guidelines in the determination of such number of directorships for the Board 	<p>Chairman: Lorelie Q. Osial Member/Independent Director: Cesar A. Buenaventura Member: Atty. Erwin R. Orocio Non-voting Member: Paulo Angelo N. Arias</p>
Sustainability	<p>The Committee is accountable for steering the business to provide, when there is opportunity, 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>	<p>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.</p>

Board Attendance Meetings

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	7/7	100%
Lydia B. Echauz	7/7	100%
Luis C. la Ó	7/7	100%
Niña 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	6/7	86%

Board Attendance per Committee

Members	Corporate Governance Committee	Percentage present
Cesar A. Buenaventura	4/4	100%
Fernando Zobel de Ayala	4/4	100%
Lydia B. Echauz	3/4	75%
Members	Nomination Committee	Percentage present
Lorelie Q. Osial	2/2	100%
Cesar A. Buenaventura	2/2	100%
Members	Sustainability Committee	Percentage present
Luis C. la Ó	3/3	100%
Min Yih Tan	3/3	100%
Amando M. Tetangco, Jr.	3/3	100%
Stuart Chaplin	3/3	100%
Members	Related Party Transactions Committee	Percentage present
Cesar A. Buenaventura	4/4	100%
Lydia B. Echauz	4/4	100%
Luis C. la Ó	4/4	100%
Niña D. Aguas	4/4	100%
Members	Board Audit and Risk Oversight Committee	Percentage present
Amando M. Tetangco, Jr.	4/4	100%
Cesar A. Buenaventura	4/4	100%
Lydia B. Echauz	4/4	100%
Luis C. la Ó	4/4	100%
Stuart Chaplin	3/4	75%

Corporate Governance Structure

2-9, 2-11

Compliance System

The Board of Directors, Corporate Officers, and Management of SPC follow the Revised Manual on Corporate Governance (the "Manual") and acknowledge that the Manual guides SPC in the attainment of its goals and targets.

This Manual provides the practical requirements to explain details of the Shell General Business Principles and sustainable development, both of which govern how each of the Shell companies conducts its affairs.

Corporate Governance

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 Shell Pilipinas employee in the conduct of its business at all times.

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). The Manual is aligned with the Shell General Business Principles.

Chief Compliance Officer

To ensure adherence to corporate principles and best practices provided for in the Revised Manual on Corporate Governance, the Board of Directors designates a Chief Compliance Officer, who is not a member of the Board. He has direct reporting responsibilities to the Chairman of the Board but is primarily liable to SPC and its shareholders, and not to the Chairman or President of SPC. The Chief Compliance Officer is a separate individual from the Corporate Secretary.

The CCO 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 SPC’s business, articles of incorporation and by-laws, among others;
- b. Monitor, review, evaluate, and ensure the compliance by SPC, 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; and
- f. Collaborate with the Corporate Secretary and other departments to properly address compliance issues, which may be subject to investigation and subsequent litigation.

Remuneration Policy for Board of Directors

2-19, 2-20, 2-21

In accordance with SPC’s amended by-laws, non-executive directors receive honorarium for every regular or special meeting of the Board of Directors, and not salary or compensation for their services. On the other hand, executive directors receive annual compensation including basic salary, mid-year bonus, and 13th month pay. Like all regular employees, the executive officers also have registered, non-contributory retirement plans. The total amount of remuneration is as follows:

Director	Remuneration (in Php)
Cesar A. Buenaventura	3,700,000
Fernando Zobel de Ayala	2,600,000
Niña D. Aguas	2,500,000
Lorelie Q. Osial	-
Lydia B. Echaz	3,300,000
Reynaldo P. Abilo	-
Luis C. la Ó	3,200,000
Min Yih Tan	-
Amando M. Tetangco, Jr.	2,900,000
Stuart Chaplin	-
Randolph T. Del Valle	-

Stockholdings of Directors

As of 31 March 2023

A. Directors

Name	Direct	Indirect	Total direct & indirect shares	% to Total Outstanding Shares
Cesar A. Buenaventura	200,001	-	200,001	0.01240%
Fernando Zobel de Ayala	1	-	1	0.00000%
Niña D. Aguas	164,357	-	164,357	0.01019%
Lorelie Q. Osial	-	1	1	0.00000%
Lydia B. Echauz	2,000	1	2,001	0.00012%
Reynaldo P. Abilo	16,000	1	16,001	0.00099%
Luis C. la Ó	-	1	1	0.00000%
Min Yih Tan	-	1	1	0.00000%
Amando M. Tetangco, Jr.	-	1	1	0.00000%
Stuart Chaplin	-	1	1	0.00000%
Randolph T. Del Valle	-	1	1	0.00000%
Total	382,359	8	382,367	0.02370%

B. Officers

Name	Direct	Indirect	Total direct & indirect shares	% to Total Outstanding Shares
Sergio C. Bernal, Jr.	4,290	-	4,290	0.0003%
Paulo Angelo N. Arias	-	-	-	0.0000%
Atty. Erwin R. Orocio	6,290	-	6,290	0.0004%
Atty. Ryan D. Andres	290	-	290	0.0000%
Atty. Mark Hadrian P. Gamo	3,000	-	3,000	0.0002%
Albert A. Lim	4,290	-	4,290	0.0003%
Kit Arvin M. Bermudez	-	1,600	1,600	0.0001%
Erwin R. Riñon	-	-	-	0.0000%
Total	18,160	1,600	19,760	0.0012%

Corporate Governance

As of 31 December 2023

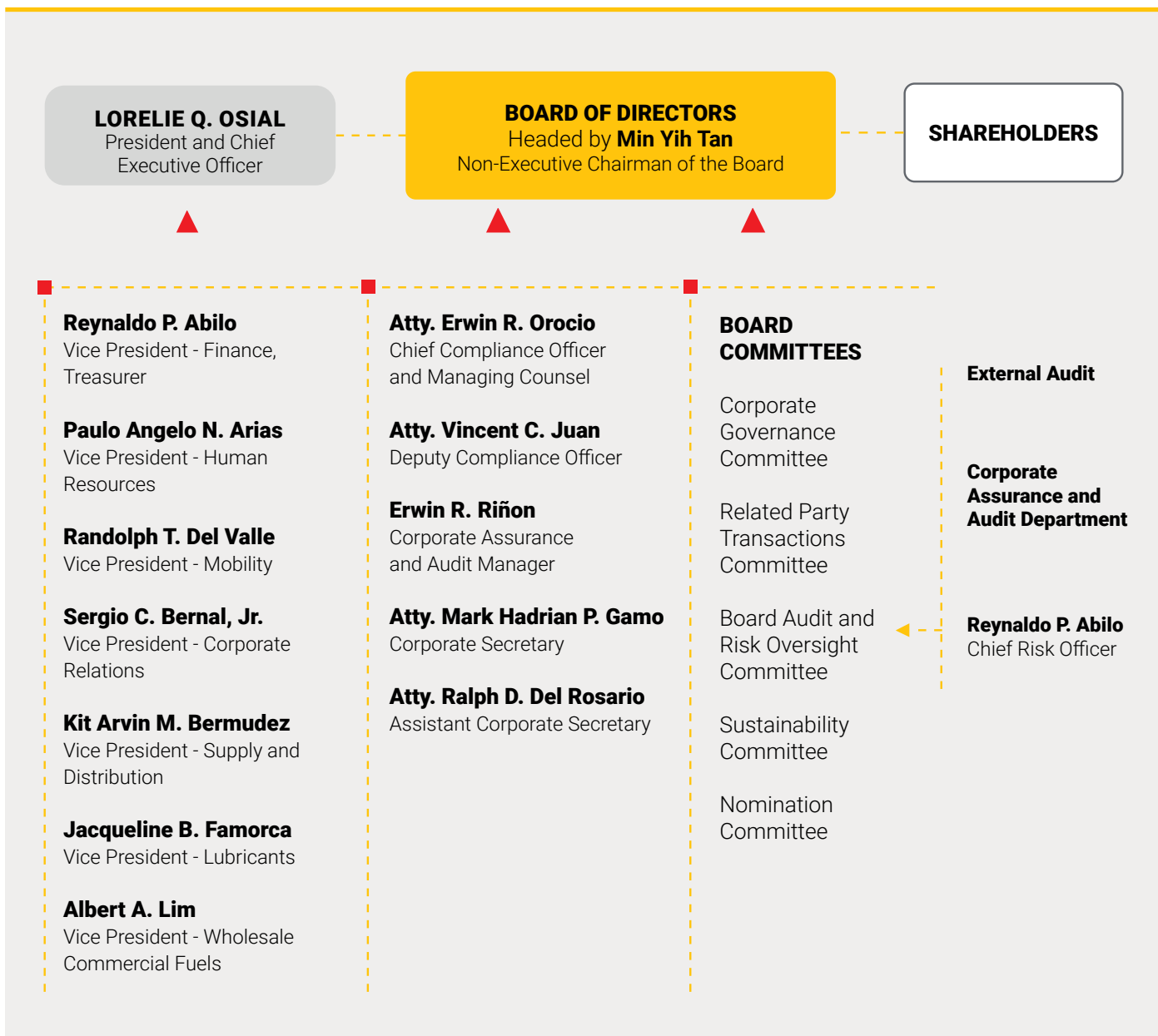
A. Directors

Name	Direct	Indirect	Total direct & indirect shares	% to Total Outstanding Shares
Cesar A. Buenaventura	200,001	-	200,001	0.01240%
Fernando Zobel de Ayala	1	-	1	0.00000%
Niña D. Aguas	164,357	-	164,357	0.01019%
Lorelie Q. Osial	-	1	1	0.00000%
Lydia B. Echauz	2,000	1	2,001	0.00012%
Reynaldo P. Abilo	16,000	1	16,001	0.00099%
Luis C. la Ó	-	1	1	0.00000%
Min Yih Tan	-	1	1	0.00000%
Amando M. Tetangco, Jr.	-	1	1	0.00000%
Stuart Chaplin	-	1	1	0.00000%
Randolph T. Del Valle	-	1	1	0.00000%
Total	382,359	8	382,367	0.02370%

B. Officers

Name	Direct	Indirect	Total direct & indirect shares	% to Total Outstanding Shares
Sergio C. Bernal, Jr.	4,290	-	4,290	0.0003%
Paulo Angelo N. Arias	-	-	-	0.0000%
Atty. Erwin R. Orocio	6,290	-	6,290	0.0004%
Atty. Ralph D. Del Rosario	-	-	-	0.0000%
Atty. Mark Hadrian P. Gambo	3,000	-	3,000	0.0002%
Albert A. Lim	4,290	-	4,290	0.0003%
Kit Arvin M. Bermudez	-	1,600	1,600	0.0001%
Erwin R. Riñon	-	-	-	0.0000%
Jacqueline B. Famorca	-	-	-	0.0000%
Total	17,870	1,600	19,470	0.0012%

Shell Pilipinas Corporation Organisational Chart



Corporate Governance

Board Roles and Responsibilities

It is the Board's responsibility to foster the long-term success of the Company 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 Company vision, mission, strategic objectives, business objectives and strategy, policies, and procedures that guide its activities, including the means to effectively monitor management's performance. The Company also monitors their implementation, in order to sustain SPC's long-term viability and strength.

The Board has a Board Charter that defines 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 SPC in a manner characterized by transparency, accountability, and fairness. He also exercises leadership, prudence, and integrity in directing SPC 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 Company and all shareholders 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 Company, 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 inquiries 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. Supervises 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 Company's strategic direction and formulates and implements its strategic plan on the direction of the business;
- b. Communicates and implements the Company'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 Company and manages human and financial resources in accordance with the strategic plan;
- d. Has a good working knowledge of the Company'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 Company;
- f. Manages the Company'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 Company; and
- i. Serves as the link between internal operations and external stakeholders.

Trainings

2-17, 3-3

Shell Pilipinas provides training for Directors, including an orientation programme for first-time Directors and relevant annual continuing training for all Directors, in accordance with the Revised Corporate Governance Manual.

Leading with Integrity

2-18

The Board of Directors follow the best practices in corporate governance as laid down in Shell Pilipinas' Revised Manual on Corporate Governance and are 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.

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, 2023 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, 2023.

Corporate Governance

Investor Briefings

In line with Shell Pilipinas' focus on good governance, transparency and accountability is a priority. Therefore, the Company always finds pathways of communication with investors and stakeholders.

In order to promote timely communication with Shell Pilipinas investors, quarterly investor briefings are organised via Shell webcast operated through Zoom. These briefings are led by the CEO and discuss the financial and operational results of the quarter, including key developments and updates. In the Q3 briefing of 2023, the change of strategy, also known as the Mid-Point Strategy Refresh, was shared with investors via these briefings. The quarterly event also serves as a platform to hear feedback and comments from investors.

Additionally, Shell Pilipinas also conducted two mobility site tours in 2023 with various analysts to showcase its assets and expansion plans.

Yearly, Shell Pilipinas publishes an Annual and Sustainability Report (ASR) that is completed according to international reporting standards to showcase the year's key achievements, and the business' future plans and strategies. It also serves as a tool to compare performance year on year and a benchmark for members of the industry. Shell Pilipinas also holds Annual Stockholders Meetings to discuss financial performance, sustainability targets, and overall strategy.

The Company complies with all applicable laws, rules and regulations prescribed by the SEC and the PSE and publishes all required documentation to these organisations and through the website.

Sustainability Governance and Reporting

2-14, 2-16

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

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.

In addition, consolidated stakeholder concerns and feedback regarding ESG matters are forwarded to the ASR Committee, which conducts a materiality assessment process every two years. The sustainability efforts of Shell Pilipinas are disclosed regularly and transparently through Annual Sustainability Reports (ASR).

Enterprise Risk Management

Shell Pilipinas has risk management policies to ensure that the business operates in the most optimal way to achieve its goals as set out in the Powering Progress strategy. In line with this, SPC's Risk Management Policy 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 several general and specific risks management processes and policies. The primary control mechanisms are self-appraisal processes in combination with strict accountability for results.

Visit [Shell Pilipinas' Enterprise Risk Management](#) to know more information.



SPC's Midpoint Strategy Refresh discussion was held online in November 2023, alongside the Investor Briefing for the 3rd Quarter of the year.

Cyber Security and Data Privacy

Shell Pilipinas is investing in technologies to protect the business and Information Technology (IT) landscape to prevent cyber security incidents from happening. The Company adopts the Line of Defense model, which is a market standard risk management model.

Shell also has a robust global IT incident reporting process and mechanism. Moreover, the Company is constantly building its recovery readiness capabilities to enable the rapid recovery from any incident and thrive in new circumstances after the event has passed.

Additionally, Shell Pilipinas cyber defence experts assess potentially damaging cyber threats and identify and remediate system vulnerabilities, based on threat intelligence and network scanning data. They also continuously monitor the Shell IT network for patterns of abnormal behaviour and when an incident is detected, assess the impact, and take action to contain and remediate the issue.

Cyber actors, attack methods and targets are evolving and getting more sophisticated. Given this, Shell Pilipinas has the Think Secure Programme, training its staff members on the Cyber Fundamentals—a guideline for employees.

In 2023, there were no cyber security breaches in Shell Pilipinas.

Shell Pilipinas aims to protect and manage personal data in a professional, lawfully, and ethical manner. Personal data is any information, on a physical document or in electronic form, relating to an identified or identifiable individual. Shell's Ethics and Compliance Manual instructs how Shell must implement Group requirements relating to compliance with Data Privacy laws.

Also, SPC follows Shell's Binding Corporate Rules (BCR), which reflects EU's General Data Protection Regulation (GDPR), as well as other requirements where the local law is stricter than the BCR.

There have been no data privacy-related incidences noted in 2023.

Supplier Assessments

3-3, 414-1, 414-2

Shell Pilipinas ensures that its business relationships, including with suppliers, follow high levels of business integrity. The Company has a contracting and procurement process in place when engaging with suppliers. Suppliers are vetted for risks related to HSSE, worker welfare, trade compliance, data privacy, and ethics and compliance. They also undergo a Supplier Financial Risk Assessment as part of the Company's due diligence process.

In addition, suppliers may be vetted for their human rights and social performance, risks related to geopolitics, as well as their business relationships.

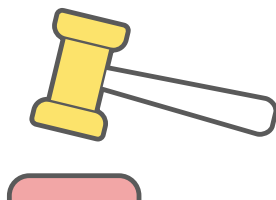
Corporate Governance

Living by Our Principles

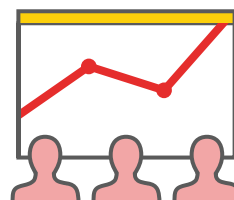
2-23, 2-24, 2-27, 206-1, 205-2, 205-3, EM-RM-530a.1, EM-EP-510a.2, EM-EP-530a.1



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

Shell General Business Principles

The Shell General Business Principles (SGBP) set out our responsibilities to shareholders, customers, employees, business partners, and society. They set the standards for how we conduct business with honesty, integrity, and respect for people. As part of these principles, we commit to contribute to sustainable development, balancing short- and long-term interests and integrating economic, environmental, and social considerations into our decision-making.

All Shell employees and contractors, and those at joint ventures we operate, are expected to behave in line with these business principles. The Company undertakes a range of activities to help embed the SGBP within the organisation. These include training and encouraging people to discuss the dilemmas they face in their work.

Shell Code of Conduct

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. It covers safety, anti-bribery and corruption, fair competition, human rights, and other important areas.

Shell employees, contractors, and third parties can report any potential breaches of the Code of Conduct confidentiality through several channels, including anonymously through a global helpline operated by an independent provider. We maintain a stringent no retaliation policy to protect any person making an allegation in good faith.

Shell Ethics and Compliance Manual

Shell Pilipinas' Ethics and Compliance (E&C) standards are implemented through the Shell Ethics and Compliance Manual. It defines the requirements for businesses and functions to comply with laws on Anti-Bribery and Corruption, Anti-Money Laundering, Preventing the Facilitation of Tax Evasion, Anti-Trust, Data Privacy, and Trade Compliance. The manual provides guidance, advice, and training to help employees understand their responsibilities and how to act ethically and in full accordance with the law.

Shell Global Helpline

Shell Pilipinas employees, contractors, and third parties can report any potential breaches of the Code of Conduct confidentiality through several channels, including anonymously through a global helpline operated by an independent provider. We maintain a stringent no retaliation policy to protect any person making an allegation in good faith.

Our Policies

2-15, 2-16, 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.

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 Anti-Graft and Corrupt Practices Act of the Philippines, the Foreign Corrupt Practices Act of the United States, and the Bribery Act of the United Kingdom.

Visit [Shell Pilipinas' Transparency and Sustainability Reporting](#) to know more information.

Gifts and Acts of Hospitality. The Ethics and Compliance Manual 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 proper mitigations when necessary.

Data Privacy. Respecting privacy and protecting data is an important part of 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 our Global Helpline, their line manager or any company leader, the Country Ethics & Compliance Manager, legal counsels, or Human Resources. Anyone can access [Shell Global Helpline](#) to report ethical or compliance incidents, even anonymously, by calling the US Call Collect No. +1 800-1-322-0377 or accessing the website directly for more information.

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 Board of Directors 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.

Appendix



Appendix

93	GRI Content Index
99	Sustainability Accounting Standards Board (SASB)
102	Independent Auditor’s Report

109	2023 Attestation of Internal Control
110	Report of the Board Audit and Risk Oversight Committee to the Board of Directors

GRI Content Index



2024

GRI Content Index + Oil & Gas Sector Standard

For the Content Index – Advanced Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

Statement of use	Shell Pilipinas Corporation has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.
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 organisation and its reporting practices					
	2-1	Organisational details	8			
	2-2	Entities included in the organisation's sustainability reporting	6			
	2-3	Reporting period, frequency and contact point	6			
	2-4	Restatements of information	No Restatements			
	2-5	External assurance	This report has not been externally assured.			
	Activities and workers					
	2-6	Activities, value chain and other business relationships	12, 13			
	2-7	Employees	55-56			
	2-8	Workers who are not employees	56			
	Governance					
	2-9	Governance structure and composition	81-82			
	2-10	Nomination and selection of the highest governance body	78			
	2-11	Chair of the highest governance body	81-82			
	2-12	Role of the highest governance body in overseeing the management of impacts	78			
	2-13	Delegation of responsibility for managing impacts	78			
	2-14	Role of the highest governance body in sustainability reporting	88			
	2-15	Conflicts of interest	91			
	2-16	Communication of critical concerns	91			
	2-17	Collective knowledge of the highest governance body	87			
	2-18	Evaluation of the performance of the highest governance body	87			
	2-19	Remuneration policies	82			
	2-20	Process to determine remuneration	82			
	2-21	Annual total compensation ratio	82			
	Strategy, policies, and practices					
	2-22	Statement on sustainable development strategy	15,16			
	2-23	Policy commitments	90			
	2-24	Embedding policy commitments	90			
	2-25	Processes to remediate negative impacts	17, 64			
	2-26	Mechanisms for seeking advice and raising concerns	17-19			
2-27	Compliance with laws and regulations	90				
2-28	Membership associations	16				
Stakeholder engagement						
2-29	Approach to stakeholder engagement	17-19				
2-30	Collective bargaining agreements	64				

Appendix

GRI Standard / Other Source	Disclosure	Location/Direct Answer	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Material Topics						
GRI 3: Material Topics 2021	3-1	Process to determine material topics	16			
	3-2	List of material topics	Achieving Net-zero Emissions * Product & Service Offerings * Development and Innovation * Evolving Customer Demands * Digital Transformation * Energy Transition Powering Lives * 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 Respecting Nature * Environmental Compliance & Impact Including Biodiversity Generating Shareholder Value * Corporate Governance * Transparent, Accurate and Responsible Reporting * Economic Performance * Supply Chain Management * Asset Integrity and Process Safety * Brand Management			
Corporate Governance						
GRI 3: Material Topics 2021	3-3	Management of material topics	90			11.19.1
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	90			11.19.2
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	90			11.20.2
	205-2	Communication and training about anti-corruption policies and procedures	90			11.20.3
	205-3	Confirmed incidents of corruption and actions taken	90			11.20.4
GRI 415: Public Policy 2016	415-1	Political contributions	There were no political contributions by the Company			11.22.2

GRI Standard / Other Source	Disclosure	Location/Direct Answer	Omission			GRI Sector Standard Ref. No.	
			Requirement(s) Omitted	Reason	Explanation		
Transparency, Accurate, and Responsible Reporting							
GRI 3: Material Topics 2021	3-3	Management of material topics	6				
GRI 201: Economic Performance 2016	201-4	Financial assistance received from the government	No financial assistance received from the government			11.21.3	
GRI 207: Tax 2019	207-1	Approach to tax	103			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	17-19			11.21.6	
	207-4	Country-by-country reporting		207-4-a to 207-4-c	Not applicable	Shell Pilipinas only operates in one country, Philippines	11.21.7
Supply Chain Management							
GRI 3: Material Topics 2021	3-3	Management of material topics	89				
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	89			11.12.3	
	414-2	Negative social impacts in the supply chain and actions taken	89			11.10.9	
Economic Performance							
GRI 3: Material Topics 2021	3-3	Management of material topics	28			11.14.1	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	20, 26-27			1.14.2 and 11.21.2	
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, Shell Pilipinas hires the best Filipino talent, here and abroad, and promotes from the ranks.			11.11.2 and 11.14.3	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	20, 68			11.14.4	
	203-2	Significant indirect economic impacts	16, 20			11.14.5	
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
Employee Management							
GRI 3: Material Topics 2021	3-3	Management of material topics	64			11.7.1 and 11.10.1	
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 and 11.10.5	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	58-59			11.10.2	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	61			11.10.3	
	401-3	Parental leave	62			11.10.4 and 11.11.3	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	65			11.10.6 and 11.11.4	
	404-2	Programmes for upgrading employee skills and transition assistance programme	65			11.10.7 and 11.7.3	

Appendix

GRI Standard / Other Source	Disclosure	Location/Direct Answer	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	55-56, 78-84			11.11.5
	405-2	Ratio of basic salary and remuneration of women to men	We do not differentiate in salary based on gender			11.11.6
GRI 406: Non- discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	No incidents of discrimination were reported			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	No significant risk for incidents of forced or compulsory labor			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	64			11.13.2
Local Community Development						
GRI 3: Material Topics 2021	3-3	Management of material topics	68			11.15.1
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	No incidents of violations involving rights of indigenous peoples			11.17.2
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	68			11.15.2
	413-2	Operations with significant actual and potential negative on local communities	68			11.15.3
Asset Integrity and Process Safety						
GRI 3: Material Topics 2021	3-3	Management of material topics	66			11.9.1
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	66-67			11.9.2
	403-2	Hazard identification, risk assessment, and incident investigation	66-67			11.9.3
	403-3	Occupational health services	63, 67			11.9.4
	403-4	Worker participation, consultation, and communication on occupational health and safety	66			11.9.5
	403-5	Worker training on occupational health and safety	66			11.9.6
	403-6	Promotion of worker health	63			11.9.7
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	66			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	67			11.9.10
	403-10	Worker-related ill health	67			11.9.11
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Security services is outsourced to third party and they are managing the training of security personnel deployed at Shell Pilipinas			11.18.2
Social Impact of operations on host communities, business partners, and local government						
GRI 3: Material Topics 2021	3-3	Management of material topics	68, 88			
Social Investment						
GRI 3: Material Topics 2021	3-3	Management of material topics	68			
Energy Transition						
GRI 3: Material Topics 2021	3-3	Management of material topics	46			11.1.1

GRI Standard / Other Source	Disclosure		Location/Direct Answer	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	48				11.1.2
	302-2	Energy consumption outside of the organisation		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	48				11.1.4
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	20, 48-49				11.1.5
	305-2	Energy indirect (Scope 2) GHG emissions	48-49				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	48-49				11.1.8
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	46-47				11.2.2
GRI 305: Emissions 2016	305-5	Reduction of GHG emissions	48-49				11.2.3
GRI 305: Emissions 2016	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	48				11.3.2
Environmental Compliance & Impact including Biodiversity							
GRI 3: Material Topics 2021	3-3	Management of material topics	51				11.4.1
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	51				11.4.2
	304-2	Significant impacts of activities, products and services on biodiversity	51				11.4.3
	304-3	Habitats protected or restored	51				11.4.4
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	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	52				11.5.2
	306-2	Management of significant waste-related impacts	52				11.5.3
	306-3	Waste generated	52				11.5.4
	306-4	Waste diverted from disposal	52				11.5.5
	306-5	Waste directed to disposal	52				11.5.6
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	51				11.6.2
	303-2	Management of water discharge related impacts	51				11.6.3
	303-3	Water withdrawal	51				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	51				11.6.6
GRI 306: Effluents and Waste 2016	306-3	Significant Spills	51-52				11.8.2
Promotion of Sustainable Development							
GRI 3: Material Topics 2021	3-3	Management of material topics	21				

Appendix

GRI Standard / Other Source	Disclosure	Location/Direct Answer	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Customer Service						
GRI 3: Material Topics 2021	3-3	Management of material topics	31			
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
Brand Management, Product & Services Offerings						
GRI 3: Material Topics 2021	3-3	Management of material topics	12			
Development and Innovation / Evolving Customer Demands						
GRI 3: Material Topics 2021	3-3	Management of material topics	23			
Digital Transformation						
GRI 3: Material Topics 2021	3-3	Management of material topics	3			

Topics in the applicable GRI Sector Standards determined as not material

Topic	Explanation
11.16 Land and resource rights	Our facilities have long been existing on the current locations. There has been no impact on the land and resource rights during the reporting period

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	20,48-49
	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	48
	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	48
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	44
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	51
	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	17-19
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	70
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	67
	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	63-67, 70
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	90-91
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	46-47, 90-91
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

Appendix

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, Percentage (%)	EM-RM-110a.1	20, 48-49
	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	48-49
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	44, 48-49
	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, 51
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	Number	EM-RM-140a.2	51
Hazardous Materials Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	EM-RM-150a.1	52
	(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.

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>
	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	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	46, 90-91
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%

Appendix



SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

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), which comprise the statements of financial position as at December 31, 2023 and 2022, 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, 2023, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2023 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.





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.

Assessment of provisions and contingencies for tax cases and recoverability of claims

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. This matter is significant to our audit because the estimation of the potential liability resulting from these tax assessments require significant judgment by management. The inherent uncertainty over the outcome of these tax matters is brought about by the differences in the interpretation and implementation of the laws and tax rulings.

In addition, the Company has claims from the government relating to excise duties paid under protest for Alkylate shipments amounting to Php 4.55 billion as at December 31, 2023. 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 Company's disclosures on these matters are included in Notes 9 and 27 to the financial statements.

Audit response

We discussed with management the status of the tax assessments and obtained correspondences with courts and regulatory agencies, and opinions of both the Company's internal and external legal counsels. 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 recoverability of the claims. We evaluated the tax position of the Company by considering the tax laws, rulings, and jurisprudence. We traced selected claims from the government to the supporting documents. We also discussed with management and its internal legal counsel the status of these claims and obtained the opinions of both the Company's internal and external legal counsels.

Other Information

Other information consists of 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, 2023, 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, 2023 are expected to be made available to us after the date of this auditor's report. Management is responsible for these other information.

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



Appendix



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 PFRSSs, 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.

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, actions taken to eliminate threats or safeguards applied.

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.

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 33 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. 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.



Appendix



The engagement partner on the audit resulting in this independent auditor's report is Editha V. Estacio.

SYCIP GORRES VELAYO & CO.

A handwritten signature in black ink, appearing to read 'E. Estacio', is written over a light grey circular watermark that contains a stylized profile of a human head.

Editha V. Estacio

Partner

CPA Certificate No. 91269

Tax Identification No. 178-486-845

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

BIR Accreditation No. 08-001998-094-2023, March 28, 2023, valid until March 27, 2026

PTR No. 10079934, January 5, 2024, Makati City

March 21, 2024





SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

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), as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated March 21, 2024. 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.

Editha V. Estacio
Partner

CPA Certificate No. 91269

Tax Identification No. 178-486-845

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

BIR Accreditation No. 08-001998-094-2023, March 28, 2023, valid until March 27, 2026

PTR No. 10079934, January 5, 2024, Makati City

March 21, 2024



Appendix



SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

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) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated March 21, 2024. 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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Editha V. Estacio
Partner

CPA Certificate No. 91269

Tax Identification No. 178-486-845

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

BIR Accreditation No. 08-001998-094-2023, March 28, 2023, valid until March 27, 2026

PTR No. 10079934, January 5, 2024, Makati City

March 21, 2024



March 12, 2024

The Board Audit and Risk Oversight Committee (“Committee”)

Shell Pilipinas Corporation

2023 ATTESTATION OF INTERNAL CONTROL

The Corporate Assurance and Audit Department (CAAD) has reviewed the adequacy and effectiveness of the overall internal control system of Shell Pilipinas Corporation (SPC or Company) for the year ended December 31, 2023. The review covered all material controls, including financial, operational, and compliance controls.

The review approach was based on the results of the SPC Management Business Assurance Letter (BAL) process and the various assurance activities undertaken within the Company for the year ended December 31, 2023. Management’s response to controls self-assessment, in line with the BAL process, was either a “qualification”, “commentary”, or “no issue”. Responses to the Business Assurance Letter were validated by CAAD in conjunction with the results of the various assurance activities, which were risk-based and were not intended to cover all areas of SPC nor all possible risks. The risk-based assurance plan was approved by, and the results were 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, 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, 2023 financial statements, we conclude that, to the best of our knowledge and confidence, SPC’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


Appendix

Report of the Board Audit and Risk Oversight Committee to the Board of Directors

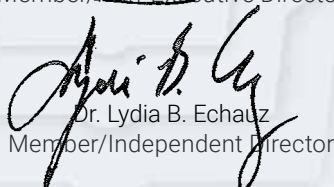
The Board of Directors
Shell Pilipinas Corporation

In compliance with the Board Audit and Risk Oversight Committee (BARC) Charter and 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 Shell Pilipinas;
- The Committee held four meetings in 2023. Three meetings had complete attendance and one meeting was attended by four out of five members;
- The Committee reviewed, approved, and endorsed the Corporate Enterprise Risk Management Policy;
- The Committee reviewed and approved the quarterly risk visual and the corresponding risk mitigations;
- The Committee reviewed, approved, and endorsed the marketing of new Lubricants services & necessary amendment of the Articles of Incorporation;
- The Committee reviewed, approved, and endorsed the offering of electric charging services & necessary amendment of the Articles of Incorporation;
- The Committee discussed and confirmed the independence of the external auditor and internal auditor;
- 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 and understood management's commitment in implementing appropriate corrective actions promptly, including addressing governance, risk management, internal controls system, and compliance issues;
- The Committee, in consideration of management's recommendation, recommended to the Board of Directors the re-appointment of SGV & Co. as independent external auditor for 2023, based on the review of their performance and qualifications;
- The Committee reviewed and approved all audit and audit-related 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, 2023;
- The Committee discussed the financial results with Company's management, which has the primary responsibility for the financial statements and with SGV & Co., who expresses 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 2023, 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, 2023, with the Securities and Exchange Commission, and for its inclusion in the Company's Annual Report to Stockholders.



Luis C. Ignacio
Member/Non-Executive Director



Dr. Lydia B. Echaz
Member/Independent Director



Mr. Amardo M. Tetandco, Jr.
Chairman/Independent Director



Cesar A. Buenaventura
Member/Independent Director



Mr. Stuart Chaplin
Member/Non-Executive Director

Team Behind the Report

Corporate Disclosure Committee

Reynaldo Abilo – *Chief Financial Officer*

Erwin Orocio – *Corporate Legal Counsel*

Serge Bernal – *Head of Corporate Relations*

Lorelie Osial – *Chief Executive Officer*

Investor Relations Team

Angelica Castillo – *Corporate Controller/ Investor Relations Manager*

Cristine Volfango – *Investor Relations Advisor*

Business and Function Focals

Brand Management

Corporate Audit and Assurance

Corporate Relations

Category Management

Country Chair Office

Distribution Operations

Ethics & Compliance

Finance

Human Resource Health

HSSE

Legal

Marketing

Pilipinas Shell Foundation, Inc.

Real Estate

Sustainability

Writing, Layout, and Creatives

GCSS, Inc. and Perez Numedia, Inc.



SHELL PILIPINAS CORPORATION
41st Floor, The Finance Centre,
26th Street corner 9th Avenue, Bonifacio Global City, Barangay Fort
Bonifacio, Taguig City 1635, Republic of the Philippines