

ENERGY TO MOVE FORWARD

INVESTING IN TOMORROW, TRANSCENDING THE CHALLENGES OF TODAY



ANNUAL AND SUSTAINABILITY REPORT 2020
PILIPINAS SHELL PETROLEUM CORPORATION



Disclaimer

This Report has been produced by Pilipinas Shell Petroleum Corporation ("PSPC") in order to meet the requirements of applicable Philippine laws and regulations.

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate legal entities. In this Report "Shell", "Shell group" and "Royal Dutch Shell" are sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general, including PSPC. References in this Report to "our Company", "PSPC" and "Pilipinas Shell" refer to Pilipinas Shell Petroleum Corporation. The words "we", "us" and "our" are used to refer to Pilipinas Shell Petroleum Corporation or to those who work for PSPC. "Subsidiaries", "Shell subsidiaries" and "Shell companies" as used in this Report refer to companies over which Royal Dutch 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. 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 a venture, partnership or company, after exclusion of all third-party interest. All references to the "Government" are to the national, local and all other instrumentalities of the government of the Philippines.

This Report contains forward-looking statements concerning the financial condition, results of operations and businesses of PSPC. 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 Royal Dutch 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 "anticipate", "believe", "could", "estimate", "expect",

"goals", "intend", "may", "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 Royal Dutch Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this 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, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; (m) risks associated with the impact of pandemics, such as the COVID-19 (coronavirus) outbreak; and (n) changes in trading conditions. No assurance is provided that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this Report are expressly qualified in their entirety by the disclaimer contained or referred to herein. Audience should not place undue reliance on forward-looking statements. Additional risk factors that may affect future results are contained in Pilipinas Shell Annual Report for the year ended 31 December 2020, available at <https://pilipinas.shell.com.ph/> and <https://edge.pse.com.ph/financialReports/form.do>. These risk factors also expressly qualify all forward-looking statements contained in this Report and should be considered by the audience. Each forward-looking statement speaks only as of the date of this Annual Stockholders' Meeting, 11 May 2021. Neither PSPC 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 Report.

In this Report, we may refer to "GHG emissions" and "emissions" which include Pilipinas 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. Pilipinas Shell only controls its own emissions but, to support society in achieving the Paris Agreement goals, we aim to help and influence such suppliers and consumers to likewise lower their emissions. The use of the terminologies "GHG emissions" and "emissions" is for convenience only and not intended to suggest these emissions are those of Pilipinas Shell or Shell and its subsidiaries.

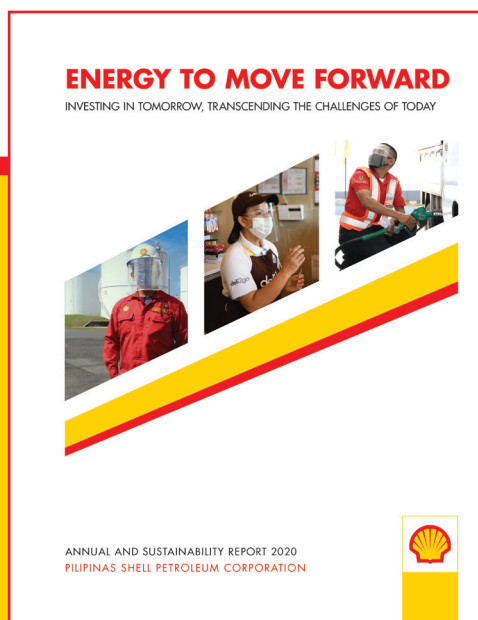
Shell's operating plan and budgets are established for a three-year period and are updated annually. As society is not expected to reach net-zero emissions in the next three years, Shell's operating plan, budgets and pricing assumptions also do not reflect its Net-Zero emissions targets. Shell's operating plan, budgets and pricing assumptions reflect the current economic environment and what we can reasonably expect to see over the next three years. In the future, as society moves towards net-zero emissions, we expect Shell's operating plan, budgets and pricing assumptions also to reflect such movement.

Also, in this Report we may refer to Shell's "Net Carbon Footprint", 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 Footprint" is for convenience only and not intended to suggest these emissions are those of Shell or its subsidiaries.

This Report may contain references to Shell's website. These references are for the audience's convenience only. Shell is not incorporating by reference any information posted on www.shell.com.

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About the Cover

Energy To Move Forward:

Investing In Tomorrow, Transcending The Challenges Of Today

Preparing for the future does not mean we abandon the needs of today, especially in the context of the COVID-19 pandemic. The cover highlights the resilience of the business and the practical ways in which Pilipinas Shell balances the economic and societal needs of today while investing in energy for the future. While we aspire to become a low-carbon business, we will focus on the concrete and doable steps we are taking now that help us not only transcend the challenges of today, but also lay the foundations for the future.

INTRODUCTION FROM OUR CHAIRMAN



Welcome to Pilipinas Shell's fifth Annual and Sustainability Report (ASR). As the new Chairman of the Board, I have the privilege of helping usher our Company into this new decade.

My transition into this role could not have come at a more interesting time. It was at the height of the COVID-19 pandemic when I gave my first address as Chairman during Pilipinas Shell's virtual Annual General Meeting, one of the first of its kind among publicly listed companies in the Philippines. The annual gathering of our shareholders, usually held as a physical gathering, had gone online. It was a necessary change we had to implement promptly so as to ensure the health and safety of all our shareholders and employees.

Our grit and agility to respond to these unprecedented changes have been the cornerstone of Pilipinas Shell's business success and sustainability.

Sustaining in challenging times

In 2020, the Philippines experienced the perfect storm of extenuating challenges. The oil and gas industry experienced a global collapse in prices. Over and above the continuing pandemic, the Philippines was beset with a series of natural disasters. The year started with the Taal Volcano eruption and ended with a series of typhoons.

The pandemic disrupted the entire oil and gas value chain, as evidenced by recent declines in production, cuts in large capital expenditures, deferments of investment decisions and reduced utilization of refinery capacities. Indeed, the current crisis is having a profound impact on the industry, both in the short and the long term.

Our grit and agility to respond to these unprecedented changes have been the cornerstone of Pilipinas Shell's business success and sustainability. These challenges enabled us to re-examine our business—who we are and where we are going—and emboldened us to set the pace towards building a business that is resilient for the future. Today, Pilipinas Shell enjoys good standing within the Royal Dutch Shell (RDS) Group and the Philippines continues to be a growth market.

While we recognize our responsibility to ensure that our business weathers economic downturns, we also acknowledge that this is only one aspect of sustainability. For the past four years, Pilipinas Shell has published ASRs not only to report on its financial performance but also to highlight how we run our business, keep our operations safe and strive towards efficient use of our resources.

Adapting to energy transition

The myriad of challenges last year inevitably slowed down economic activity and hampered demand. During the imposition of the enhanced community quarantine in March, demand for petroleum products severely declined and only picked up in June with the easing of lockdown restrictions. Pilipinas Shell prioritized care, continuity, and cash to deliver a favourable performance overall.

We intend to grow our customer-facing businesses, purposefully and profitably. These are deliberate and responsible actions to provide more and cleaner energy solutions to the Filipinos.

In the context of the pandemic, we continue to prioritize health and safety on our locations for our staff and customers. We actively implement strict physical distancing, adopt heightened hygiene and cleanliness measures, and accept online and contactless payments.

With one of the most preferred brands in the country, Pilipinas Shell will develop the business further around mobility. While fuels remain the mainstay of our retail business, this expansion aims to make every trip to our retail stations even more convenient by increasing non-fuel retail offers to delight our customers and our communities.

Times like these demand that we have the strength and resolve to make bold choices to keep the business resilient. We consequently initiated the structural conversion of the Tabangao Refinery into a best-in-class import terminal. The transformation of the Tabangao facility was a tough but vital decision to bolster Pilipinas Shell's competitiveness with a more balanced, competitive and fit-for-future portfolio.

Powering progress¹ for the future

In line with RDS' recently announced strategy to accelerate towards net-zero emissions business by 2050, we have embarked on the journey to lower the carbon footprint of our operations and products which is in step with society. With Pilipinas Shell's strategic priorities for 2021-25², we intend to grow our customer-facing businesses, purposefully and profitably. These are deliberate and responsible actions to provide more and cleaner energy solutions to the Filipinos.

As a partner in nation building, we also strive to contribute to the UN Sustainable Development Goals throughout our value chain and continue to protect the environment.

In closing, I wish to express my sincere appreciation to all our staff and front-liners who continue to discharge their duties amid these uncertain times. We are committed to our core values of honesty, integrity and respect for people as well as relentless focus on safety. We are also dedicated to meet the evolving needs of our stakeholders. By stepping up, I am confident that we will emerge stronger and more sustainable as we forge ahead.



Min Yih Tan

Chairman of the Board
Pilipinas Shell Petroleum Corporation

¹ <https://www.shell.com/powering-progress.html>

² <https://pilipinas.shell.com.ph/2021-strategy-day.html>

ABOUT THIS REPORT

This is the fifth Annual and Sustainability Report (ASR) of Pilipinas Shell Petroleum Corporation ("Pilipinas Shell," "PSPC," "the Company"). It immediately follows the ASR 2019, titled "105 Years of Energy: A Legacy of Sustainable Partnership," published in June 2020. This ASR covers Pilipinas Shell's environmental, social, safety, governance, and financial performance in 2020.

In terms of scope and boundary, the report covers only the activities and impacts of Pilipinas Shell and does not extend to the activities of third-party suppliers and contractors.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. As an added measure, the report follows the industry sector-specific GRI-G4 Oil and Gas Disclosures. The report also complies with the Sustainability Reporting Guidelines for Publicly Listed Companies of the Philippine Securities and Exchange Commission (SEC).

REPORTING FRAMEWORK

GRI Standards

REPORTING PERIOD

January 1 to December 31, 2020

REPORTING CYCLE

Annual

REPORTING SCOPE

Pilipinas Shell Petroleum Corporation

FOR COMMENTS AND QUERIES, CONTACT US AT:

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OUR APPROACH TO SUSTAINABILITY

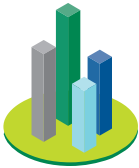
Sustainability at Pilipinas Shell means providing more and cleaner energy solutions in a responsible way.

Our core values of honesty, integrity, and respect for people, which were first laid out in the Shell General Business Principles more than 40 years ago, underpin our approach to sustainability. In 1997,

we also strengthened our commitment to contribute to sustainable development and have worked towards embedding this commitment in our strategy, business processes, and decision-making.

These principles, together with our Code of Conduct, apply to the way we do business and to our conduct with the communities where we operate.

Our approach to sustainability is integrated across our business on three levels, namely:



Running a safe, efficient, responsible, and profitable business

This is the foundation of our approach. We strive to produce and deliver energy responsibly – in a way that respects people, their safety and their environment. At the simplest level, this means doing no harm. We apply global standards to manage safety, the environment, and how we engage with communities, and we work to continuously improve our performance.



Helping to shape a more sustainable energy future

Pilipinas Shell is a willing and able player in the energy transition. We see commercial opportunity in participating in the global drive to provide more and cleaner energy solutions. Pilipinas Shell aims to contribute to Royal Dutch Shell's ambition to be a net zero emissions energy business by 2050, or sooner, in step with society.



Making a positive contribution to society

We aim to play a positive role in communities where we operate and in wider society. We contribute to the development of local economies by creating jobs, boosting skills, sourcing from local suppliers, as well as paying taxes and royalties. We support community projects that are based on the needs of local people.

Sustainability at Pilipinas Shell means providing cleaner energy solutions in a responsible way that balances short-term and long-term interests, and integrates economic, environmental and social considerations into decision-making. We strive to work together with various stakeholders to achieve shared sustainability goals.

SUPPORT FOR INTERNATIONAL AGREEMENTS

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

Pilipinas Shell is also committed to respecting human rights, as set out in the UN Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The Company is also a founding member of the UN Global Compact Network in the Philippines (GCNP), and we also support a number of external voluntary codes that promote responsible business practices.

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

HOW WE REPORT

Consultations and Alignment

with the Company's business unit heads on stakeholder concerns and the accomplishments of the Company for the reporting period.

Stakeholder Review and Materiality Assessment

based on feedback from stakeholders via existing engagement mechanisms and narrowing of material topics.

Data Gathering and Review

where subject matter experts in Pilipinas Shell are asked to answer data templates and invited for one-on-one interviews to contextualize their performance data.

Writing and Evaluation

where the manuscript undergoes internal revisions, review, and approval from the business representatives and business unit heads.

Layout and Final Review

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

Publication and Dissemination

where the printed and digital copies of the 2020 ASR are distributed to shareholders and other stakeholders, especially during the Annual Stakeholders' Meeting and other engagements.

By undergoing this process, we ensure the completeness, accuracy, balance, clarity, comparability, reliability, and timeliness of this report's content. Involving internal and external stakeholders in this process also ensures stakeholder inclusiveness and the materiality of the topics, especially within the greater sustainability context of our business.

REVIEW OF STAKEHOLDER CONCERNS AND MATERIAL TOPICS

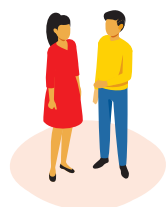
Pilipinas Shell understands that, to maintain our social license to operate, we must nurture strong and productive relationships with our stakeholders. We have established robust and regular stakeholder engagement channels that allow us to understand their needs and concerns and to ensure that our responses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

In line with the development of this report, our various business units undertook a review and consolidated the stakeholder feedback received through these various channels. These concerns were elevated to our ASR

Committee, which is composed of the Company's Vice President for Finance and Treasurer, Vice President for External Relations and Government Relations, and Managing Counsel and Chief Compliance Officer, to inform the materiality assessment process and the finalization of our material topics.

Aside from stakeholder concerns and expectations, other significant factors informed our materiality assessment, such as current trends in the global energy industry and our own sustainability scorecard.

STAKEHOLDER GROUPS ENGAGEMENT CHANNELS STAKEHOLDER CONCERNS COMPANY RESPONSE



Customers

- | | | |
|--|--|--|
| <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 center | <ul style="list-style-type: none"> • Financial growth and resilience • Tight cash flow • Delayed payments • Safety during the pandemic | <ul style="list-style-type: none"> • Engagement and training support • Flexibility and leniency in payment collections • Digital payment channels |
|--|--|--|



Business Partners

- | | | |
|---|---|---|
| <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 • Safety during the pandemic | <ul style="list-style-type: none"> • Compliance to COVID-19 health and safety guidelines • Road safety programs • Assistance during the pandemic |
|---|---|---|



Employees

- | | | |
|--|---|--|
| <ul style="list-style-type: none"> • Annual Shell People Survey • Voice of Territory Managers • Voice of District Managers • Voice of Retail Service Champions • Quarterly town hall meetings | <ul style="list-style-type: none"> • Job security, financial wellness, mental health, and physical safety during the pandemic • Overall productivity and welfare of entire workforce • Awareness of professional and career development opportunities in Pilipinas Shell | <ul style="list-style-type: none"> • 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 • Line manager guide for COVID-19 related guidelines |
|--|---|--|

STAKEHOLDER GROUPS ENGAGEMENT CHANNELS STAKEHOLDER CONCERNS COMPANY RESPONSE



Society

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> • Community feedback register and mechanisms • Socio-economic profiling surveys • Community dialogue and town hall meetings (Ugnayan sa Barangay) • Community bulletins • Community programs • Regular dialogue and communication with the local and national governments, and the media | <ul style="list-style-type: none"> • Compliance with COVID-19 health and safety guidelines • Employment opportunities for local communities • Social Investment (SI) Programs • Disaster resilience and emergency response (i.e., Taal eruption, COVID-19 pandemic) • Food security • Lack of regular income | <ul style="list-style-type: none"> • Entrepreneurship and livelihood development programs • Taal eruption and COVID-19 response and assistance |
|---|--|--|



Shareholders

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> • Investors' conferences • Quarterly analysts' and investors' briefings • Annual Stockholders' Meetings • One-on-one meetings | <ul style="list-style-type: none"> • Road safety • Safety during the pandemic | <ul style="list-style-type: none"> • Compliance to COVID-19 health and safety guidelines • Road safety programs • Assistance during the pandemic |
|--|---|---|

Focus Areas and Material Topics

The Shell General Business Principles, together with the Pilipinas Shell core values of honesty, integrity, and respect for people, guide and inform our approach to sustainability. In particular, we consider how our business can address concerns and contribute to sustainable development across these three areas:

Running a safe, efficient, responsible, and profitable business

- Corporate governance
- Transparency
- Economic performance
- Supply chain management
- Asset integrity and process safety
- Environmental impact

Helping to shape a more sustainable energy future

- Product development and innovation

Making a positive contribution to society

- Employee management
- Local content
- Managing social impact of operations on host communities, including local governments
- Social investment
- Customer service
- Promotion of sustainable development

ABOUT PILIPINAS SHELL CORPORATION



HEAD OFFICE

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

Pilipinas Shell Petroleum Corporation ("Pilipinas Shell," "PSPC," "the Company") is primarily engaged in the importation and marketing of petroleum products, including gasoline, diesel, jet fuel, fuel oil, lubricants, and bitumen.

We represent the downstream operations of the Shell companies in the Philippines (SciP), a network of companies involved in oil and gas exploration, importation, distribution, marketing, and other services. SciP is part of Royal Dutch Shell plc (Shell), a global group of energy and petrochemical companies with more than 80,000 employees in more than 70 countries.

At Pilipinas Shell, we import, blend, transport, distribute, and market a wide range of high-quality fuels, lubricants, bitumen, and other specialty oil-based products. Our retail network continues to expand, with 1,096 service stations catering to motorists nationwide as of December 31, 2020. We also provide non-fuel retail offerings through our fast-growing network of 395 service centers, 150 Shell Select convenience stores, and 71 deli2go outlets nationwide.

We have an integrated supply chain of 24 fuel terminals and supply points, 10 lubricant warehouses, two specialties facilities, and three import facilities.

By the end of 2019, Pilipinas Shell had produced its first batch of low-sulfur fuel oil (LSFO) to address the full requirements of the International Maritime Organization (IMO) 2020 ruling, which prohibits visiting foreign-flagged ships from using fuels containing more than 0.5% sulfur.

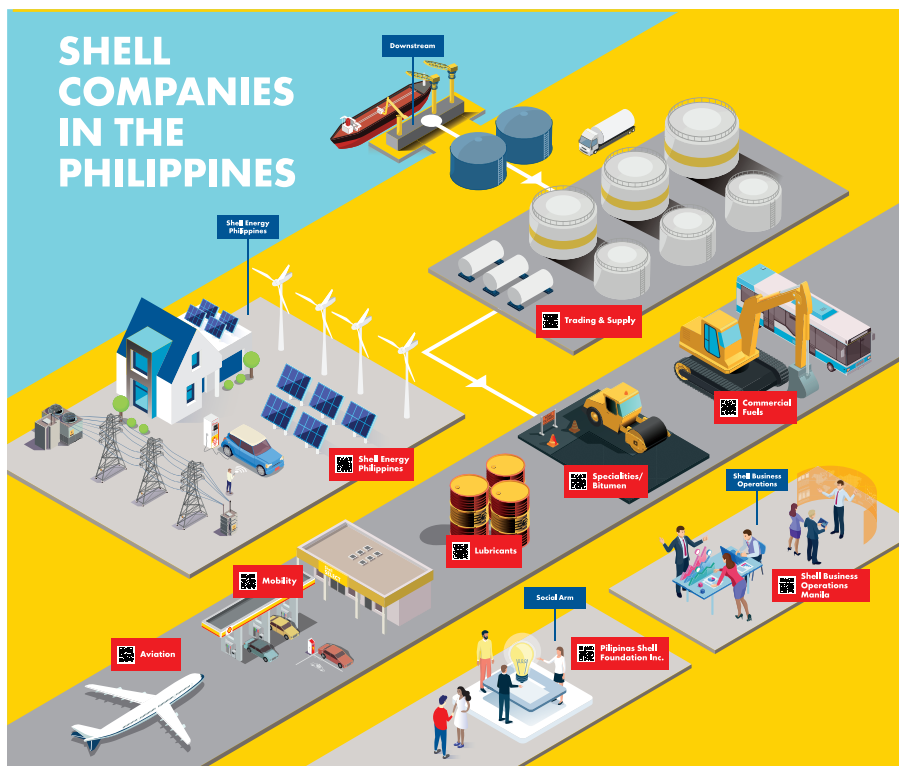
In May 2020, the Tabangao Refinery was temporarily shut down due to poor oil demand and refining margins brought about by the extended lockdown period. In August 2020, the Board approved the decision to permanently shut down refinery operations in Tabangao. The facility will be transformed into a world-class full import terminal to optimise Pilipinas Shell's asset portfolio and enhance its cost and supply chain competitiveness.

HISTORY AND OWNERSHIP

Pilipinas Shell traces its roots back to Asiatic Petroleum Company (Philippine Islands) Ltd., an importer and retailer of motor gasoline and kerosene. The organization underwent several structural and name changes, culminating as Pilipinas Shell Petroleum Corporation (PSPC) in 1973. In 2020, the Company transitioned from an oil refining and marketing company into a full-import oil marketing company.

We continue to be a marketing-led business, with the cessation of our oil refining activities simply marking a shift in our supply chain strategy.

Today, Pilipinas Shell continues to be one of the most recognizable and trusted brands in the country, serving thousands of motorists everyday through its network of 1,096 retail stations nationwide.



Shell Companies in the Philippines

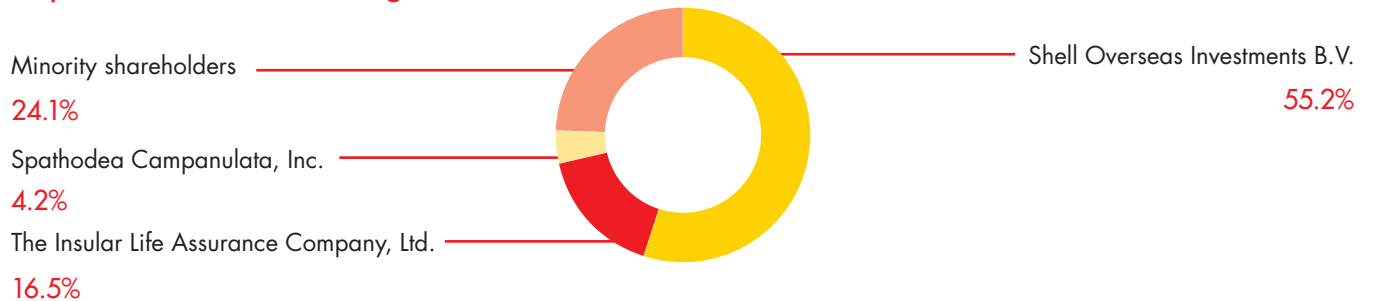
Pilipinas Shell Petroleum Corporation (PSPC)

Shell Philippines Exploration B.V. (SPEX)

Shell Business Operations – Manila (SBO-Manila)

Shell Energy Philippines, Inc.

Pilipinas Shell Shareholding Structure



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 maximize cash generation while maintaining competitive results built upon a strong financial framework and capital discipline.

Shared value with society

We aim to be a good neighbor 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 Company's requirement for sustainable energy products and services.

OUR VALUES

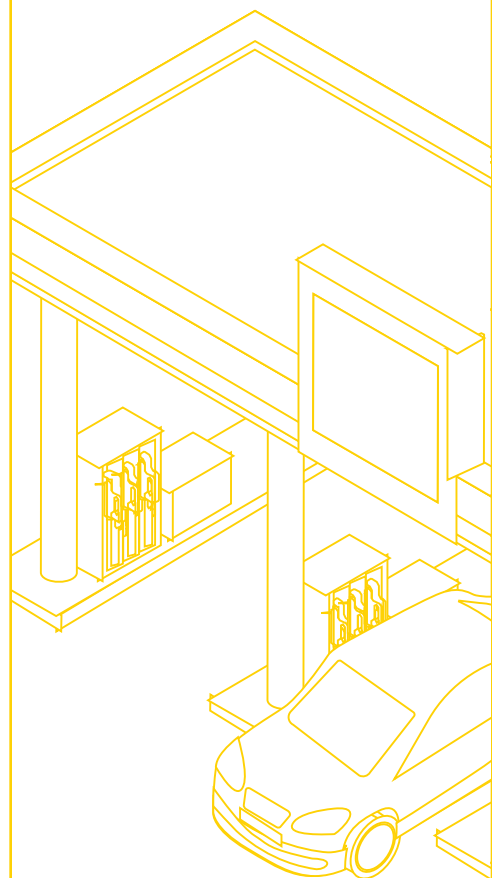
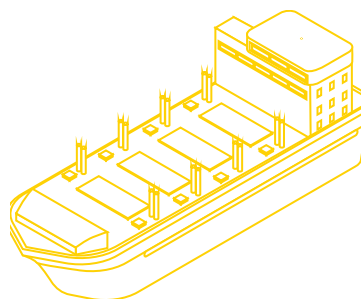
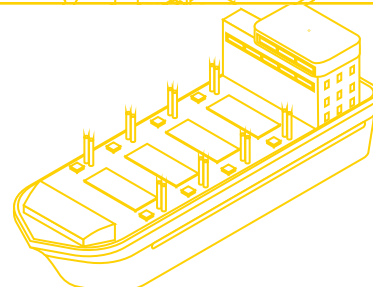
We operate our business and maintain ties with business partners according to our values and business principles.

Our Core Values

Honesty, Integrity, Respect for People

Our Business Principles

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



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

OUR BUSINESS

Pilipinas Shell imports petroleum products and markets them to industrial and retail customers.

OUR BUSINESS STRATEGY

- | | | | | | |
|--|--|--|--|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| Selectively pursue profitable opportunities in the growing Philippine market | Maintain a reliable and efficient supply chain network | Optimize related product portfolios and offerings to increase customer loyalty | Capture market growth opportunities in the lubricant and convenience retailing markets | Uphold the Shell Group’s high standards for corporate governance, HSSE matters, and corporate social responsibility | Continue to focus on world-class talent development and retention to realize the full potential of our people |

OUR CLASSES OF BUSINESS

Retail

Pilipinas Shell maintains a strong, nationwide retail network that offers high-quality fuels designed for optimal vehicular performance, efficiency, and emissions technology. Recognizing that our customers’ needs go beyond fuel, our non-fuel retailing business operates convenience stores and service centers that cater to motorists’ need for 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, Pilipinas Shell also provides end-to-end technical consulting for our customers.

Supply and Distribution

Pilipinas Shell operates an integrated supply chain network that encompasses the 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, Pilipinas Shell ensures the safe, timely, and reliable delivery of our products to our customers.

Our Value Chain



Legend

CLASS OF BUSINESS

Supply and Distribution

Commercial Business

Retail

STAKEHOLDERS



Customers



Business Partners



Employees



Community



Shareholders

Our Contributions to the SDGs

Pilipinas Shell continues to support and contribute to the 17 Sustainable Development Goals (SDGs), the call to action of the United Nations (UN) to address shared development challenges, including tackling the challenge of climate change and making cities sustainable. Achieving these global ambitions requires collective action and collaboration across all sectors, and we are determined to contribute and do our part.



We have diversified our products to include lower-emission biofuels and Euro IV (PH) fuels, as well as innovative bitumen products that help improve air quality. Our business seeks to meet today's energy needs, even as we invest in sustainable energy solutions. We promote innovation and benefit from research and development. We upgrade and maintain our infrastructure to be efficient and resilient. Our retail stations and Tabangao facilities have adopted an increasing mix of renewable solar energy, one of the concrete steps we take to achieve our overall goal of low-carbon operations. We will study the effects and impact of these innovations as we continue to monitor the amount of energy we purchase and consume.



Pilipinas Shell provides opportunities for growth and development, not just to our workforce, but also to the local communities in the areas where we operate. Job postings are disseminated among our host communities. We create initiatives to develop local content and promote diversity and inclusion through capacity building and skills development. We strengthen the links between business and education, with our scholars and trainees included among our hiring prospects. We partner with local suppliers and encourage them to follow the same standards of employment, health and safety, environmental compliance, and business ethics as Pilipinas Shell. As part of our COVID-19 response, we also sourced face masks and other personal protective equipment (PPE) from local seamstresses and small enterprises. Our Shell LiveWIRE enterprise development programme also aims to develop local product and service providers which may be incorporated in our supply chain.



We manage the impact of our operations in our import facilities, terminals, and supply depots by complying with environmental regulations and standards for our emissions, waste, and effluents. At the Tabangao import facility, we have laid the foundations for an industrial-scale solar farm that will further promote efficient energy consumption. We also seek to build a network of stakeholders and communities to address impacts related to climate change and natural disasters.



Together with our partners, we implement projects to promote sustainable development. Our social investments are aligned with the global themes of access to energy, community skills and enterprise development, and education focused on science, technology, engineering, and mathematics (STEM). These investments benefit underserved and marginal communities. In times of emergency and calamity, Pilipinas Shell has the capacity to mobilize trained personnel who can contribute to disaster mitigation and relief efforts.

Pilipinas Shell strives to contribute to the UN SDGs throughout our value chain. For more information on the UN SDGs, please visit <https://www.un.org/sustainabledevelopment/sustainable-developmentgoals>.

SUSTAINABILITY SCORECARD

	2015	2016	2017	2018	2019	2020
ECONOMIC (Php billion)						
Value Generated ¹	157.3	137.4	171.4	219.5	219.3	162.4
Capital Investments	5.7	3.3	4.1	4.1	6.2	3.1
Value Distributed ²	153.7	133.3	163.7	219.3	213.7	157.4
ENVIRONMENT						
Energy (Gigajoules)						
Purchased Power	59,429.7	24,565.0	37,044.1	42,588.0	30,030.2	48,433.8
Greenhouse Gas (Tons CO ₂ e)						
Direct GHG Emissions	357,563.0	345,448.7	322,851.3	369,210.8	341,033.1	164,207.5
Indirect GHG Emissions	5,082.0	2,083.1	3,120.4	3,566.6	3,037.8	5,354.5
Water (Million cubic meters)						
Total Freshwater Withdrawn	1.8	1.9	2.0	1.9	1.9	1.5
Waste ³ (Tons)						
Hazardous waste generated and disposed	38,988.2	861.9	1,037.3	654.0	409.2	557.5
Waste Oil Recovery			3,691.8	462.0	820.0	
Non-hazardous waste generated and disposed	127.6	139.8	93.1	1835.7	207.5	1,056.2
SOCIAL						
Total Employees	756	698	706	703	707	606
Male	533	470	459	453	461	405
Female	223	228	247	250	246	201
Total Community Investment	27.2	119.3	41.8	31.0	50.0	113.1

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

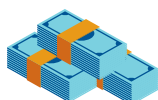
² Economic Value Distributed includes operating costs, employee wages and benefits, payments to capital providers, payments to the national government, community investments, etc. [Formula: Economic Value Generated - Economic Value Distributed = Economic Value Retained]

³ Hazardous and non-hazardous waste reported is for the whole downstream business.

FINANCIAL HIGHLIGHTS

**PHP3.9 BILLION**

cash conserved as part of financial resiliency efforts during the COVID-19 pandemic

**PHP5.9 BILLION**

cash flow from operations

**PHP3.1 BILLION**

CAPEX spent for expanding the retail business and strengthening the supply chain

GROWING OUR INVESTMENT

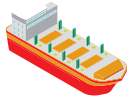


**1,096
RETAIL
STATIONS**
nationwide



FIRST COMMERCIAL BUILDING MADE OUT OF ECO-BRICKS

- Features a Shell Helix Oil Lube Bay Lounge
- Used **13,250 pieces** of Shell Helix lubricants bottles in the construction of the building
- Avoided **6,065 kilograms (kg)** of CO₂



SUBIC IMPORT FACILITY OPERATIONAL

- Capable of receiving medium-range (MR) import vessels
- **54 megaliters (ML)** finished products capacity



SOLAR FARM COMPLETED IN TABANGAO FACILITY

- Has **5,220 solar panels**, with peak capacity of **1.8 megawatts (MW)** direct current (DC)



TABANGAO REFINERY TRANSFORMATION INTO A WORLD-CLASS FACILITY

- Remove variability from inventory gains/losses (+PHP4.2 billion to -PHP6.8 billion) and refining margins (+PHP5.5 billion to -PHP5.7 billion)

UPLIFTING THE NATION



~800,000 BENEFICIARIES
of COVID-19 donations
Consisting of healthcare workers, front liners, indigent families, motorists, farmers, fisherfolks, and seamstresses



~3.8 MILLION LITERS

of discounted fuel that transported healthcare workers, front liners, and critical goods



~2,000 SCHOLARS

graduated from the Gas Mo, Bukas Ko Program

PUTTING PEOPLE FIRST



88% RESPONSE RATE
for the Shell People Survey (SPS)



40.8% FEMALE LEADERS



8.5 MILLION
man-hours



100+ IMPACTED STAFF

of the Tabangao Refinery have found new roles in the Shell companies in the Philippines (SciP)

A MESSAGE FROM OUR PRESIDENT AND CEO



Our fifth Annual and Sustainability Report (ASR) could not have arrived at a more precarious time in history.

As of this writing, the world is still navigating the new reality of living with the COVID-19 pandemic. Much has been already said about how it is both a challenge and an opportunity for businesses to re-examine their strategies and actions moving forward. Businesses that were not able to cope and adapt quickly caved in and shut down for good.

For more than 105 years, Pilipinas Shell has been a fixture in the lives of millions of Filipinos nationwide; we will not let COVID-19 break that legacy. If anything, the unique challenges posed by the COVID-19 pandemic pushed us even more to continue delivering the high-quality products and services we have been known for.

A reliable partner for essential services

To say that 2020 was a challenging year may prove to be an understatement. In the Philippines, the year started with the eruption of the Taal Volcano, followed by the news of the COVID-19 pandemic. While we have yet to recover from the devastating effects of these back-to-back events, with community quarantines still in force, a series of typhoons also hit the country during the latter half of the year. Inevitably, these slowed down economic activity, causing drastic decline in demand for petroleum products.

Despite limitations and restrictions, Pilipinas Shell's different classes of business showed great resolve as they continued to be reliable partners for essential services. Our network of with 1,096 retail stations remained open

The multiple challenges of 2020 might have changed the way we do things, but it hasn't changed our values, our mission, and our purpose.

to serve customers nationwide, catering to both their fuel and non-fuel essentials. Shell Aviation, on the other hand, continued to provide jet fuel and refueling services for local and international flights, and even fueled 1,000+ humanitarian repatriation flights for locally stranded individuals.

At the height of the lockdown period, our commercial fuels and lubricants businesses also exhibited reliable and resilient delivery as they continued to cater to essential industries, such as the power, manufacturing, transport, and mining sectors, just to name a few. On top of innovating its sustainable product segment, our bitumen business also continued to serve its key customers in construction and infrastructure development.

Unwavering dedication despite uncertainties

But we would not have continued to thrive this year if it were not for the unwavering commitment and dedication of our 606 employees nationwide. Indeed, it is during these times of seemingly insurmountable adversity where our people show their true capacity to adapt, excel, and, most importantly, to care for each other and our communities. Despite challenges in our current work setups, our Shell People Survey (SPS) scores remained at par or better than the top

quartile. Our engagement scores further increased by two points from the previous year, a testament to the persistent motivation and dedication of our employees.

Our key decision-makers exhibited great courage as they made bold choices to keep the business agile and responsive during this challenging year. Our employees, especially those who kept our operations running every day, showed great care in ensuring the health, safety, and welfare of our different stakeholders. Our forecourt staff, our very own front liners, showed tireless persistence as they continued to serve thousands of motorists every day in our stations nationwide, even at the peak of the community quarantine period.

The multiple challenges of 2020 might have changed the way we do things, but it hasn't changed our values, our mission, and our purpose. Even in the face of a trying year, we all found a way to stay true to our purpose and our core values.

Forging pathways for mobility

At the height of the lockdown period, we all realized the value of connection and mobility—two things that are at the heart of our business. With mobility at the top of our minds, our recovery strategy focused on ensuring a steady and reliable supply of our high-quality products for our customers and partners nationwide.

The ongoing transformation of our Tabangao facility, from a refinery to a world-class import facility, will strengthen our position to meet demand not only in Metro Manila and Southern Luzon, but even in the Northern Visayas. We also established an Outside Supply Point (OSP) in Subic, an important piece in our supply chain network, which will secure our competitive edge in Central and North Luzon.

These developments, together with the continued success of our North Mindanao Import Facility (NMIF) in Cagayan de Oro, complements the supply chain triangle that Pilipinas Shell has created to

maximize our efficiency and to support the national government's efforts to jumpstart the economy amidst the pandemic.

Our network of retail stations also continues to serve as a lifeline, not just for frontline workers and motorists in need of fuel, but also for households and communities in need of assistance. We provided close to 3.8 million litres of discounted fuel for the transport of healthcare workers, frontliners, and critical goods. Through our non-fuel retail offers at Shell Select convenience stores and deli2go, we were also able to provide households quick access to necessities such as food, toiletries, cleaning materials, and other essentials, without compromising their health and safety.

Strengthening connections with communities

Despite the numerous restrictions, we were still able to strengthen our connections with the communities that we serve. Not only did we continue to deliver on our regular social investment programmes, but we also launched initiatives to help alleviate the effects of the COVID-19 pandemic. To date, we have spent over PHP150 million for our COVID-19 response activities, which has already benefited close to 800,000 Filipinos.

Pilipinas Shell Foundation, Inc. (PSFI), in partnership with different organizations, has provided around 523,000 meals to frontline workers. Additionally, our different classes of business (COBs) also initiated COVID-19 response programmes not only for their indigent beneficiaries, but also for their business partners, extended workforce, and customers. A special report on our consolidated COVID-19 response further highlights the reach and the impact of our collective efforts (see page 67).

The power to move forward

Indeed, the past year has revealed the depths of everyone's drive, passion, and character. Faced with what is considered the biggest health and economic crisis of our generation, Pilipinas Shell has proven that our purpose and our core values drive everything that we do.

And as we face a new year, one that is brimming with hope and anticipation, we have proven ourselves to be a truly resilient, adaptive, and future-ready organization. We have shown that we can continue to thrive in a post-pandemic world, and in the energy transition to come.

In the coming years, we will be introducing new strategies and exciting projects that will help steer the Company towards its energy transition. In 2021 alone, despite the continuing challenges of the COVID-19 pandemic, we expect to open an additional 60 to 80 retail stations nationwide.

Let's continue to transcend the challenges of today and make energy for the future.



Cesar G. Romero

President and CEO

Pilipinas Shell Petroleum Corporation

REPORT FROM OUR CFO



2020 was an extraordinarily challenging year to us, and the energy industry globally. Following our robust overall performance last year with net income up 11% versus 2018, the Company took a hit in net earnings from the “perfect storm” of global and local headwinds.

2020 was an extraordinarily challenging year that brought an unprecedented series of events impacting the socio-economic landscape, both locally and globally. The oil and energy industry was one of the most severely affected sectors. Following our robust overall performance in 2019, with net income up by 11% over 2018, the Company took a hit in net earnings from the “perfect storm” driven by the global and local headwinds last year. The strongest of these headwinds were the supply overhang resulting

from the OPEC-Russia price war and the demand destruction due to the COVID-19 pandemic.

Global oil prices dropped sharply from around USD67.00 per barrel at the start of 2020 to a record low of USD18.00 per barrel in April 2020, following the breakdown of talks between the Organization of the Petroleum Exporting Countries (OPEC) and Russia. This resulted in substantial inventory holding losses for the Company, further compounded by lower

We made progress in the face of economic headwinds and acknowledged structural changes in our strategy to move forward in the “new normal”.

revenues from the mobility restrictions and economic slowdown triggered by the stringent COVID-19 lockdown measures.

Negative refining margins worsened from 2019 and stayed in negative territory for most of 2020. The curtailment in fuel demand due to the pandemic, plus the steady increase in complex refining capacity with chemicals integration across Asia over the past decade, meant that the profitability of small, inland refineries was not going to improve in the near to medium term. This led to the tough yet necessary decision of the Company to transform its Tabangao Refinery into a world-class import terminal.

The permanent closure of the refinery necessitated the recognition of PHP11.8 billion post-tax charges consisting mainly of non-cash asset impairments, decommissioning and restoration provisions, and contract termination penalties. These charges, along with inventory losses of PHP4.8 billion, are the biggest contributors to our overall post-tax net loss of PHP16.2 billion. Excluding non-recurring items, Pilipinas Shell ended the year with PHP0.4 billion in core earnings.

While this crisis of uncertainty is undoubtedly one of the biggest difficulties we ever experienced, we are proud that the financial resilience and balance sheet strength we built up in the past few years kept us afloat through the worst of the storm. At the height of the lockdowns, we established a cash governance

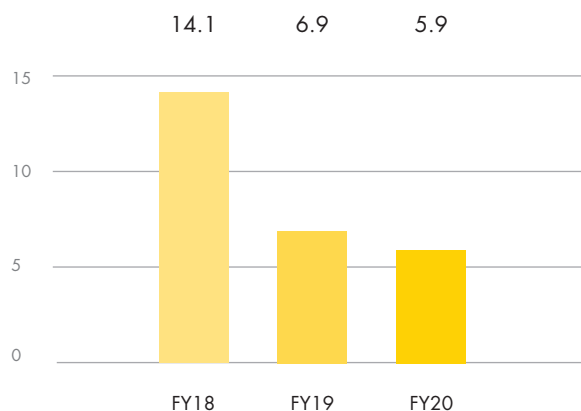
framework and instituted key cash preservation and generation strategies that secured the cashflows needed to sustain business operations. And following the difficult but well-considered decisions we had to make in 2020, we believe we are prepared to bounce back as the Philippine economy recovers. We have the agility and energy to move forward in the “new normal”.

Strong Cash Generation

The Company generated cash flow from operations of PHP5.9 billion, a strong ending, coming from our year-to-date third-quarter cash flow of PHP0.6 billion. Our marketing teams’ bounce-back plans were able to successfully capture the recovering demand, including the implementation of adaptive offerings for “new normal” non-fuel consumer needs.

The decision to temporarily shut down refining operations in May 2020 effectively reduced inventory holding days from two months to two weeks, thus significantly shortening the cash conversion cycle. In addition, concrete steps were taken to manage collections and overdue payments, including conversion from cheque payments to electronic fund transfers. Customer liquidity issues and value-risk trade-offs were given due consideration so that mutually beneficial arrangements can be put in place to ensure business continuity. Strong banking relationships were maintained to guarantee continued access to bridging funds.

Cash Flow from Operations (in Php billion)



*Net Cash Flow from operations

Prudent Cost Management

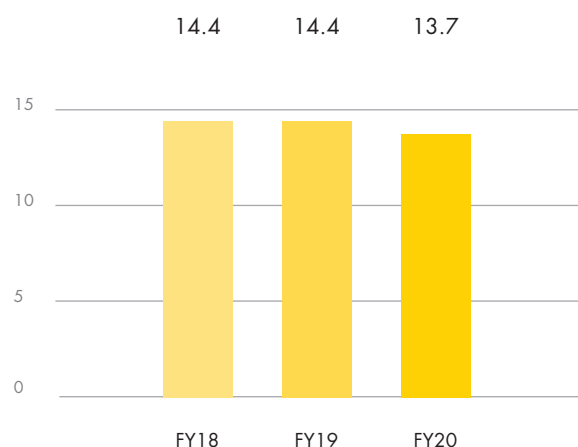
As early as April 2020, the Company made cash conservation a priority to preserve its financial resilience given the uncertainties of the pandemic. We deliberately and successfully reduced our combined capital expenditures and operating expenses costs by PHP3.9 billion against our cash savings target of PHP2 billion – almost double our initial target. The scale of these crucial actions triggered some difficult decisions for the Company, including foregoing the payment of the 2020 performance bonus for all our employees. These were critical, strategic measures that we needed to take to protect the long-term interests of our shareholders and the Company.

For 2020, our selling, general, and administrative expenses were reduced by 5% versus the previous year. The cost competitiveness of the Company greatly improved with the cessation of our Tabangao Refinery operations starting May 2020, with reduced overhead costs and discontinued asset integrity maintenance costs.

Despite the demand uncertainties and the decision to cease production in the refinery, our supply chain operations maintained its flexibility and resilience – ensuring continuous product delivery where and when

needed. Furthermore, to further strengthen our reach, we opened the Subic Outside Supply Point import terminal before the end of the year. The strategic placement of the new terminal will enable lower transshipment costs and road transport efficiencies.

Operating Expenses (in Php billion)



Disciplined Capital Allocation

The pandemic allowed us to reset our 2020 business priorities and, in the process, made us revisit how we allocated our financial resources. While we worked on generating cash and cutting costs, it was clear that the long-term sustainability of our business was hinged upon how we distributed and invested the Company's capital. The earnings and cash flow uncertainties led to the painful decision to cancel the 2020 dividend payout and instead concentrate financial resources – whether cash from operations or borrowings – on the recovery and future growth of the business.

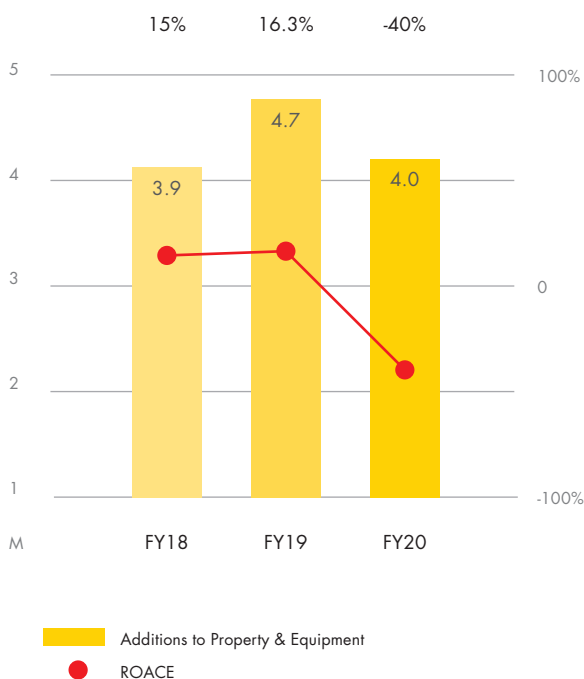
The contraction in economic activity and fuel demand meant that we could taper down our network expansion without sacrificing market share. We built 36 new retail stations in 2020 and continued to invest in a low-carbon future. We now have 70 of our 1,096 retail stations fitted with solar panels and energy-efficient equipment. Moreover, with the anticipated increased focus on mobility and sustainability in a post-pandemic world, we built

our first next-generation mobility service station in Pook Ligaya, which showcases all our sustainability offerings. Our first Shell Helix Oil Change+ building, made of eco-bricks or upcycled plastic, was built this year using 13,250 pieces of used Shell Helix lubricants bottles.

We also finished the installation of our 5,220-panel 1.8-megawatt solar farm in Batangas, which will provide 10% of the Tabangao import facility's annual power requirements. These are the types of industry-leading innovations that we are investing in to increase our cost competitiveness and, more importantly, move towards a low-carbon footprint year-on-year.

Excluding the one-off charges and inventory losses, our return on average capital employed for 2020 stands at 6%. Our net debt of PHP15.7 billion by the end of the year remains manageable. We will maintain the discipline necessary to ensure the efficient use of capital, reward our shareholders, and deliver on our aspiration to become a world-class investment case.

Additions to Property & Equipment and Return on Average Capital Employed (ROACE)



We are a key player in the Philippines' energy transition and will continue powering progress for the Filipino.

2020 marked my fourth and final year as Chief Finance Officer (CFO) of Pilipinas Shell, 34th year in the Company and in the service of the Shell Group. I leave this role in very good hands and greatly pleased to see the Company resilient, recovered and rising above the challenges of 2020.

I have had the privilege of working with talented and motivated colleagues who will do what it takes to get the job done while keeping true to our core values of honesty, integrity and respect for people.

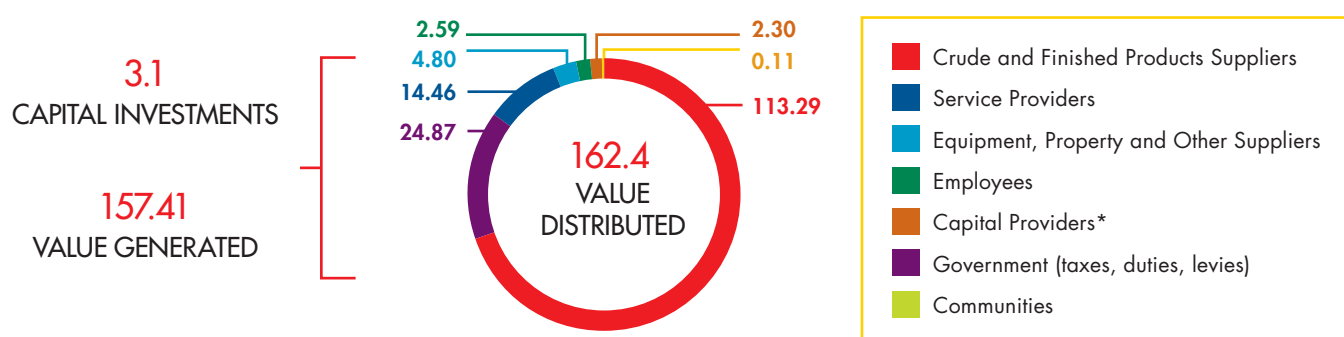
And the best is yet to come. I am confident that Pilipinas Shell will succeed in delivering its robust and adaptive business strategies while remaining steadfast in upholding high corporate governance standards and solid financial foundations. We are a key player in the Philippines' energy transition and will continue powering progress for the Filipino.

JOSE JEROME R. PASCUAL III
Chief Financial Officer
Pilipinas Shell Petroleum Corporation

Financial Highlights

Direct Economic Value Generated and Distributed

AMOUNT IN PHP BILLIONS



Summary Statement of Financial Position

For the year ended December 31

(in Php million)	2020	2019	2018	2017	2016
Current assets	29,902.6	47,469.4	40,778.6	45,876.3	38,856.3
Non-current assets	56,647.5	55,450.1	39,387.8	36,000.7	31,752.9
Total assets	86,550.1	102,919.5	80,166.4	81,877.0	70,609.2
Current liabilities	33,394.3	39,453.2	28,456.8	31,235.0	22,400.8
Non-current liabilities	29,524.0	23,638.0	12,737.8	8,506.6	15,280.1
Total liabilities	62,918.3	63,091.2	41,194.6	39,741.6	37,680.9
Total equity	23,631.8	39,828.3	38,971.8	42,135.4	32,928.3
Total liabilities and equity	86,550.1	102,919.5	80,166.4	81,877.0	70,609.2

Summary Statement of Income

For the year ended December 31

(in Php million)	2020	2019	2018	2017	2016
Gross sales	162,022.6	224,288.6	223,817.7	174,470.2	142,075.4
Sales discounts and rebates	-5,070.8	-5,885.6	-4,949.0	-4,994.4	-5,312.1
Net sales	156,951.8	218,403.0	218,868.7	169,475.8	136,763.3
Cost of sales	-153,291.2	-194,952.7	-196,573.9	-143,070.6	-112,461.5
Gross profit (loss)	3,660.6	23,450.3	22,294.8	26,405.2	24,301.8
Operating expenses	-13,722.8	-14,448.6	-14,386.6	-13,860.1	-13,063.1
Other operating income, net	177.8	388.4	583.9	489.4	470.7
Income (loss) from operations	-21,008.8	9,390.1	8,492.1	13,034.5	11,709.4
Income (loss) before income tax	-23,028.2	8,021.2	7,292.1	13,760.2	10,828.1
Profit (loss) for the year/period	-16,182.6	5,621.2	5,076.3	10,368.2	7,443.8

Summary Statement of Cash Flows

For the year ended December 31

(in Php million)	2020	2019	2018	2017	2016
Net cash from (used in) operating activities	5,945.5	6,897.2	14,143.6	10,931.4	8,499.6
Net cash used in investing activities	-3,961.5	-4,903.3	-4,291.5	-4,539.7	-3,431.0
Net cash from (used in) financing activities	-472.3	-1,670.1	-11,719.9	-4,468.7	-4,549.0
Net increase (decrease) in cash for the year/period	1,511.6	323.7	-1,867.8	1,923.1	519.6
Cash at the beginning of the year/period	4,778.8	4,455.1	6,163.3	4,274.3	3,576.8
Cash at the end of the year/period	6,290.5	4,778.9	4,455.1	6,163.3	4,274.3

EBITDA

For the year ended December 31

(in Php million)	2020	2019	2018	2017	2016
Profit (loss) for the year/period	-16,182.6	5,621.2	5,076.3	10,368.2	7,443.8
EBITDA	-16,501.4	14,252.0	9,988.6	16,291.5	13,166.0
Less: Cost of Sales Adjustment (COSA) ¹	-6,803.4	1,941.0	-56.9	4,203.2	3,027.8
EBITDA (adjusted for COSA)	-9,698.0	12,311.0	10,045.6	12,088.3	10,138.2

Key financial ratios

For the year ended December 31

(in Php million)	2020	2019	2018	2017	2016
Current ratio ²	0.90	1.2	1.4	1.5	1.7
Debt to equity ratio ³	0.68	0.4	0.2	0.2	0.4
Debt ratio ⁴	0.18	0.1	0.1	0.1	0.2
Return on assets ⁵	-18.70%	5.5%	6.3%	12.7%	10.5%
Return on equity ⁶	-70.26%	14.3%	13.2%	24.9%	22.9%
Return on average capital employed ⁷	-40%	16.3%	14.8%	26.9%	24.2%

¹ Cost of Sales Adjustment (COSA) approximates the inventory gains/losses incurred by the company due to crude and oil price fluctuations. Using the first in first out method of accounting, cost of goods sold reflect costs 30 days earlier while revenues reflect current prices. The timing difference creates a significant impact on cost of sales. As a general rule, an increase in crude prices will create an inventory gain while a drop in crude prices will lead to an inventory loss. COSA is removed to reflect the underlying performance of the business. 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 Current ratio is computed by dividing current assets over current liabilities.

³ Debt to equity ratio is computed by dividing net debt (short-term borrowings and loans payable less cash) by equity (exclusive of other reserves).

⁴ Debt ratio is computed as net debt divided by total assets.

⁵ Return on assets is computed as profit (loss) for the period divided by total assets.

⁶ Return on equity is computed as profit (loss) for the period divided by equity (exclusive of other reserves).

⁷ 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.

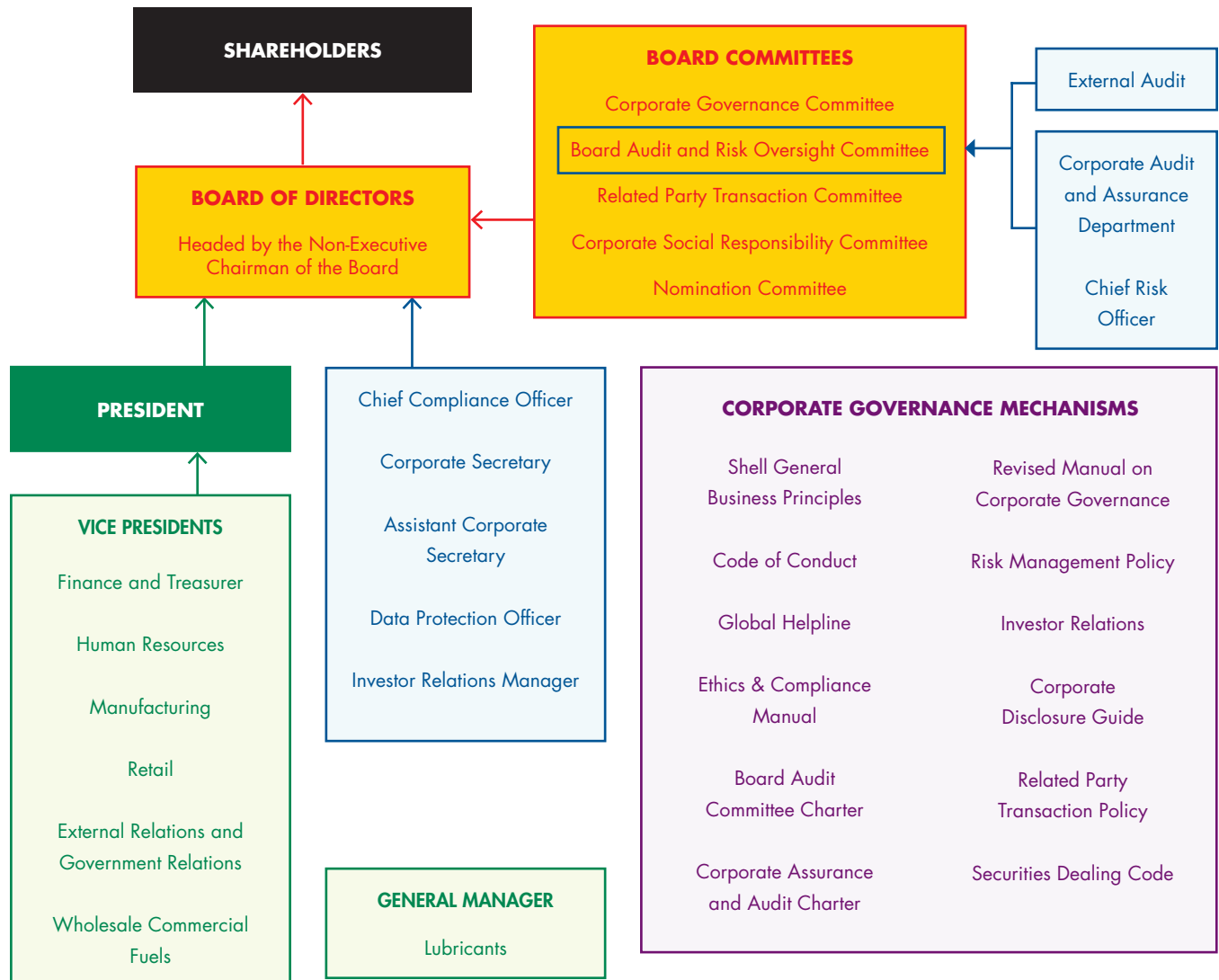
CORPORATE GOVERNANCE

The success of the business is rooted in strong foundations of corporate governance. Responsibility, accountability, and transparency are the cornerstones of good corporate governance and Pilipinas Shell is committed to upholding these in the exercise of our business.

PSPC complies with the Code on Corporate Governance and other guidelines mandated by the Securities and Exchange Commission (SEC) for publicly-listed companies. PSPC has a Chief Compliance Officer who has oversight

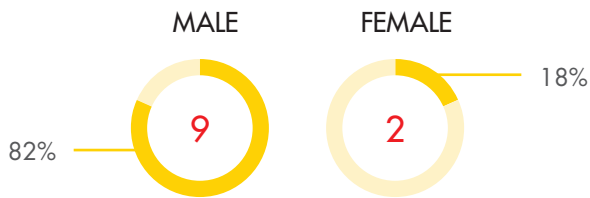
over these matters and certifies the Company's compliance. Regular disclosures are submitted to the SEC in fulfillment of the reportorial requirements of the agency.

Pilipinas Shell's Board of Directors provides oversight and guidance on matters of corporate governance. The Board is currently led by Non-Executive Chairman of the Board Min Yih Tan, and the Management Team for Pilipinas Shell is led by President and Chief Executive Officer (CEO) Cesar Romero.

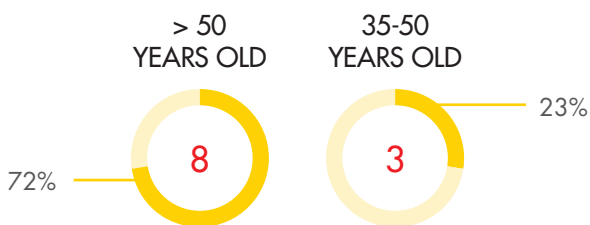


BOARD COMPOSITION

BY GENDER



BY AGE



The Board is responsible for decision-making on economic, environmental, and social (“EES”) matters. Directions and decisions on EES are then delegated to the Management and embedded for each class of business and function. Specifically, the Board Audit and Risk Oversight Committee takes the lead in determining key risks on EES matters, while the Corporate Social Responsibility Committee reviews disclosures on sustainability matters that are published in our report.

The Articles of Incorporation of the Corporation will be amended to reflect the shift of the Tabangao Refinery to a full importation facility. PSPC’s Primary Purpose will now be:

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



OUR FIRST VIRTUAL AGM

June 2020 - Pilipinas Shell holds its first ever Annual Stockholders Meeting. In light of the COVID-19 pandemic, the Company deferred its annual in-person gathering of stockholders to ensure the health and safety of its shareholders, customers, and employees to comply with government regulations.

For the first time in Pilipinas Shell history, shareholders participated in the meeting through remote communication and in absentia. We developed our own process, which was then approved by the Securities and Exchange Commission (SEC). As the SEC provided more guidance on the conduct of virtual AGMs, we responded accordingly and used available issuances (e.g., teleconferencing rules) to tailor-fit processes based on available resources.

Shareholders were provided with a link to download the necessary documents that would be discussed during the meeting, as well as a dedicated email address to receive all their communications. Shareholders could also send in questions, comments, and requests for assistance regarding technical issues through the chat box. The overwhelming support from our shareholders fueled us to deliver on our commitments and pursue the best corporate governance practices despite the circumstances.

We recorded a quorum of more than 84% of the total outstanding shares of Pilipinas Shell. Total votes cast reached 1.355 billion shares, while our directors garnered favorable votes of more than 14.617 billion votes. For more information on our virtual annual stockholders’ meeting, please visit: <https://pilipinas.shell.com.ph/investors/2020-annual-stockholders-meeting.html>.

AWARDS

Best Energy Corporate Governance

Capital Finance International Awards

In recognition of Pilipinas Shell's comprehensive governance code and its strong fit-for-purpose corporate structure that is guided by its core values of honesty, integrity, and respect for people.

PeopleAsia People of the Year 2021 Awardee

PeopleAsia's People of the Year 2021 Awards features individuals who have uplifted others in the face of Covid-19 and calamities and have brought hope and opportunities to Filipinos. **Pilipinas Shell President and CEO, Cesar G. Romero** is one of the recipients of the award. The feature focused on his advocacy for clean, renewable sources of energy for a greener future.

Health & Safety Category

International Finance Award

Recognized for its 11-year response to the HIV/AIDS threat which includes concrete policy changes undertaken within the organization. Pilipinas Shell is the lead partner and implementer of the Philippine Business Sector Response to the HIV/AIDS programme.

Innovation in Consumer Events

Innovation in Business-to-Business Events, Bronze, 2020 Asia-Pacific Stevie Awards

Pilipinas Shell was awarded for its innovation in live event conception, development, planning, promotion, and execution for the **Shell Rimula: Tsuperstar Grand Finals** and **Shell Technology Forum: "The Road Ahead."**

2020 Philippine Law Awards, SciP Legal Team

Energy and Resources In-House Team of the Year, Philippine In-House Team of the Year The Asian Legal Business (ALB) Law Awards recognizes legal excellence in the Asia-Pacific and is held annually in Hong Kong, Singapore, Japan, Korea, Malaysia, Indonesia, the Philippines, and China. The ALB is owned by Thomson Reuters, the world's leading source of intelligent information for business and professionals.

Top Importer of the Year

Bureau of Customs

The North Mindanao Import Facility (NMIF) was recognized for its contribution to the generation of revenues in the country and as the highest taxpayer from its import of fuel products in Cagayan de Oro.

2020 Global NXplorers Recognition Awards

Excellence in Facilitation

Silver Award: Monaleizl Dy

Bronze Award: Mark Christian Marqueses

Merit Awards: Jenshiam Bangua, Lei Mitchen Sta. Maria, Viva Generoso

Most Inspiring Mentor

Bronze Award: Peter Doping, Nino Navarro

Merit Award: Ronald Po

Exceptional Project by a Student Team

Silver Award: Team ShellerMoon, University of San Carlos - Cebu

Bronze Award: Team NX-US, Oriental Mindoro National High School

Outstanding Students Team

Gold Award: Team Agribon, Philippine

Science High School - Cagayan Valley

Merit Award: Team NXERGY, Puerto

Princesa National Science High School

The awards celebrated and recognized the contributions of teachers, facilitators, mentors, and students from the Shell NXplorers community. Shell NXplorers is an innovative educational programme that introduces young people to the complex and creative thinking needed to bring about positive change.

IR Magazine Awards South East Asia 2020

Shortlisted in the following categories:

Best annual report

Best crisis management

Best IR website

The IR Magazine awards excellence in investor relations across Southeast Asia. Pilipinas Shell was shortlisted in three categories for the quality of its annual report, crisis management amid the COVID-19 pandemic, and the customer experience provided on its IR website.

UN Women 2020 Asia-Pacific WEPs Awards

First runner-up:

Gender Responsive Marketplace Category

Gender Inclusive Workplace Category

Pilipinas Shell one of the pioneer winners in the first ever UN Women 2020 Asia-Pacific WEPs Awards. The awards aim to encourage, value, and recognize the efforts of individuals and businesses that promote gender-inclusive business cultures and the achievement of gender equality in the Asia-Pacific, guided by the WEPs.

HSSE, Care, Ethics, & Compliance

Ambassador

Shell APME H1 VP Award

Awarded for demonstrating visible HSSE leadership through measurable actions and ensuring the safety of our distributor partners in the frontlines. Zero cases of COVID-19 among frontline personnel, namely 462 Shell distributor staff and 100 non-Shell distributor staff.

Stevie International Business Awards, Bronze Corporate & Community - Customer Engagement Event

Awarded for **The Shell Rimula: Tsuperstar Grand Finals**, which recognized the talents of jeepney drivers across the country. The award is given to any type of customer-centric event created to foster the relationship and brand loyalty with existing customers or engage target customers.

In-House Legal Team of the Year

5th Annual In-House Community Counsel of the Year Awards

The SciP legal team bested 13 other companies in the Asia and the Middle East and North Africa (MENA) regions. Awarding multinational corporations in the world, the In-House Community is a prestigious consortium of in-house legal teams. They recognize top-performing teams in categories such as dedication, innovation, efficiency and value, integration, encouragement and improvement, and CSR and diversity.

Certificate of Appreciation

Philippine Coast Guard

The Philippine Coast Guard, as part of the Marine Environmental Protection (MAREP) Course, Class 34, Series 2019, lauded the Anibong Terminal as one of the few facilities in Region VIII that has the capability to respond to adverse marine environmental incidents.

Finalist, 2020 Shell LiveWIRE Top Ten Innovators Awards

Silangan Ibabao Batis Bulihan Araneta Proper Multi-Purpose Cooperative (SIBBAP-MPC)

SIBBAP-MPC is a finalist at the Shell LiveWIRE 2020 Top Ten Innovators competition under the Local Prosperity category. SIBBAP has provided skills training to locals in the production of frontline medical garments with the support of Pilipinas Shell Foundation, Inc.

TRANSFORMING OUR BUSINESS FOR THE FUTURE

Pilipinas Shell's robust and reliable supply chain allows us to ensure the smooth and efficient delivery of our products, wherever and whenever they are needed. We continue to explore ways to grow both our fuel and non-fuel businesses. We regularly introduce new products to help promote sustainability among our customers and partners. In 2020, we also added new products and services to help our customers and partners adapt to the new normal brought about by the COVID-19 pandemic.

We also recognize that sustainability begins with our processes and practices, and this encourages us to participate actively in the energy transition. Thus, we strive to institute the necessary changes to contribute and push forward the Company's overall low carbon ambitions and improve the environmental footprint of our retail sites.

Despite the various challenges of 2020, we are proud to have been able to provide the same high-quality products and the world-class service that have become synonymous with our brand.





REDUCING THE CARBON FOOTPRINT OF OUR RETAIL NETWORK

Our retail network is an important part of our business. We seek to elevate the standards of quality in our retail sites to provide the best service to our customers every day. We remain committed to making strategic changes in our retail sites that will help us reduce carbon intensity and move our sustainability agenda forward.

We aim to transform our retail sites for the future, by integrating sustainability features and adopting strategies under a three-pronged approach to avoid, reduce, and offset carbon emissions. As of July 2020, we have achieved a 30% reduction in energy consumption at our retail stations that have already implemented these strategies. Pilipinas Shell currently boasts a retail footprint of 1,096 sites where we progressively roll out these innovations.

In 2020, we launched Pook Ligaya, our first next generation Shell mobility station. Pook Ligaya integrates all our sustainability offerings under one canopy. Solar

panel installations, LED lighting, and energy-efficient equipment allow us to reduce our carbon emissions. Our initiatives go beyond infrastructure. We ensure that our forecourt staff adopt a sustainability mindset and refine their ways of working to help us achieve our carbon reduction goals.

Pook Ligaya's rainwater harvesting system, eco-brick wall made of upcycled plastic such as our lubricant containers, and green landscaping features help us offset carbon emissions. Additionally, we also plan to preserve trees as part of our construction work in our retail sites.

Pook Ligaya provides a full non-fuel retail offer with multiple locators, oil change, and carwash, and convenience retailing stores. We also contribute to achieving a low-carbon economy by using and selling eco-friendly and locally sourced products.



**SOLAR PANELS IN
70 RETAIL SITES**



**TRANSITIONING TO 100%
LED LIGHTING AND INVERTER
TECHNOLOGY IN CLOSE TO
400 RETAIL SITES**



**BUILDING THE FIRST FULL
ECO-BRICK RETAIL SITE**



SUPPLY CHAIN NETWORK EXPANSION

The pandemic caused most people to stay home in observance of community quarantine guidelines. While this brought an expected downturn, the economy slowly began to open up in the third quarter of 2020. To support economic activities and boost recovery despite the difficult environment, Pilipinas Shell made the necessary supply chain strategy changes to ensure resilience and steady supply.

To continuously support our growing fuels business nationwide, we are strengthening our retail presence in step with expanding our fuel supply network. We have 24 terminals in strategic locations, allowing PSPC to provide stable and secure supply of our products across the country. Our move to expand our fuel supply network is aligned with our commitment to be a strong partner in nation-building.

Maximizing our advantage with the Tabangao Terminal expansion

The Shell Tabangao Terminal continues to be the most cost-competitive supply point for Metro Manila and South Luzon, covering 75% of volumes for the Greater Metro Manila Area. We made strategic investments to increase our depot capacity to ensure reliable service for our customers and to improve efficiency in the terminal. The terminal expansion is in preparation for the projected further growth in petroleum demand in the Luzon/Visayas market.

The expansion of the Tabangao Terminal has multiple benefits. The expansion activities include the construction of a new control room, improvement of the lorry access road, and the provision of additional parking spaces. These contributed to an enhanced, safer, and more collaborative work environment

for staff and contractors, more streamlined truck loading operations, and better gate-to-gate time for our truck deliveries. These benefits were an overall improvement in Tabangao Terminal's supply and distribution chain, which ultimately supports our aspiration to be a global benchmark for safe, efficient, and compliant operations.

The Tabangao Terminal expansion has also resulted in benefits for our partner contractors. At their peak, the control room and lorry access road projects provided livelihood to 271 contractors. The engaged contractors were local hires, mostly from our host and neighbouring communities in Tabangao, Batangas.

Increasing competitiveness with the Subic Outside Supply Point (OSP)

In May 2020, Pilipinas Shell temporarily shut down the Tabangao Refinery due to poor oil demand and depressed refining margins during the extended lockdown period. In August 2020, the Board approved the decision to transform the Tabangao Refinery from a petroleum manufacturing and processing facility to a world-class full-import terminal.

This move will optimize Pilipinas Shell's asset portfolio and enhance its cost and supply chain competitiveness. With a capacity of 263 million liters, the Tabangao Import Facility will be well-positioned to meet the demands of Metro Manila, Southern Luzon, and Northern Visayas.

Meanwhile, the North Mindanao Import Facility (NMIF), with its 90-million-liter capacity in finished petroleum products, continues to serve the needs of the rest of Visayas and Mindanao. NMIF's strategic location has helped reduce costs and overall maritime risks by eliminating the need for short-range vessels to transport fuel from Tabangao to Mindanao.

The Subic Outside Supply Point (OSP), with a capacity of 54 million litres, completes PSPC's nationwide supply triangle and strengthens our position in Central and North Luzon, including Limay, as well as parts of Metro Manila. This will be our most competitive supply point to serve the areas north of Metro Manila.

Strategically located to enhance access to Regions I, II, III, and the Cordillera Region, the Subic facility is Pilipinas Shell's third import terminal capable of receiving medium-range (MR) vessels. The Subic OSP also has the option to expand its capacity as the demand may require. This allows us to maximize efficiency and minimize transshipment costs. With four truck loading bays operating 24/7, two of which are bottom-loading capable, the Subic facility provides additional storage and back-up for the Tabangao Terminal.

The Subic facility further boosts Pilipinas Shell's supply chain resilience and strengthens our capacity to respond, particularly to disruptions brought about by the typhoon season.





INNOVATIONS FOR A SUSTAINABLE FUTURE

Shell Bitumen FreshAir

Pilipinas Shell is committed to providing world-class products and services. Beyond this, we seek to innovate by delivering cleaner energy solutions for our customers making improvements in the way we operate. Bitumen FreshAir is a prime example of this drive to give our customers new products that meet their needs and address the challenges of their business.

Formally launched in November 2020, Bitumen FreshAir was initially introduced to a few customers in 2019. Given the product's unique features, there was great interest in it, which translated into high conversion of our existing accounts to Bitumen FreshAir.

Bitumen FreshAir meets the local specifications set by the Department of Public Works and Highways (DPWH), and offers the same penetration-grade (PEN 60/70) bitumen that is the standard for road construction and asphalt pavements. More than that, it has added environmental benefits. Unlike conventional bitumen products, Bitumen

FreshAir helps reduce the environmental impact of asphalt production and paving on local air quality.

Feedback from our partners has been positive. Philsouth Builders, Inc., an ISO-certified developer and contractor in Negros Oriental, confirms the high quality of the product and reports on the improved odor in their plant after switching to Bitumen FreshAir. Duros Development Corporation, a construction company based in Cebu, used Bitumen FreshAir exclusively for their project in Siargao.

Where customers see a product that meets their business needs and specifications, Pilipinas Shell sees an opportunity to advocate for sustainability among our customers and partners. Bitumen FreshAir is an entry point for contractors to begin exploring more environmentally friendly and sustainable products. Together with the DPWH, Pilipinas Shell is exploring the possibility of recognizing contractors who use sustainable products for differentiation and incentives or credits.



Bitumen FreshAir Launch, November 2020

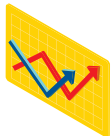
Shell BituFresh Air Benefits



Reduction of particulate matter is equivalent to planting an average of 16 trees per kilometer of asphalt laid per year



Reduction of nitrogen dioxide is equivalent to removing an average of 40 cars per kilometer of asphalt laid per year.



Active odor neutralization registered at 95-99%.



On average, Shell Bitumen FreshAir offers a 40% reduction in the levels of sulfur oxides, nitrogen oxides, volatile organic compounds, particular matter, and carbon monoxide.

Shell InstaPave

Pilipinas Shell knows that good things take time—from researching and developing a new product, securing accreditation and approval, to, finally, introducing it to our partners and customers. Our success with Shell InstaPave is a testament to this.

Pilipinas Shell offers Shell InstaPave as an alternative to the conventional PEN 60/70 bitumen and requires less energy to produce. With its Slurry Seal Cold Mix Technology, the Shell InstaPave system upgrades gravel roads to permanent pavement, as well as preserves roads by enabling them to withstand different weather conditions. In fact, Shell InstaPave is the only product in the market now that can help pave mountainous areas. Today, we are seeing how this product has steadily gained ground in Northern Luzon.

Roadex Construction Corporation, our partner in Bamban, Tarlac, adopted the Shell InstaPave technology, starting out with one macropaver truck in 2007. Today, Roadex has expanded to four macropaver trucks, with plans to purchase two more in 2021, and continues to use Shell InstaPave in its projects due to its quality, durability, and excellent performance.

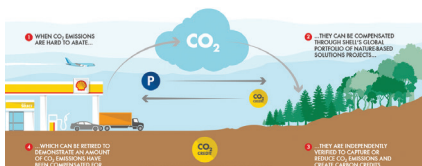
Shell Helix Ultra 0W

Shell Helix Ultra 0W is a line of fully synthetic motor oils that offer motorists value for money and superior performance. High-quality synthetic base oils and Shell's PurePlus Technology guarantee motorists the best protection for their engines.

Motorists concerned about their carbon footprint can feel good about using Shell Helix Ultra 0W. For every liter of fuel saved with Shell Helix Ultra 0W, motorists can expect a corresponding equivalent reduction in carbon emissions. Currently, Shell Helix Ultra 0W results in up to 3% fuel savings compared with industry reference motor oils.

We also did a "cradle-to-grave" calculation of the emissions associated with the use of the Shell Helix Ultra 0W motor oils—from base oil refinery, production, transportation, use, and end-of-life treatment. We purchase carbon credits from nature-based solutions to offset these emissions.

Nature-based solutions refer to activities that protect or redevelop natural ecosystems to help lower the concentrations of greenhouse gases (GHG) in the atmosphere. These projects, which include tree-planting and reviving deforested areas, help avoid or minimize GHG emissions and sequester carbon.



How does Shell apply nature-based solutions?

Nature-based solutions are projects which protect or redevelop natural ecosystems, such as forests, grasslands, and wetlands. The carbon credits we offer to customers may be based on any of these projects

Read more about it here: <https://www.shell.com/energy-and-innovation/new-energies/nature-based-solutions.html>

Shell Lubricants' Premium Product Innovations

We support our trade customers by helping them upsell the best premium lubricants to their shoppers. We understand that lubricants can be quite technical and difficult to understand, so we develop products that provide clearer benefits that customers look for. Our innovative lubricant products are not only designed for advanced engine technology but are specifically designed to help guide our customers to make the best choices and thus get the best performance from their vehicles. They are also designed to give the best protection, improved engine performance, greater fuel efficiency, as well as potential cost savings on equipment repairs, for car, motorcycle, and truck owners.

Shell Helix Power and Protect are the newest top quality fully synthetic motor oils from Shell. It has Shell Helix's most advanced formulation made from natural gas (pureplus technology) that delivers on long lasting engine performance, superior protection against extreme temperatures and greater fuel economy. Customers can now choose tailored to their specific needs, making them suitable for either long drives or stop-and-go city driving. Shell Helix Power is expertly engineered to help cars

maintain the ultimate engine power and performance. Shell Helix Protect on the other hand is expertly engineered to give car engines better overall protection.

Shell Advance "Benefit Led" Power, Protect and Fuel Save are the newest top quality fully synthetic motor oils from Shell. Tailor-made for distinct riding styles, it provides bikers the best oils for their needs. With three variants to choose from, customers can choose the product that helps them achieve the best riding experience. Shell Advance Power preserves bike engine performance and maximizes power output. Shell Advance Long Ride provides engine protection for up to 6,000 kilometers. Shell Advance Fuel Save is expertly engineered to deliver an average of five kilometers more per litre of fuel.



Shell Rimula Light Duty are the newest top quality semi-synthetic oil specially designed for light commercial vehicles and trucks. Stop and start driving, high idling time, and variable loads are among the conditions of light duty truck driving. These result in more wear and tear, shortened oil life, and increased engine temperature and soot deposits. With Dynamic Protection Plus Technology, Shell Rimula Light Duty addresses all three problems by providing greater engine protection, extending oil life, and breaking deposit build-up. It also provides up to 1% improved fuel economy helping fleet owners save on costs.



HERE FOR YOU AND YOUR FLEET

Shell Fleet Solutions continues to serve its customers throughout the pandemic to ensure that their fleet is running safely and seamlessly.

More than a fleet card

The team communicated care for our customers through digital campaigns and initiatives hinged on Health and Safety. Through our Health Offer, customers are able to call an emergency hotline for Medical Teleconsult. In cases of more urgent care, we also extended Discounted Ambulance Assistance. Both offers prove to be valuable to our customers. Knowing the importance of keeping healthy, we also initiated the Free Vitamin program to select strategic customers as the community quarantines eased. The focus on driving safely was also strengthened by transitioning to virtual Defensive Driving Training, which allowed us to train more drivers and customers to drive safer on the road – an offer that no other fuel card company has. In 2020, we trained with over 1,200 drivers from local conglomerates and multinational companies who shared their appreciation of the value that this initiative brings to their businesses. Showing care for our community, in collaboration with the Mobility team, fuel support was extended to select customers who played a monumental role in mobilizing frontliners, donations, PPE and equipment during the onset of the pandemic.

New accounts through virtual selling

In 2020, Shell Fleet Solutions continues to win new accounts through virtual selling and pursuing clients from resilient industries. The tenacity to win more customers did not cease as the sales team adapted to engaging customers virtually. Ensuring loyalty and protecting loyal customer base, 100% contract renewal rate was achieved through consistent delivery of our customer value propositions.

Shell Fleet Card proves reliability

Our customers continue to rely on Shell Fleet Card to purchase both fuels, lubricants and for their change oil requirements. Lubricants transactions through Shell Fleet Card remained an important product and was further

strengthened through the Vehicle Sanitation Offer and Shell Fleet Card exclusive Lubricants Package.

A new and improved Shell Fleet Hub

Shell Fleet Hub, our new fleet management online tool, has been enhanced to include features and functionalities for the new normal. To ramp up usage, we conducted online training for customers, as well as produced video tutorials, both of which highlight the benefits of using the fleet cards and how they can quickly monitor and manage their fleet cards remotely. In 2020, we saw an increase in usage, from 52% to 73%. We will continue to leverage the Shell Fleet Hub to improve our customers' online experience.

Payments made easy

Recognizing the traction and importance of adapting to digital, the team leveraged on pushing for online payments – resulting to close to 50% of payments transitioned to digital. We continue to adapt as we offer more convenient ways for our customers to pay.

Carbon offset for fleet customers

In 2020, Shell Fleet Solutions also launched its voluntary carbon offset offer for its fleet customers. We partner with our customers and help them achieve their sustainability goals through carbon credit offsets from Shell's global portfolio of independently-verified nature-based projects. One carbon credit represents the avoidance or removal of one tonne of CO₂. Through this offer, Shell will offset the lifecycle carbon emissions of fuel purchases using the Shell Card, and customers will receive a certificate annually for the amount of carbon emissions compensated.

Read more on our first customer, Knowles Electronics Philippines Corporation, here: <https://pilipinas.shell.com.ph/media/current-year-press-releases-news/first-local-partner-and-first-carbon-neutral-fleet-in-ph-shell-fleet-solutions-signs-first-customer-global-audio-solutions-provider-knowles-for-voluntary-carbon-offset-offer.html>

ADVANCING A CULTURE OF CARE FOR OUR PEOPLE AND COMMUNITIES

Our business is enabled by the talent and skills of our workforce. From recruitment and onboarding, to training and development, Pilipinas Shell seeks to provide an enriching experience for all our employees. Although challenging on many fronts, 2020 was an opportunity to show our commitment towards advancing a culture of care for our people and communities.

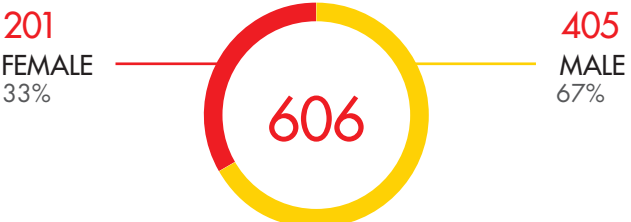




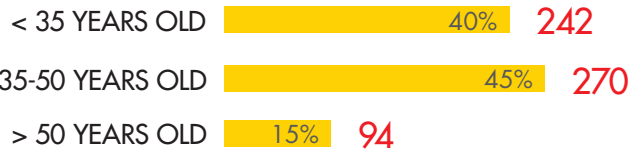
OUR EMPLOYEES

EMPLOYEE DIVERSITY

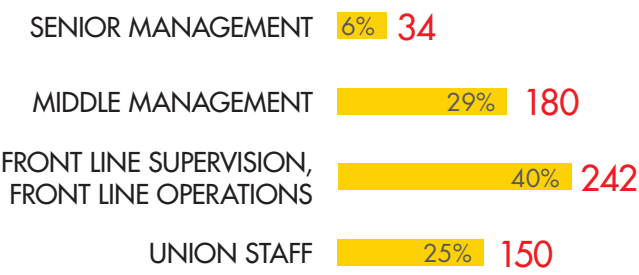
BY GENDER



BY AGE GROUP

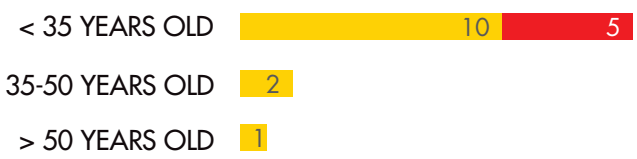


BY EMPLOYEE CATEGORY



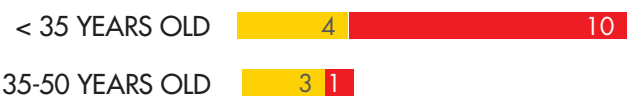
NEW EMPLOYEE HIRES

BY AGE GROUP AND GENDER



EMPLOYEE TURNOVER

BY AGE GROUP AND GENDER



SHELL YOUNG LEADERS PROGRAMME

The Shell Young Leaders Programme (SYLP) is a human resources initiative that is aligned with our commitment to nation-building. The first of its kind in the country, SYLP is an eight-month programme, in partnership with Philippine Business for Education (PBED), which empowers university students by developing leadership skills that will hold them in good stead in their future endeavors.

From an employer standpoint, Pilipinas Shell acknowledges that these students are potential employees. We want to strengthen our brand among the youth and build our network early on to attract future leaders to join our organization. The programme offers mentorship from Pilipinas Shell executives and capability-building sessions on relevant topics such as finance and marketing, organizational branding and internal relations, and sustainability and nation-building.

Normally conducted as sessions in partner schools, SYLP had to shift to online platforms in 2020 due to the pandemic. Despite the prolonged quarantine period, SYLP pivoted to innovative virtual sessions so that students could continue the programme with minimal disruption.

This year, 78 student leaders representing 15 student organizations from 7 universities in Metro Manila joined the programme. The capability-building and mentoring sessions for SYLP were held last January 11 and February 2, 2020. In the end, three student organizations came out on top and bested the competition, namely: (1) UP Circuit, (2) UP Industrial Engineering Club, and (3) UP Aggregates, all from the University of the Philippines. The top three organizations took home attractive prizes in the form of cash sponsorships and Shell premium giveaways.





BENEFITS PROVIDED TO EMPLOYEES

BENEFITS PROVIDED TO FULL-TIME EMPLOYEES

Benefits that are standard for full-time employees include the following:

- Life insurance
- Health care
- Disability or invalidity coverage
- Paid leave
- Retirement provisions
- Stock ownership options

Pilipinas Shell supports the use of part-time work arrangements to allow line managers and employees the flexibility to define an appropriate schedule that would ensure effective delivery of work by the employee while managing personal work-life balance. This arrangement requires approval and the applicable benefit is defined by the agreed percentage of work hours. The company also employs temporary employees in exceptional cases where interim support is required (e.g. maternity cover). Temporary employees enjoy mostly the same benefits as part-time employees.

Significant location of operation is defined as areas with a company asset, whether it be an office building, import terminal, retail stations, or an onshore or

offshore gas plant. A significant number of our employees have also worked virtually from home, as this option has been available to staff also before the COVID-19 pandemic.

As such, location of operation does not change an employee's entitlement to the basic benefits package. However, an employee may receive additional benefits should work take place in one of our offshore gas plant assets, or in locations with medium to high security risk.

FIT-FOR-PURPOSE CARE PLANS

At PSPC, we ensure that our programmes are relevant to the needs of our people and are, thus, fit for purpose. We understand that a one-size-fits all approach will not work effectively given that our people all have different work experiences and challenges. Therefore, we customize our programmes for the particular objectives of the teams we work with.

Through our Shell People Survey (SPS) and our regular engagements with teams across the business, we gain valuable insights as to the focus of each team. The Human Resources Department (HRD), together with business leaders, develop a tailored care plan for their respective organizations.

FLEXIBLE WORK ARRANGEMENTS AND SUPPORT FOR WORK-FROM-HOME

Prior to the pandemic, PSPC had already institutionalized flexible work arrangements (FWA) for our employees. FWA consists of a variety of options, including but not limited to telecommuting or work-from-home, aimed at helping our employees balance their work and personal needs. It takes into account operational limitations and requires mutual agreement between the individual and the Company. In observance of the community quarantines during the pandemic, PSPC reinforced working from home especially for office-based staff and provided support to ensure a conducive and ergonomically sound working environment for employees even away from the office.

As a founding member of the UN Global Compact Network Philippines, PSPC complies with national labor laws, as well as the Universal Declaration on Human Rights and the International Labour Organization's Declaration on the Fundamental Principles and Rights at Work, among other international standards. We conduct external benchmarking on a regular basis, through the efforts of our HR and Rewards Team and with the support of our President and CEO. This allows PSPC to stay competitive and ensure a strong and attractive employee value proposition.



TRAINING AND DEVELOPMENT

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

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

We have had to convert our existing face-to-face training into virtual training sessions because of the pandemic. Through an online training platform, all our mandatory training is conducted virtually until we go back to normal operations.

We conduct regular performance reviews to motivate and enable our employees to deliver with excellence. Line managers conduct mid-year and year-end performance reviews based on the goals



100%

Percentage of employees receiving regular performance and career development reviews

MANDATORY TRAINING

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

THESE TRAINING SESSIONS INCLUDE:

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



TALENT AND REDEPLOYMENT PLAN FOR THE TABANGAO REFINERY

Given the transformation of the Tabangao Refinery, Pilipinas Shell implemented a holistic Change and Engage Programme anchored on the principle of "Care for People". The programme covered four major themes: (1) Building Resilience, (2) Learning and Capability Building, (3) Life After Shell or Career Transition, and (4) Social Activities.

We intensified the resilience programme, which was launched in the third quarter of 2020, to assist our employees during the economic shutdown of the refinery. It aimed to support staff during the transition to manage health issues brought about by stress, anxiety, and uncertainties that may lead to further demotivation and deteriorating morale. Targeted counselling interventions were implemented to manage financial anxiety due to terms and condition changes and possible job loss. Upskilling sessions were rolled out with the aim of exposing staff to specific work activities in preparation for possible future roles outside of the Tabangao Refinery.

We organized an HR Caravan, which included refresher sessions on pay and benefits and educational sessions on other Shell companies' roles and terms and conditions. Programmes to prepare staff for retirement, career transition, and livelihood programmes were also implemented. The HR Department coordinated with other Batangas-based companies so that we can explore potential job opportunities for employees impacted by the transition.

The refinery faced many challenges due to heightened emotions and uncertainties. Risks, such as safety issues, and quality and productivity concerns, were identified. These were mitigated due to the strong support of the Company's leadership team. The challenges were overcome due to the combined efforts of care interventions that was shown by various HR teams, Shell Health, and third-party providers.

The interventions were agile as they were subjected to continuous improvement, given that employee needs changed along the way. Another critical component of the programme was keeping staff informed and engaged in a timely and

transparent manner. Bi-weekly staff engagements, or town halls, were held to provide information and address questions. Conversations with staff also happened on a regular basis through team meetings, Refinery Leadership Team caravans, and one-to-one dialogues with the Vice Presidents for Manufacturing and Human Resources.

As a result of all these initiatives, honest and open feedback from staff was observed and high psychological safety was seen on the ground. Decreased anxiety levels were also seen during multiple employee dialogues. Furthermore, there were positive individual testimonials and sharing from staff about the sincerity and authenticity of the care programme.



Secured jobs for >130 of the affected refinery employees within the Shell Companies in the Philippines

TABANGAO REFINERY CHANGE AND ENGAGE PLAN

Training and Transition Programs

- Manufacturing (MF) Care Program: Virtual Financial Wellness Session
- MF Care Program: Conversations on Ways to Have an Effective GTKYs
- Get to Know You's – 1:1 Sessions with Line Managers of Potential Roles
- MF Care Program: Series of Hearts and Mind Events (Attitude Changes Everything)
- MF Care Program: Change Begins at the End of your Comfort Zone
- MF Care Program: Professional Skills Workshop
- Virtual Career Fair - External Companies
- Leaders Network: Lunch and Learn
- Resume Writing and Interview Upskilling
- HR Information Caravan
- Process Knowledge Sharing



LABOR-MANAGEMENT RELATIONS

Pilipinas Shell has two unions with active collective bargaining agreements (CBAs): the Tabangao Shell Refinery Employees Association (TASREA), which covers employees in the Tabangao Refinery; and the Kapisanan ng mga Manggagawa sa Shell (KMS), which covers employees in supply and distribution based in our depots and terminals.

We have an established Labor Management Council (LMC), composed of representatives from the union and the Company, to oversee labor-management relations. The Council meets monthly to ensure open lines of communication. CBA negotiations take place every three years for TASREA, and every five years for KMS, typically six to 10 months prior to the expiration of the current agreement.

Safety is Pilipinas Shell's license to operate, and we strive to maintain high standards of health and wellbeing. Health and safety are at the heart of what we do to ensure that we protect our people, all while empowering them to perform at their best. Emphasis on human performance and a care culture forms the overarching principles of our care programmes.



150 Total number of employees covered by Collective Bargaining Agreements (CBAs)

25% Percentage of employee population

SHELL PEOPLE SURVEY

The annual Shell People Survey is our principal tool to measure our employees' engagement, their level of affiliation and commitment to Shell, and their satisfaction with the quality of leadership and management.

Results	TQB ¹	RDS ²	PSPC
Response Rate		86% (+1)	95%
Employee Engagement	78	78	82 (+2)
Organizational Leadership	74	72	76 (+1)
Team Leadership	80	80 (+2)	85 (+4)
Collaboration	82	82 (+2)	87 (+3)
Working Conditions	75	73 (+4)	77 (+2)
Your Job	79	80 (+2)	86 (+2)
People Development	76	76 (+2)	81 (+3)
Reputation	81	81	89
Total Rewards and Benefits	71	71 (+1)	75 (+1)
Diversity and Inclusion	85	84 (+2)	88 (+4)
Operational Excellence	77	76 (+3)	82 (+3)
Responsible Business	85	83 (+2)	86 (+2)

¹ The Top Quartile Benchmark is the top quartile score based on the performance of other companies

² Royal Dutch Shell

EMPLOYEE HEALTH AND SAFETY

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Care Programme

This is composed of a range of tools and curated interventions which help enhance staff's mental, social, and physical health. Topics and themes for the care sessions are tailored. It is customized based on team needs with clear and committed tangible outcomes. In previous years, all care sessions were done face-to-face. Now, during the pandemic, they have been transitioned to virtual sessions, either through podcasts, webinars, and other virtual hangouts such as the Shell Operated Webcast (SHOW), to regularly connect and provide avenue for staff to openly share their personal and work challenges as they journey and build their resilience.

One example of care sessions is for the employees of the Tabangao Refinery, especially as it transitions into an import facility. Shell Health initiated the integration of its Mental Health Programme, making services on counseling, and life and career coaching, available to staff for free. This proved crucial as employees were anxious and going through challenges on personal life plans and dealing with uncertainties, in general.



Respiratory Care Programme

A strong immune system is one of our best defenses given the COVID-19 pandemic. The respiratory care campaign centers on empowering staff and their dependents, highlighting the importance of being accountable and responsible for one's actions and behaviour to prevent the spread of respiratory illness and to keep oneself healthy amid the pandemic.

The primary intervention is focused on flu vaccination. In light of the current circumstances, there were three implementation strategies based on the set guidelines of the World Health Organization (WHO) in conducting immunization activities during the pandemic. This is supported by Shell's return-to-site operations guidelines to ensure that health protocols are stringently followed.

The initial phase of flu vaccination was offered and arranged for staff with site-essential tasks and were required to work in operational assets and facilities, such as the refinery and the depots. The next phase is the "drive-through" vaccination activity, done in partnership with our retail stations. We offer this to Pilipinas Shell employees and dependents who are mostly working from home.

In both phases, COVID-19 protocols, such as the use of digital queueing apps and screening forms, were in place. For those with challenges going to the drive-through venue, a home-service arrangement was offered with minimal cost to staff. Despite the unusual circumstances, this service must be carried out with proper care and consideration to let our employees know that their health and well-being always comes first.

Nutrition Month Campaign

The annual month-long event mainly focused on emphasizing the importance of proper nutrition in boosting one's immune defenses, especially during a pandemic. All initiatives were set up virtually in an engaging and more interactive manner, leveraging on the available digital platforms in Pilipinas Shell.

Shell Health hosted a Nutri-Bullets Quiz Show, which saw over 300 participants across PSPC. Additionally, we also launched a Nutri-Bingo Challenge and our very own Virtual Marketplace, where employees, contractors, and their dependents can purchase healthy products from the safety of their home.

Mental Health Awareness Month

This is an annual Shell Health-led initiative under the Mental Health Programme. The theme for 2020 focused on “Care for S.E.L.F.”, which stands for (1) Seek out and speak up, (2) Empower to take action, (3) Learn and grow, and (4) Fitness with purpose. With a year of uncertainty brought about by the COVID-19 pandemic, the theme aimed to help employees and other stakeholders adapt to work-life adjustments and social isolation. Additionally, the event aimed to raise mental health awareness through self-care, destigmatize perception of mental health illness, and extend reach from support networks within teams and within Pilipinas Shell.

The first Mental Health Forum, titled “Safe Space”, addressed stigma in the workplace. It was held through a Shell Operated Webcast (SHOW) and was attended by over 600 PSPC employees. Among the invited speakers were subject matter experts on mental health, including in-house psychologists and psychologists, as well as social media influencers with a strong mental health advocacy. The forum served as a venue for employees to talk about and relate to the different topics aimed at breaking down the stigma of having a mental health illness in the workplace.



SAFETY DAY AND OUR GOAL ZERO AMBITION

Pilipinas Shell celebrated Safety Day 2020, both in virtual settings and face-to-face events held at the Tabangao Bitumen Import Facility and at the Shell Villanueva Shell Depot. Safety Day primarily discussed the challenge of ensuring everyone works safely and effectively while still maintaining the required health protocols to prevent the spread of the virus.

In 2020, Safety Day celebrations focused mainly on applying the concept of human performance and care and adopting a learner mindset. Human performance and care compel us to take care of and provide better working conditions for our staff, business partners, and contractors as they help deliver our safety performance aspirations. Adopting a learner mindset, on the other hand, pushes us to work more closely with our staff and contractors to really understand what's happening on the ground.

Part of adopting a learner mindset at work is promoting a culture that fosters the freedom to speak up, which is important to risk normalization and the achievement of our goal zero ambitions. Despite challenges posed by the pandemic, we were still able to conduct incident reporting and investigations through virtual means. Thorough incident reporting and investigations help us understand errors made during operations, why they were committed, and what extra steps can be taken to prevent similar incidents from happening, all of which contribute to the attainment of our goal zero target.

HSSE PERFORMANCE SUMMARY

TOTAL RECORDABLE CASES (TRC)
FREE MAN-HOURS MAN-HOURS IN 2020

YEARS
TRC FREE

Pilipinas Shell	8.50 million	0.3
Manufacturing	0.62 million	0.3
Trading and Supply	10.62 million	2.5
Retail	4.45 million	2.0
Lubricants	3.70 million	7.8
Aviation	2.06 million	11.0
Specialties	3.80 million	11.0
Real Estate	2.98 million	7.9
Lubricants Supply Chain	0.50 million	5.6



SAFETY IN OUR OPERATIONS





OUR COMMUNITIES

The pandemic not only changed the way we ran our business, but also affected the way we implemented our social investment programmes. We recognized that our communities needed even more assistance during this time; therefore, we could not forego our commitment to social investment and endeavored to even strengthen it further during this time.

We sustained support for our flagship social development programmes using new and creative strategies to ensure that we could deliver the same quality and impact despite the constraints brought about by the pandemic. Our social arm Pilipinas Shell Foundation, Inc. continued to expand, adapt, and modify its programmes in response to the new normal.

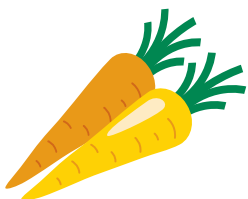
Amidst the challenges of the pandemic, PSFI worked with communities to seek out and create opportunities. Through the “Ani Para Sa Bayani” (Harvest for our Heroes) programme, farmers who had difficulty getting their produce to market due to the stringent lockdown, were supported by sourcing their vegetables for provision to frontline medical workers, and also linked to our retail supply chain to make their products more accessible to the public.

In addition, through the “Proteksyon Para sa Bayani” (Protection for our Heroes) programme, seamstresses from Batangas, whom we have been supporting through the Silangan Ibabao Batis Bulihan Araneta Proper Multipurpose Cooperative (SIBBAP-MPC), were upskilled to produce face masks, face shields, and other personal protective clothing. This partnership provided the seamstresses with increased income even during the health crisis.



PARA SA BAYANI PROGRAMME

A consolidation of Pilipinas Shell Foundation, Inc.'s various efforts for the brave heroes of the pandemic—from the medical frontliners who continued to heal those afflicted with COVID-19, to every Filipino who stayed home and helped flatten the curve.



ANI PARA SA BAYANI

Supported farmers who had difficulty bringing their produce to the market due to limited transportation during the community quarantine. The farm produce is distributed to vulnerable communities and medical frontliners to provide them with nutritious food.



PROTEKSYON PARA SA BAYANI

Provided medical frontliners with appropriate personal protective equipment (PPE) by sourcing materials and equipment from suppliers and other workers whose daily income has been affected by the community quarantine.



TULONG PARA SA BAYANI

Covered other efforts not related to meals and PPE supplies, such as the provision of relief goods to vulnerable communities and the delivery of other critical goods and services.

SHELL LIVEWIRE

Economic activities might have slowed down at the height of the pandemic, but the Filipino entrepreneurial spirit remained vibrant and active. Through the Shell LiveWIRE programme, launched in 2020, we were able to further invest in and support fledgling community enterprises at a time when they needed it the most.

As the flagship enterprise development programme of Shell globally, LiveWIRE focuses on strengthening local economies by promoting entrepreneurship, innovation, and meaningful employment. We worked closely with local partners to help them adapt their products in order to remain relevant during the pandemic.

For one, PSFI has had a long history of working with the Silangan Ibabao Batis Bulihan Araneta Proper Multi-Purpose Cooperative (SIBBAP-MPC) in Batangas. PSFI provided the cooperative with heavy-duty sewing machines and 3D printers, as well as conducted capacity-building to hone their sewing skills.

Although they were already producing eco-bags, t-shirts, jogging pants, uniforms, and other items of clothing, the cooperative shifted their activities to focus on the creation of relevant products that most consumers would need during the pandemic. This led to the production of PPE clothing and washable face masks, which are essential for people who had to be outside their homes.

The face masks were made available at Shell Select stores, making it easy and convenient for people to purchase them. SIBBAP-MPC was recognized as one of the Top 10 Innovators in the 2020 Global Shell LiveWIRE competition.

PSFI also looked for ways to bridge the gap between community enterprises and Pilipinas Shell's business community. This involved working with partner farmers, communities of indigenous peoples, and local seamstresses to produce high-quality, unique products for corporate giveaways.



Shell LiveWIRE also worked directly with business experts and consultants to help local start-ups expand and develop through the first run of its Acceleration Programme. This is a three-month programme where participating start-ups are given training, funding support, and mentorship to help grow their businesses and increase their chances of success.

The Shell LiveWIRE Acceleration Programme focused on innovative Filipino enterprises in areas of (1) energy, (2) environment and circular economy, (3) local prosperity, and (4) COVID-19 impact. Apart from the financial support and valuable training, community enterprises that successfully participated in the programme would enhance their brand and strengthen their credibility. They would also have the opportunity to be integrated into the value chain of Pilipinas Shell.

In 2020, there were nine sign-ups for the Acceleration Programme, namely: three tech startup enterprises (Nanotronics, NextPay, and uHoo); three social enterprises (SIBBAP-MPC, Cocohub, and Ecobricks); and three community enterprises (Oro Handmade, Magzwheel, and Revolve Outerwear).

IMPACTS OF SHELL LIVEWIRE PH



155 LOCAL START UPS

from all over the country applied for SLW Program



72 LOCAL JOBS CREATED

by the current Livewire supported enterprises



9 SELECTED FOR SLW BOOT CAMP

provided with business training and additional capital

- 3 Tech Start Ups
- 3 Community Enterprises
- 3 Social Enterprises



3 FILIPINO-MADE TECHNOLOGY

provided with mentoring to accelerate business growth and linkage to potential participation to Shell's supply chain

ENERGY SOLUTION AND CIRCULAR ECONOMY



uHoo is the most comprehensive environment monitoring and management system to help you create healthier, more energy efficient and more sustainable spaces (home, offices, buildings, hotels, hospitals, factories, etc.)



Nanotronics produces a bio-based nanomaterial called cellulose nanocrystals made from indigenous plants to help reduce plastic waste in a sustainable way.



Nextpay is a simple and affordable digital banking platform that helps small business owners collect, send, and manage their money.

COMMUNITY-BASED ENTERPRISES



ANDA GENOUS®

Green Factory/Oro Handmade Innovations engaged in the manufacturing and exporting of handmade paper products. They're also currently producing 100% Origami Abaca Face Masks, which is considered as an essential product during this pandemic.



Magzwheel Furnitures recycles discarded tires found on landfill areas to create objects like furniture, planters, and fashion accessories.



Revolve Ecowear social enterprise that produces products and garments using recycled PET bottle materials.

Shell-PhilDev Scholarship Programme

The Shell-PhilDev Scholarship Programme is a multi-year, performance-based college scholarship programme awarded to students from selected partner universities across the Philippines who are entering their second year of Science and Engineering education. It is implemented by the Pilipinas Shell Foundation, Inc. in partnership with the Philippine Science and Technology Foundation Manila, Inc. (PhilDev) and currently, the programme has 10 partner universities.

Despite the changes brought about by the pandemic, the PhilDev programme still successfully grew. In terms of enrolment of new scholars, in 2020, eight scholars were admitted to the programme and 59 scholars graduated. This increased the number of graduates to 156 since the partnership started in 2014. Another milestone was the employment of four PhilDev scholars in Shell, bringing the number of hires to 10 across the Shell companies in the Philippines.

Gas Mo, Bukas Ko (GMBK)

GMBK is a capacity-building programme established through the collaborative efforts of PSPC Retail, Shell Dealers Association, and PSFI that aims to enhance the employable and livelihood skills of retail station staff with further intent to develop their values and character.

The programme aspires to help these staff scholars to be more capable in handling technical responsibilities in the station or seek better career opportunities through the application of their acquired tech-vocational training and certifications from partner institutions.

While 2020 has been a challenge in executing the programme due to the suspension of face-to-face learning, GMBK was able to grant 55 scholarships to individuals who are committed to be enrolled in tech-vocational programmes in 2021. A total of 26 scholars have started training in 2020 and, overall, GMBK was still able to drive the total number of scholars to 1,991 as of the end of the year.





Shell NXplorers

NXplorers is the Shell Group's global flagship STEM Education programme that introduces young people to the complex and creative thinking needed to accelerate positive change. With face-to-face interaction discouraged during the pandemic, NXplorers shifted its initiatives to virtual platforms. Shell developed self-paced, online modules that could be accessed through the website. In the Philippines, these online modules were supplemented with live learning sessions, where a chapter of the modules is discussed every week.

From an original focus on training high school students, NXplorers expanded its audience this year to include college students, particularly those from our Shell Eco-marathon participating schools, whose NXplorers training proved valuable in their successful participation in the global Shell Pitch the Future competition.



Virtual Awarding Ceremony of Team Alamat's win in Shell Global's Pitch the Future Competition

Shell Eco-marathon

The Shell Eco-marathon (SEM) dialogue continued with a virtual league. Part of this league is Shell Global's Pitch the Future, a series of competitions that bring together student teams from all over the world to tackle real-world energy challenges.

With the launch of Pitch the Future, the team in the Philippines saw an opportunity to turn this challenge into an impactful opportunity for college students to also participate in NXplorers. Pilipinas Shell offered NXplorers to the SEM students in preparation for the 2021 season. By integrating NXplorers with SEM, students are able to use NXthinking tools and methods that promote critical and creative thinking.

Through the NXplorers learning sessions, Shell employees also had the opportunity to show their commitment to the youth and their passion for innovation. The team in the Philippines conducted six highly interactive virtual learning sessions complemented by the self-paced NXplorers learning modules. Trained facilitators from PSFI and volunteers from Pilipinas Shell facilitated weekly virtual classes for over 100 college students.

The NXplorers and SEM integration resulted in big wins for the Philippines. Team Alamat UP from the University of the Philippines-Diliman won the regional Pitch the Future competition. On November 19, 2020, Team Alamat UP competed against the winners from Europe and the United States. Team Alamat UP won the challenge posed by Microsoft of "tracking and reducing CO2 emissions from vehicles". The team conceptually designed an inclusive system that makes use of smartphone sensors and can be used with any type of passenger vehicle. This system can track and share CO2 emissions from cars globally and provide suggestions on how to reduce emissions from driving.

BIYAHERO

Pilipinas Shell has been a long-time advocate for road safety, and envisions each pedestrian, commuter, and motorists to become our modern-day road heroes. Through BiyaHERO, we implement a comprehensive road safety programme which includes the following:

DRIVERS' TRAINING

In-center or off-site training for drivers of jeepneys, tricycles, motorcycles, and heavy goods vehicles

ROAD SAFETY AWARENESS

An information campaign designed for motorists, children, and the general public

BASIC INFRASTRUCTURE SUPPORT

Construction and installation of alternate routes, road safety signage, pedestrian lanes, and walkways

ROAD SAFETY NETWORK

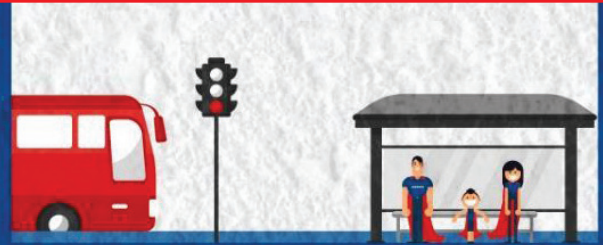
Serves as the task force that will formulate and implement Road Safety Action Plans

ADVOCACY AND ENFORCEMENT

Lobby for the approval of local and national ordinances to support community safety

COMMUNITY RESEARCH AND ACTION PLAN

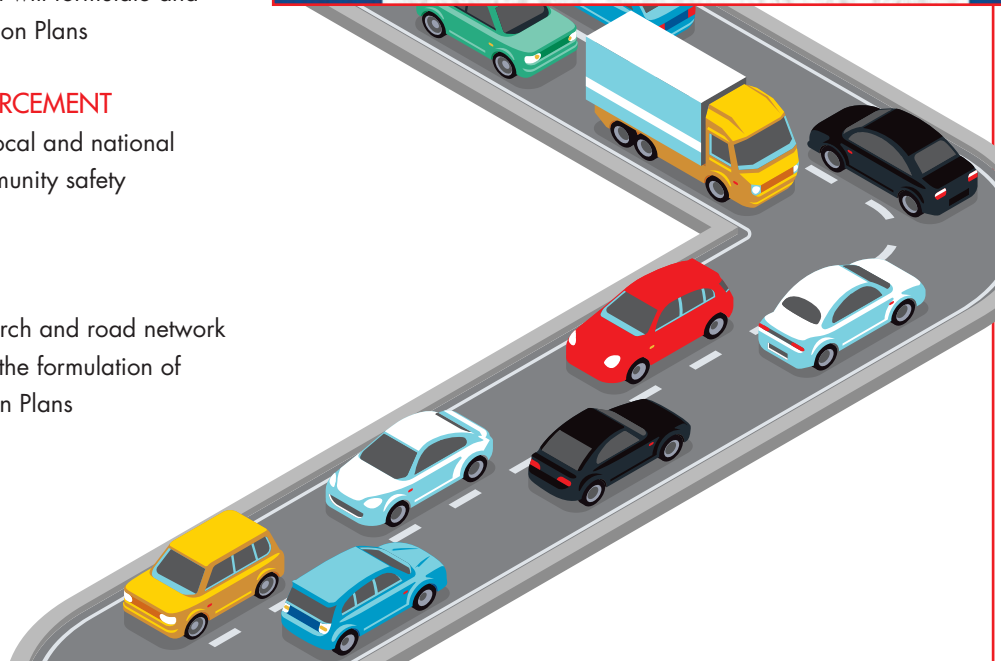
A socio-demographic research and road network assessment to contribute to the formulation of Road Safety Strategic Action Plans



BIYA • HE • RO

/bya-hee-row/, p. impormal

1. Isang responsableng mamayan na tumutulong panatilihin ligtas ang kalsada.



In partnership with Philippine Global Road Safety Partnership (PGRSP), Automobile Association of the Philippines (AAP), and Pilipinas Shell Foundation, Inc. (PSFI), the BiyaHERO programme was delivered to cities where Pilipinas Shell has a strong presence, such as Batangas, Cagayan de Oro, and Mandaluyong, just to name a few.



2020 ACTIVITIES

Batangas

- Continuing road safety awareness camps for students from 14 elementary schools and high schools. Teachers who were trained as Road Safety Mentors conducted the camps.
- AAP conducted a road safety camp for more than 3,500 elementary school students in Lipa City
- AAP coordinated with the City Mayor's Office and local women's groups for a virtual road safety seminar

Cagayan de Oro

- PSFI partnered with the Philippine Ports Authority (PPA) and trained 30 safety officers from the agency and its port locators on road safety. Learnings were also shared with their respective shipping truck drivers coming in and out of the ports.
- PSFI also supported a road traffic study through the Business for Sustainable Development (BSD)

Mandaluyong

- On-going coordination with the City Mayor's Office, the City Planning Office, and the City Transportation and Development Office
- AAP conducted road safety awareness training for more than 500 elementary students, 34 teachers, and 50 barangay traffic enforcers

BiyaHERO focuses on key awareness campaigns, namely: (1) Kids! Stay Bright, (2) Women! Drive the Future, and (3) Toda na 'to! All of these campaigns aim to build road safety awareness and hone safe driving skills among vulnerable groups. Since 2009, PSFI has trained more than 29,000 students on road safety.

In 2020, BiyaHERO also partnered with the Boy Scouts of the Philippines (BSP) and launched its first virtual road safety camp, which was attended by 1,000 boy scouts from all over the country.

SHELL NATIONAL STUDENTS ART COMPETITION

One of the country's longest-running student art competitions continues to build hope through art even in this pandemic world. Launched with the theme of "Hope in our Art", the competition invited student artists from all over the country to showcase their talents in various mediums such as oil and acrylic, watercolor, digital arts, and sculpture.

A virtual launch event was held with the Ayala Museum, while a series of interactive Art Talks unveiled the theme and the mechanics of the 2020 competition. The Art Talks aimed to encourage students

to participate in the competition. Thought leaders and industry insiders like curator Con Cabrera, Andrei Pamintuan of Fringe Manila, and multimedia artist Riza Romero discussed the challenges and opportunities in the art sector during this precarious time.

To ensure the safety of the judges and the contestants, most aspects of the competition were done virtually, which include application and initial submission of entries, and preliminary screening of more than 1,500 entries of students from all over the country.

NSAC Winners per Category

1 OIL AND ACRYLIC

"Foresight"

John Mhar S. Santos,
Bulacan State University



2 WATERCOLOR

"Rep-leksyon"

Wendel Candawan,
EARIST, Manila



3 DIGITAL FINE ARTS

"Wala Akong Choice Kundi Magdasal"

Rianne D. Abucejo
University of San Carlos



4 SCULPTURE

"Ayuda"

Bea Camille B. Cortez,
University of the Philippines





COMMUNITY UGNAYAN

Despite the challenges in 2020, Pilipinas Shell remained focused on maintaining its social license to operate, including nurturing our relationships with the communities close to our operations and listening to their feedback on the way we work.

With restrictions on face-to-face interactions still in place, the Social Performance (SP) Team, together with Pilipinas Shell Foundation, Inc., rose to the challenge by quickly transitioning our quarterly Barangay Ugnayan, or community town hall sessions, to a virtual platform that allowed us to maintain open lines of communication with the community.

The virtual Barangay Ugnayan gave the team the opportunity to inform the community about the transformation of the Tabangao Refinery to a world-class import facility. While the session was a chance for the community members to raise questions about what this change might mean for them, it was heartening to note that they also used the time to express their gratitude to Pilipinas Shell for being a good neighbor, and livelihood partner over the years.

The group was able to discuss the community's pressing concerns, including job and livelihood opportunities during the Tabangao Refinery decommissioning, participation in the supply chain, and the continuity of funding for social investment programmes.

Community members appreciated Pilipinas Shell's effort to continue reaching out, despite the pandemic. One of the town leaders of Barangay Malitam, a fenceline community of the Tabangao Refinery said, "The Tabangao transformation to an import terminal was explained clearly to us. We ask that we can continue to collaborate and to keep our communication lines open as we go through this transition."

COVID-19 has changed many aspects of our business, including how we relate with our stakeholders. However, it has not changed our commitment to listen to and understand our community partners. Now, more than ever, Pilipinas Shell lives up to its commitment of being a partner in nation-building.



Global Compact
Network Philippines



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



**JAIME AUGUSTO
ZOBEL DE AYALA**

Chairman and CEO
Ayala Corporation

**CESAR
ROMERO**

President and CEO
Pilipinas Shell Petroleum Corporation

**SANDRA
OJIAMBO**

CEO and Executive Director
UN Global Compact

LI YONG

Director General
UNIDO

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**SUSTAINABILITY SUMMIT
5 NOV 2020**

SUSTAINING ADVOCACY ON THE UN SDGS

Pilipinas Shell is among the founding members of the United Nations Global Compact Network Philippines (GCNP) and is part of its Board of Trustees. The GCNP recognizes the importance of sustaining progress made towards achieving the United Nations' Sustainable Development Goals (SDGs), despite the challenges of a global pandemic.

The special focus of the GCNP in 2020 was to support micro, small, and medium enterprises (MSMEs), considered the backbone of the Philippine economy as they comprise 90% of business establishments in the country. The GCNP, in partnership with the United Nations Industrial Development Organization (UNIDO), organized a series of Business Expert Group meetings to discuss the challenges faced by MSMEs and the support they need to survive and thrive in the context of the global pandemic. Local MSMEs, multinational companies, the UN system, and government institutions such as the National Development Authority

(NEDA) and the Department of Trade and Industry (DTI) participated in these series of meetings.

The output from these meetings was consolidated in a 10-Point Agenda presented at the Annual GCNP Sustainability Summit in November 2020. The summit called for multi-sectoral collaboration to support local enterprises in their recovery from the challenging impacts of COVID-19, taking into account the UN SDGs' key themes of people, planet, and prosperity.

President and CEO Cesar G. Romero introduced the presentation of the Business Expert Group Results during the Sustainability Summit and shared the various ways through which Pilipinas Shell supports MSMEs. He emphasized our efforts to provide capacity building and financial assistance, especially to our network of retailers and community enterprises affected by the economic impacts of COVID-19.

PROTECTING OUR SHARED ENVIRONMENT

We acknowledge that we must do our share in responding to today's environmental concerns. At the most basic level, PSPC complies with all applicable and relevant environmental laws, as well as global best practices and standards. The Shell HSSE & Social Performance Control Framework serves as the foundation in terms of how to keep our operations safe, reliable, and responsible.

We continue to monitor and manage key performance indicators related to our energy use and emissions, water consumption and discharge, and the generation and proper handling and disposal of solid and hazardous waste. We strive to achieve our Goal Zero ambition, which aims for no harm and no leaks across our operations. The HSSE Core Team and Safety Steering Committee monitors our performance on these metrics.

In line with the HSSE and Social Performance Control Framework, we evaluate the potential environmental and social impact that may arise throughout the life cycle of our projects. We maintain robust communication channels with stakeholders and fenceline communities to ensure that their feedback and concerns are addressed in a timely manner.



ENVIRONMENTAL PERFORMANCE

With the cessation of manufacturing operations at the Tabangao Refinery, there are some significant changes in our emissions, as well as in the consumption of electricity from the grid.

Energy Used

We continue to improve energy efficiency at the Tabangao Refinery, and to integrate solar power in its energy system. To help achieve the Company's greenhouse gas (GHG) and energy management objectives, we implement the mandatory manual of the HSSE & SP Control Framework and maintain an inventory of our GHG emissions through the CO2 Business Plan. This is aligned with the requirements of the Performance Monitoring and Reporting (PMR) Specification.

With the shutdown of the manufacturing facilities, there was a corresponding reduction of direct GHG emissions, as well

as in the generation of our own energy. We also began to increase our purchase and consumption of electricity from the grid.

POWER GENERATION, CONSUMPTION, AND DISTRIBUTION in GJ

	2019	2020
Own Energy Generated*	6,628,146.37	3,055,232.9
Electricity Imported	30,030.15	48,433.82
Electricity Exported	15,457.13	14,486.6
Energy Used	6,570,836.92	3,089,180.12

*Natural Gas & Refinery Diesel Fuel Gas

GHG EMISSIONS in tCO₂e

SCOPE	2016	2017	2018	2019	2020
Gross Direct (Scope 1) ¹	345,448.7	322,851.3	369,210.8	341,033.1	164,207.52
Gross Indirect (Scope 2) ²	2,083.1	3,120.4	3,566.6	3,037.8	5,354.47

¹ Direct emissions from sources that are owned or controlled by the company

² Indirect emissions from purchased electricity, steam, heating, and cooling

Water Management

The Tabangao Refinery consumes both fresh and seawater for its operations, as well as for domestic use. While the refinery was operational, our water use was governed by a Water Management Action Plan. This is to ensure that we could adequately address any potential issues with our water use, as well as our effluent discharge. The refinery also conducted and submitted impact assessments and reports as part of its compliance to local regulations.

We also ensure compliance with national legislation, particularly those set by the Department of Environment and Natural Resources (DENR). Then, we implement the recommended effluent standards set in the mandatory manuals of our HSSE & SP Control Framework. We regularly conduct water sampling to monitor effluent levels and ensure that we are within regulatory limits. We subject effluent samples to a DENR-accredited third-party laboratory and submit quarterly reports to the DENR.

WATER WITHDRAWAL in ML

	2019	2020
Groundwater (Wells)	1,899.41	1,502.78
Seawater	13,140.0	7,529.88
TOTAL	15,039.41	9,032.66

WATER DISCHARGE in ML

2019	9,956.5
2020	7,529.88

Oil Spills

There was one oil spill incident, which occurred in the Jetty Area of the Tabangao Refinery on October 30, 2020. While exporting tanks, 120 kilograms of crude oil spilled, 56 kilograms of which contaminated the soil, while the remaining 64 kilograms spilled over the sea.

The spill had negligible impact to the environment, as the small volume was immediately contained. The spill on the sea was immediately contained and recovered, while the contaminated soil was safely disposed of. As is our practice, this incident was properly investigated and documented to determine the root cause and then reported to relevant authorities.

SPILLS

Total number	1
Total volume	120 kilograms

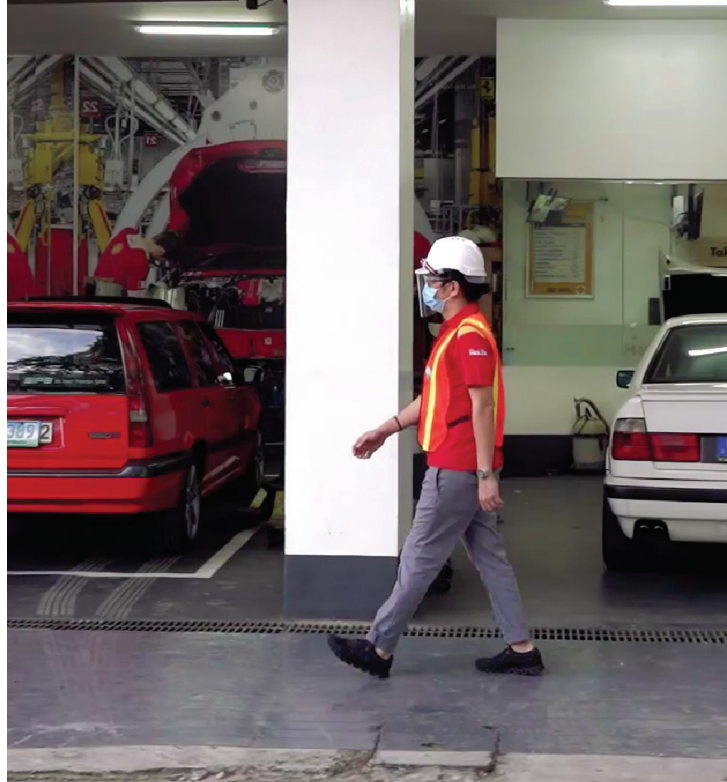
For each significant spill,
provide the following details:

Location of spill	Jetty Area
Volume of spill	120 kilograms
Material of spill	Crude oil
Impact of spill	Negligible impact to the environment as the small volume was immediately contained

Solid and Hazardous Waste Management

Proper waste management, which includes segregation, recycling, and recovery, is embedded in our operations and activities at the Tabangao Refinery. With respect to waste disposal, we comply with local regulatory requirements, as well as Shell's internal waste manual under the HSSE & SP Control Framework.

In 2020, there was an increase in both hazardous and non-hazardous waste generated due to the clearing operations conducted as part of the refinery's ongoing transformation into an import facility.



2019		2020		
	AMOUNT <i>in tons</i>	WASTE TYPE	AMOUNT <i>in tons</i>	WASTE TYPE
NON-HAZARDOUS WASTE				
Landfill	207.5	Industrial wastes like rockwool insulation and polyethylene sheets	1,056.24	Industrial wastes like rockwool insulation and polyethylene sheets
Recovery	100.00	Domestic wastes collected by the Materials Recovery Facility (MRF)	169.66	Domestic wastes collected by the Materials Recovery Facility (MRF)
Recycling	614.14	Scrap material collected by the MRF	820.89	Scrap material collected by the MRF
HAZARDOUS WASTE				
Landfill	409.2	Other hazardous wastes that are disposed via an accredited landfill	557.51	Other hazardous wastes that are disposed via an accredited landfill
Recovery	820	Includes waste oil from tank maintenance, recovered and sold to a third-party, to be used for a cement plant	1,120.00	Includes waste oil from tank maintenance, recovered and sold to a third-party, to be used for a cement plant (Tank 66 and Tank 52)

Flared and Vented Hydrocarbons

While the Tabangao Refinery was operational, PSPC actively sought to minimize flaring and set out strict performance criteria on this issue. We aimed to reduce routine flaring, as well as venting of associated gas at the refinery, and to keep these as low as technically and economically feasible. PSPC practices non-routine flaring as a safety measure. On such occasions, safety precautions were observed, and the non-routine flaring was properly communicated to the fenceline communities.

TOTAL VOLUME in tons	2019	2020
CO ₂ Emissions from Flaring	11,215.07	10,416.77
CH ₄ Emissions from Flaring	51.30	58.25
CH ₄ Emissions from Venting	0.701	0.281

We abide by the allowable limits for Sulfur Oxides (SO_x), Nitrogen Oxides (NO_x), and Volatile Organic Compounds (VOCs) specified by the DENR.

	2016	2017	2018	2019	2020
NO _x	1,077.7	1,433.23	932.02	990.32	638.95
SO _x	3,635.3	3,100.64	3,662.84	2,801.08	1,360.23
VOCs	1,038.8	680.08	435.89	453.62	357.39

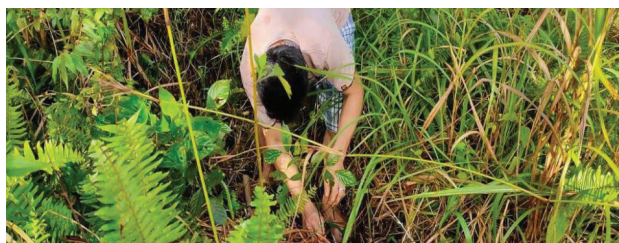


Continuous Care for Our Environment and Communities

Through the activities of Pilipinas Shell Foundation, Inc., we extend our environmental care beyond just our own operations. The Shell Tree Nursery and Vegetable (STNVG) program focuses on promoting healthy agricultural practices and cultivating vegetable crops, fruit-bearing, and forest trees. Enriching and caring for the soil allows for improved nutrients and creates a good base for agricultural activities. Ongoing soil treatment is done based on the crop cycle. Vermicomposting, a process of producing compost using earthworms and biodegradable waste, is also practiced. Vermicompost is rich in nutrients and can be used to improve soil conditions. 975 kilograms of vermicompost was harvested last year. The program also donated 910 kilograms for community use. 550 kilograms were used to fertilize coffee and cacao trees. For the coffee and cacao production, maintenance and protection activities continue for the 2,284 trees planted.

In 2020, 1,890 fruit-bearing and forest trees were propagated, while 175 assorted tree seedlings were given to the community. To sustain these activities, STNVG is scouting for more seeds for propagation.

Pilipinas Shell established the Carbon Sink Management Programme (CSMP) in 2017 as a strategy to manage and compensate for its greenhouse gas emissions. PSFI continues to take the lead in managing, maintaining, and protecting this forest area and the trees planted. In 2020, 5,000 forest trees were replanted in the area. Activities are ongoing to establish a tree nursery that will produce various indigenous tree seedlings. Once the nursery is endorsed to the community, it will be a source of seedlings for future planting activities. Preparations are already underway to turnover the area to the National Power Corporation – Makiling Banahaw Watershed Area Management Team (NPCMBWAT) and the Local Government of Dolores.





CONTINUITY AND CARE IN THE TIME OF COVID-19

The year 2020 started with the eruption of Taal Volcano in Batangas province, displacing thousands of families and destroying millions in livelihood. While response and recovery efforts for this natural disaster were still underway, another news broke in March: the entire country had to be put on lockdown to help curb the COVID-19 pandemic.

These events inevitably posed various challenges in the way we do business and even caused an economic downturn. Indeed, the COVID-19 pandemic has created a lot of uncertainty for all of us, individuals and businesses alike. However, we at Pilipinas Shell believe that, as long as we know our market well and are able to manage the needs of our business, we will be able to respond accordingly to any scenario.

At the height of the pandemic, Pilipinas Shell managed to further enhance its business resilience by adapting relevant

business models to the current environment and emerging customer needs through the 3Cs Approach, namely:

CARE: Extending holistic support to employees and other beneficiaries in partner communities through financial assistance, as well as programmes that take care of their mental health or support their work-from-home arrangements

CASH: Setting up a robust cash governance framework and implementing cash management strategies to maintain financial resilience and support business recovery

CONTINUITY: Ensuring seamless, efficient, and undisrupted operations at the height of the pandemic



FROM TAAAL ERUPTION TO COVID-19

Project Shelter, Pilipinas Shell's umbrella programme for its consolidated COVID-19 response, initially started as relief operations for those who have been affected by the Taal Volcano eruption. The project's name came about as our retail sites, especially those near Batangas, were mobilized to provide temporary shelter for the evacuees from Taal.

Through Project Shelter, we also mobilized volunteers through Shell ACTS (A Community that Serves), our company-wide volunteerism programme, and distributed relief goods to the evacuees. Since the project was focused on external stakeholders, the forms of assistance we provided were based on the needs assessment conducted by the Pilipinas Shell Foundation, Inc.. We worked closely with the Philippine Disaster Resilience Foundation (PDRF) and the local governments to better deliver our assistance.

When news of the pandemic hit, it was easier for us to consolidate our COVID-19 response efforts under Project Shelter. The only difference was, due to lockdown restrictions, we were unable to go directly to the affected communities to provide our assistance. Instead, we worked with PSFI and their partners to distribute personal protective equipment (PPE), meal packs, relief goods, and other in-kind support for frontliners and other stakeholders.

In March 2020, we organized a COVID-19 Response Team (CRT), which were assigned to different classes of business (COBs) to monitor their varied COVID-19 response programmes.



PIVOTING THE PARA SA BAYANI PROGRAMME

At the start of the pandemic and strict lockdown period, our social investment activities centered on providing immediate relief assistance to our fence line communities. Since the pandemic is a significant national emergency, we extended our assistance beyond our neighbouring communities, as the private sector was called upon to support national and local government in the effort to manage the widespread social and economic impacts of the health crisis across the country.

We revisited our portfolio of social investment programmes to ensure that its delivery adapts to the pandemic scenario, shifting to mostly virtual platforms to safely engage with our stakeholders, and focusing on helping most vulnerable groups such as impacted micro, small and medium enterprises (MSMEs) to build back better in the new normal.

Through our flagship enterprise development programme Shell LiveWIRE, we worked with these MSMEs in redesigning their business delivery model to not just face the challenges of the pandemic but also to thrive in discovering new-found opportunities. From cooperatives of farmers and seamstresses all the way to local tech start-up enterprises, we provided funding assistance, training, mentorship and link up opportunities with relevant government institutions to help future-proof their business.



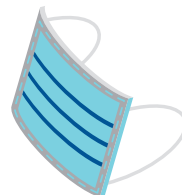
ECQ

ANI PARA SA BAYANI

Helped farmers distribute their produce to help frontliners and food-insecure communities

PROTEKSYON PARA SA BAYANI

Purchased and distributed PPEs for frontliners



POST-ECQ

ANI PARA SA SUKI

Continues to help farmers sell their produce to consumers through Mayani, an online agri-tech platform, and through 60 Shell Select retail stores, all while still providing food to frontliners

PROTEKSYON PARA SA BAYANI

Continues to work with local community enterprise partners which serve as supply hubs to produce PPEs such as face masks, face shields, and PPE suits, to be distributed within Shell businesses and retail stations

MAPPING THE IMPACT OF OUR CONSOLIDATED COVID-19 RESPONSE

~800,000

Total number of beneficiaries

14,838

Healthcare workers

254,221

Indigent individuals

221,822

Motorists and jeepney drivers



285,160

Non-medical front liners

15,183

Farmers and fisherfolk

63

Sewers and seamstresses

24

Service delivery partners



Philippine Disaster Resilience Foundation (PDRF) • Grab • Angkas • BGC Bus
Office of the Vice President (OVP) • DSWD - City of Manila • Frontline Feeders PH
World Vision • Batangas State University

In-kind Support to Frontliners and Communities



19,098

pieces of personal protective equipment (PPE) donated to healthcare workers and frontliners



522,957

meals provided to frontliners and affected communities through our partner community kitchen



3,000

tablets of Vitamin C



3,779,320

liters of discounted fuel for the transport of healthcare workers, frontliners, and critical goods



111,036

packs of relief goods



168.1

tonnes of fresh produce directly purchased from local farmers and fisherfolk



23

hospitals provided with free fuel



27

Malampaya flights optimized to transport test samples, blood samples, laboratory tests, PPEs, and relief goods



111,036

packs of relief goods distributed to various communities

In-kind Support to Frontliners and Communities



15,068,800

free Go+ points donated to **37,672** jeepney drivers, equivalent to **PHP7,534,400**

Go+ cash donation, equivalent to **21,128** points



3,388

sustained livelihoods for farmers, fisherfolks, and seamstresses during the community quarantine

77

municipalities supported through the Para sa Bayani programmes

14

sustained livelihoods for sewers and seamstresses

FOR OUR PEOPLE

The safety and well-being of our employees is of highest importance to us, especially during this time of a global health crisis. As the threat of the COVID-19 pandemic remains, Pilipinas Shell continues to motivate and encourage its employees so that they remain fully engaged, equipped, and enabled with unceasing guidance and support.



1. Work-from-home arrangements
2. Virtual ergonomic assessment for home office setups
3. Virtual counseling and consultations as part of emergency response
4. 24/7 telemedicine
5. Support for on-site staff and other site-essential tasks through pre-entry health screening tools and digitized contact tracing forms
6. COVID-19 health promotion activities
7. Mental health support through the Be Well Sessions with Shell Health
8. Retail Life Newsletter and other communications to employees

FOR OUR CUSTOMERS

Amidst the challenges posed by the lockdown period, we strived to continue providing vital energy products to our customers and communities. We have business continuity plans in place to sustain our operations even at a time of economic uncertainty.

Our network of around 1,100 retail stations nationwide remained open to serve motorists and provide necessities and services.



PHASE 1:

Fuel Discounts for Frontliners

PHASE 2:

1. Adding Value to our Fuel Offers
2. To support our frontliners who still needed to be mobile during the lockdown period
3. To support our frontliners and customers who needed to secure basic necessities as the lockdown restrictions eased up
 - Get Gas, Get Bigas
 - Shell Select vouchers
 - Health First and Safety Bundles (Vitamins + VPower)
 - Free oil change and safety checks
 - Discounted ambulance services from Shell Fleet Solutions

FOR OUR NATION

Aligned with the vision for a better, stronger, and more resilient Philippines, Pilipinas Shell continues to be a significant player in the recovery and development efforts of our nation. Through our commitment with the Ingat Angat Tayong Lahat Campaign, we join the business community in mobilizing consumers by building their confidence and transforming their mindsets through a coordinated public information campaign.

Ingat Angat is an initiative under Task Force T3, a public-private task force convened by the Inter-Agency Task Force-National Task Force (IATF-NTF) and the Department of Health (DOH), with the core objective of expanding the COVID-19 health response capacity of the government.

It is a private sector-led communication campaign which aims to restart the economy by empowering consumers with the proper preventive measures and reinforcing safety behaviors in a changed economy.

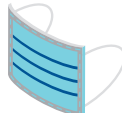
Composed of businesses in the retail sector, Ingat Angat recognizes retailers beyond providers of essential goods and services. Retailers also have the unique platform to promote public health and safety through their networks. Now, more than ever, safety is a shared responsibility amongst businesses and consumers. Pilipinas Shell joins its growing network of partners, which now includes companies such as Jollibee, Smart, Coca-Cola, Ayala Malls, Unilever, and Oishi.

OTHER COVID-19 RESPONSE PARTNERSHIPS



PROJECT UGNAYAN

Done in partnership with the Philippine Disaster Resilience Foundation (PDRF), this initiative aimed to feed over 7.5 million beneficiaries in Metro Manila who have been negatively impacted by the pandemic



PROJECT KAAGAPAY

Another partnership with the PDRF, this initiative specifically aimed at providing medical equipment, such as personal protective equipment (PPE), ventilators, test kits, and PCR-machines to the healthcare sector



BAYANIHAN MUSIKAHAN

Done in partnership with Philippine Business for Social Progress (PBSP), this initiative aimed to raise funds to distribute family care packs to communities severely impacted by the pandemic. In all, 4,000 families in target communities benefited from this fundraiser, as well as 1,000 families in our fenceline communities



GONE DIGITAL

Transforming our processes for continued service delivery amidst the pandemic

The challenges brought about by the pandemic pushed the boundaries in terms of our own digital transformation. As part of our approach to continuity, we accelerated the digitalization of our operations.

Tools available at our disposal include real-time information management, more one-touch and touch-less processing, advanced analytics, smart automation tools, and visualization tools. We also tapped social media, mobile apps, and other digital platforms to better reach our partners and customers online.

Reaching our customers online



RETAIL

- E-commerce solutions
- Shell Select partnerships with GrabMart, FoodPanda, Angkas, and other mobile delivery service



PSFI X MAYANI

- Ani Para sa Bayani
- Ani Para sa Suki
- Providing support to farmers and supplying fresh produce to customers with the help of digital platforms



FLEET SOLUTIONS

- Online payment penetration, 41% increase in digital payments

Reaching out to our business partners



WEBINARS, ONLINE CONVENTIONS AND CONFERENCES FOR OUR TRADE PARTNERS

Lubricants, Aviation



ONLINE PAYMENTS PENETRATION

Specialities



VIRTUAL ROAD SAFETY TRAINING

Fleet Solutions

Pursuing excellence within the organization



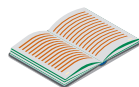
VIRTUAL SELLING AND SALES TRAINING

Fleet Solutions, Lubricants



VIRTUAL CORPORATE GOVERNANCE TRAINING

Legal, Corporate Secretariat



E-SIGNATURE

Contracts and Procurement, Legal, Data Privacy, and Information Technology



THE FUTURE OF TABANGAO

As one of only two oil refineries in the country, the Tabangao Refinery was an icon for Shell's thriving operations and lasting legacy in the Philippines.

For close to 60 years, the Tabangao Refinery was home to Pilipinas Shell's leading innovators, such as engineers, technicians, and specialists. It remains a good neighbor and a reliable social and livelihood partner to various fenceline communities in Tabangao, Batangas.

Due to the drastic decline in regional refining margins, we had to make the tough yet necessary decision to close down our refinery operations. As Pilipinas Shell gears up to transform the Tabangao Refinery into a world-class import terminal, let us take a look back at how the iconic oil refinery changed lives and made the future.

THE LEGACY OF THE TABANGAO REFINERY

The Tabangao Refinery began its commercial operations in 1962, with an initial nameplate capacity of 30,000 barrels per day (bpd). Modernization and expansion activities between 1993 and 1995 further increased the oil refinery's nameplate capacity to 110,000 bpd. Before its conversion, the Tabangao Refinery was one of only two oil refineries in the Philippines.

1960

Construction of Tabangao Refinery

1962

Start of commercial operations at Tabangao Refinery, with an initial capacity of 30,000 barrels per day (bpd). The oil refinery was inaugurated on July 28, 1962.

2015

Completed Tabangao Refinery upgrade for alignment with Euro-IV standards

1995

Completed modernization and expansion of the Tabangao Refinery, which increased its capacity to 110,000 bpd.

1993

Expansion and renovation of Tabangao Refinery

2018

Commenced Bitumen Production Facility operations at the Tabangao Refinery

2019

Broke ground for the Integrated Manufacturing Facility and the Integrated Energy System at the Tabangao Refinery

2020

Started the transformation of the refinery operations in Tabangao, Batangas into a world-class import terminal

With the transformation of the oil refinery, Pilipinas Shell will maintain its presence in Tabangao, Batangas, thereby preserving its support to its different stakeholders in the area. The Tabangao Refinery's operations nurtured around a thousand employees during its prime, prioritizing the hiring of residents from Batangas. The communities in the neighbourhood also benefited from the various corporate social responsibility programmes of the Company.

INSPIRING CHANGE WHERE WE ARE

Pilipinas Shell's presence in Tabangao, Batangas has helped uplift the lives of residents in our host and neighboring communities. For one, we prioritize the employment of locals, especially those who are highly skilled in refinery and petrochemical operations. The Refinery opened up a lot of employment opportunities for these skilled workers, and even helped scale up their skills for future employment.

Even contractors who worked at the Refinery also had a leg up in the industry after working with Pilipinas Shell. Jorge C. Catilo, now the Barangay Chairman of Barangay Libjo, Batangas City, once worked as a forklift operator in the Refinery; this experience helped him secure work opportunities abroad before assuming his post as Barangay Chairman in 2015.

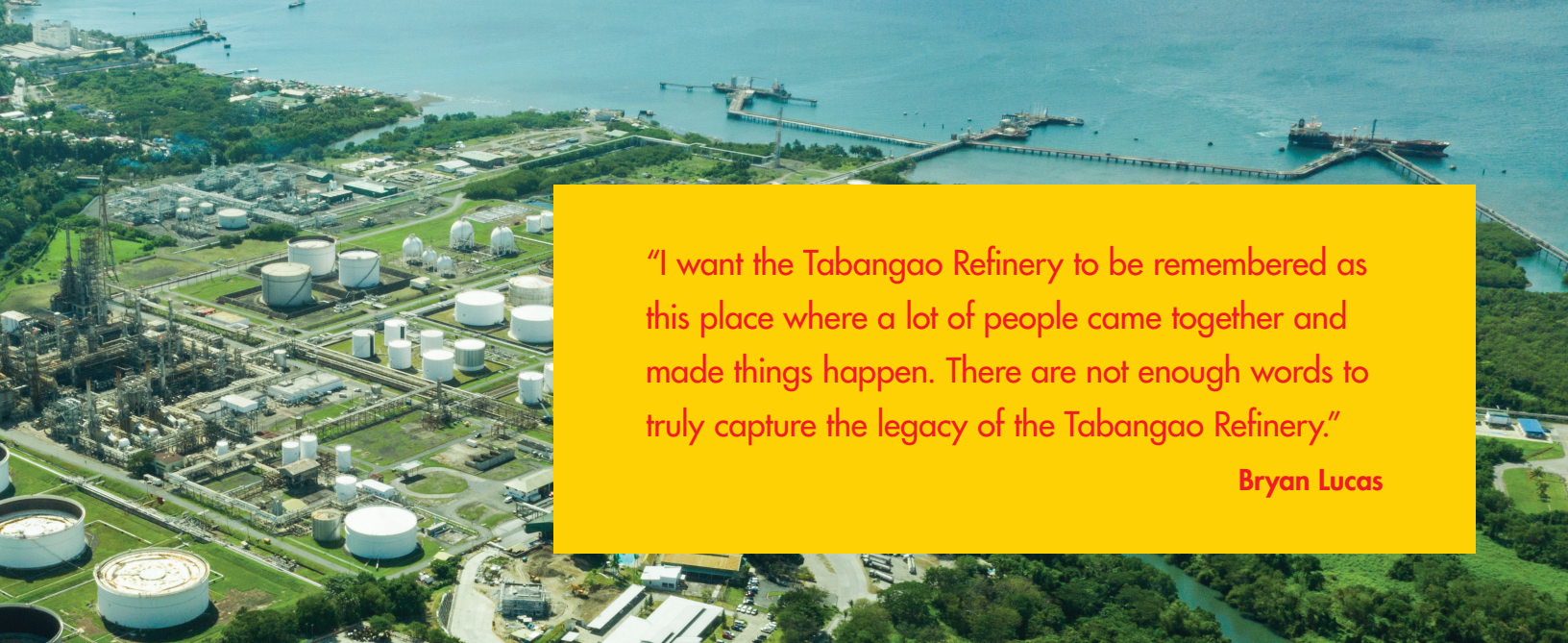
We also help the communities in the neighbourhood through the programmes offered by the Pilipinas Shell Foundation, Inc. which focus on livelihood, education, health and safety, environment, and energy access. Our programmes have five beneficiary barangays, namely: Tabangao, Ambulong, Libjo, San Isidro, and Malitam. In 2020, PSFI programmes in Batangas reached almost 61,000 beneficiaries.

Through Shell LiveWIRE, our dedicated livelihood development programme, we also support the SIBBAP-MPC, a women-led social enterprise based in Barangay Ambulong. SIBBAP-MPC helps women in their local community generate income by offering products and services like garment production, a community bakery and consumer store, and even a learning center.

We also have other indirect investments which greatly benefitted neighbouring communities. In 2019, we secured and awarded land titles for 82 families which relocated to Barangay Malitam, helping settle their concerns regarding land ownership. We also contributed significant infrastructure projects that boosted mobility and access to market. For one, the bridge that connects Barangays Libjo and San Isidro was a result of the Shell Tabangao Asset Renewal (STAR) project, which was completed in 1994.



The collective hard work, sacrifices, and contributions of our employees over the years have made the Tabangao Refinery the beacon of excellence that it is today. With the transformation of the oil refinery, Pilipinas Shell worked hard to ensure that the employees directly impacted by this transition are well taken care of and assured of their future prospects.



"I want the Tabangao Refinery to be remembered as this place where a lot of people came together and made things happen. There are not enough words to truly capture the legacy of the Tabangao Refinery."

Bryan Lucas

#TABANGAOFOR EVER

At its peak, the Tabangao Refinery was home to almost a thousand employees with different specializations—from engineers and other technicians, to procurement and other support services. When one takes on a job at the Refinery, it really is a commitment as it requires one to move to the Company's residential compound in Tabangao, Batangas.

Bryan Lucas, an Instruments Electrical Engineering Team Manager at the Refinery, relocated from his home in Quezon City when he first joined the Company in 2007. He joined the Refinery's maintenance team just as he was about to finish his Master's thesis in electrical engineering.



"Fortunately, the Company had some accommodations for their staff. I was very lucky to have lived here in the residential compound, that made things a lot easier for me," recalls Lucas.

Today, Lucas is a driving force in Pilipinas Shell's green energy projects, spearheading projects pushing for commercially successful renewable energy.



Joan Kho, a Reliability Manager at the Refinery, started out as an Instrument Engineer back in 1992. His eldest son, **John Anthony**, now a Process, Automation, Control and Optimisation (PACO) Engineer at Shell Philippines Exploration, B.V. (SPEX), practically grew up in the residential compound just beside the Refinery.

"Seeing my dad's work influenced me to take up a course in Engineering," recalls John Anthony.

Despite the challenges of relocating, Joan knew that Pilipinas Shell was the company he wanted to work for.

"When I was young, I really saw that Shell's values fit very well with my own personal values," recalls Joan. "What really hooked me was the culture, particularly the culture of care, respect, and safety. If I work for a company that cares for me and my safety, I will be safe, and it will always be good for my family."

"I think the Refinery's biggest legacy is how it provided employment and livelihood in this area, and I believe the communities here will continue to thrive and get better opportunities for themselves thanks to Pilipinas Shell's influence."

Joan Kho

Nikko Calledo, a Contract Specialist at the Refinery, started out as a graduate hire who also had to relocate to Batangas from his home in Manila. "However, seeing the other graduate hires there and hearing their stories about the Refinery made me feel more comfortable not just with the move, but also with my role," recalls Calledo.

For Refinery employees, especially those who have been there for decades now, news of the facility's transformation hit them hard, at first. However, Pilipinas Shell continues to provide the same level of care and thoughtfulness as it helps its employees with the transition.

"That's the thing I admire with Pilipinas Shell—the courage of its leaders to be transparent and authentic. They did not postpone the discomfort at a later time and allowed people to grab opportunities and come to terms with reality," explains Lucas.

For Calledo, while he understood the factors behind this decision, it was still hard for him to accept the news at first, especially since he did not know what would happen to him afterwards. "It took me a while to understand how it will impact the people and how Pilipinas Shell will ensure that there's little to no harmful impact to its current employees—that was my struggle internally," he adds.



"The Tabangao Refinery taught me that you don't know everything, and that you have to learn, unlearn, and re-learn if that is what it takes. To me, that is really important because I can take that lesson wherever I go, be it within or outside of Pilipinas Shell."

Nikko Calledo

The Company gave full support to its employees during this transition. Refinery employees were given until the end of the year to find another job within the Shell companies. Salaries, including the 14th month bonuses, were also paid for. "That's something that's truly admirable with Pilipinas Shell—not all companies will provide that kind of support," adds Lucas.

Today, Lucas is embracing his new role as Operations Lead for Instruments and Functional Safety at Shell Business Operations - Global (SBO-TAO), while Calledo also assumed his new position as Retail Territory Manager at Shell Mobility.

"I was contemplating on the long-term career that I wanted to take, and I'd like to do a marketing role," shares Calledo. "I'm lucky because my boss supported my career shift to retail. It's going to be an area managing role where I get to have 30-40 retail stations assigned to me."

Joan, on the other hand, landed a new role in Shell in Malaysia. "A lot of my colleagues who are engineers were able to get a role within Shell; there were very few people who chose to leave Shell," he adds.

"I benefited from all the learning sessions on how to make a resume and what to say during the interview; it was all set up by the Company to give employees a fighting chance to be successful in a new role," Joan explains.

"The talent we have here is prized and, wherever we go, the kind of environment we've been in prepares us for all our possible roles later on in our careers. I consider myself one of the lucky ones because, shortly after the announcement was made that the Refinery was being converted to an import terminal, I immediately got my next job within a few days."

Pilipinas Shell's culture of innovation was on full display at the Tabangao Refinery. Prior to the conversion, there were many innovations introduced in the Tabangao Refinery that better prepares and positions it as a world-class import facility.

Currently, the Tabangao facility generates its own electricity through an Integrated Energy System (IES) that harnesses solar energy. The Tabangao Refinery is the first oil refinery in the Philippines with an industrial-scale solar farm.

The use of cleaner energies to power the requirements of the Tabangao Refinery is part of Pilipinas Shell's contribution to the overall climate and energy transition ambition of Royal Dutch Shell, a global effort to tackle climate change as we provide energy to meet the world's needs.

THE PROMISE OF A WORLD-CLASS IMPORT FACILITY

Shifting our supply-chain strategy from manufacturing to full import-based operations will allow Pilipinas Shell to enhance its cost and supply-chain competitiveness. This will also allow us to leverage our portfolio of assets and our highly competitive Global Products Trading Network.

As such, the transformation of our refinery operations will not affect Pilipinas Shell's capability to supply the high-quality fuels it has been known for. Rather, this strategic decision marks our commitment to make the hard and necessary choices in the pursuit of financial resilience and operational excellence in these challenging times.

To fully transform the Tabangao facility into a world-class import terminal, Pilipinas Shell plans to re-invest at least PhP1 billion in the next few years to support its marketing growth aspirations. The Tabangao Import Facility will cater to the fuel needs of Luzon and Northern Visayas, while the North Mindanao Import Facility (NMIF) in Cagayan de Oro will continue to serve the growing energy needs in the Visayas and Mindanao region.

THE DAWN OF A NEW ERA



Since the Tabangao Refinery commenced its commercial operations in 1962, it has been a bastion of innovation, efficiency, and reliability—a potent symbol for Shell’s presence in the Philippines. Over the years, Pilipinas Shell has made significant investments not only to modernize and increase the capacity of the Tabangao Refinery, but to also hire the best engineers, innovators, and technicians to keep the facility in top shape.

While it is with a heavy heart that we announced the cessation of oil refining activities in Tabangao, the actions underway to transform the refinery into what will be a world-class import facility signal a few things.

First, they signal our strong commitment to our customers, our host communities, and to our people. Ultimately, the decision to transform the refinery into an import facility is aimed at strengthening our supply chain, putting us in a better position to continue providing reliable and competitively priced products to the market. While it is indeed a hard decision to make, in the end, it is the choice that best supports the company’s long-term growth plans, which stands to benefit all our stakeholders, including our employees and our host communities.

Additionally, we will continue to be a formidable presence and force for good in Tabangao, Batangas. The transformation of the Tabangao facility will be enabled

by a robust capital investment plan of more than PHP1 billion. We also intend to remain a good neighbor in the community and will continue to support community programmes and partnerships through the Pilipinas Shell Foundation, Inc..

While we cannot accommodate all of our refinery staff in this transformation, we have created direct opportunities for more than 35 refinery staff impacted by this change. We also partnered with other entities under the Shell Companies in the Philippines (SCiP) and successfully secured jobs for more than 130 of the affected refinery employees.

We are excited about these changes underway that will usher in a new chapter for Pilipinas Shell and the Tabangao facility. Change will always be inevitable, but we are here to stay, and we will always be a strong partner in nation-building. We have been serving the Filipino people for the past 106 years, and this transformation will enable us to continue to do so for the next 100 years or more.

WESLEY STEWART

Manager, Distribution Operations (Philippines)

OUR BOARD OF DIRECTORS



MIN YIH TAN
Singaporean

Current Chairman of the Board starting 2020. He is also the Vice President-Global Retail Network of the Royal Dutch Shell Group. He has held the General Manager positions in the Shell Group for Retail Network Development, Global Retail & Commercial Strategy, Commercial Fuels (East) and Lubricants (Southeast Asia). He holds a Bachelor of Science in Mechanical Engineering and an MBA from Rutgers, The State University of New Jersey-Newark.



CESAR G. ROMERO
Filipino

Current President and Chief Executive Officer of the Company, and Executive Director since 2016. He chairs the Nomination Committee. He joined Shell in 1987 and has held various roles in refinery, supply planning, strategy, and lubricants at local, regional, and global levels across Shell's Downstream business. He was formerly Vice President-Global Retail Network from 2013 to 2018.



JOSE JEROME RIVERA PASCUAL III
Filipino

Stepped down as Vice President-Finance and Treasurer of the Company, Executive Director and Board of Director in other Shell-affiliated companies in the Philippines effective December 31, 2020. Since joining the Shell Group in 1986, he has fulfilled several roles as a finance professional, and was Chairman of the Boards of Trustees of the SciP Multi-Employer Retirement Plan, and the SPEX Non-Contributory Retirement and Gratuity Fund. He is also an Incorporator and current Trustee and President of the Judicial Reform Initiative, Inc.



MONA LISA B. DE LA CRUZ
Filipino

Non-Executive Director since 2015. She is the President and COO of Insular Life Assurance Company, Ltd. She is a Director of Insular Life Health Care, Inc., ILAC General Agency, Inc., Insular Investment and Trust Corporation, Home Credit Mutual Building and Loan Association, Insular Life Development and Management Corporation, Insular Life Property Holdings, MAPFRE Insular Insurance Corporation, and Union Bank of the Philippines. She is also a Trustee of Insular Life Assurance Company, Ltd. and Insular Life Foundation, Inc.



LUIS C. LA Ó
Filipino

Non-Executive Director of the Company since 2018, and Chairman of the CSR Committee. He is the Non-Executive Vice Chairman of the Board of The Insular Life Assurance Co., Ltd., which he first joined as a Non-Executive Trustee on January 22, 2015. He is also the former Chairman of the Board of Directors of MAPFRE Insular Insurance Corporation.



ROLAND J. PAULINO, JR.
Filipino

He is currently the Managing Director and General Manager of Shell Philippines Exploration, B.V. He has 24 years of international senior leadership in the oil and gas industry, including leading large production facilities in Scotland, England, Malaysia, and Australia.



FERNANDO ZOBEL DE AYALA
Filipino

Independent Director since 2012, and Chairman of the Corporate Governance Committee. He is the President and COO of Ayala Corporation, one of the Philippines' largest conglomerates. He is also the Board Chairman of Ayala Land, Inc. and sits on the Board of the Bank of the Philippine Islands, Globe Telecom, and the Ayala Foundation. He is also a Board Member of Pilipinas Shell Foundation, Inc., among other philanthropic organizations.



CESAR A. BUENAVENTURA
Filipino

Independent Director since 2012, and Director from 1970-2011. He chairs the Board Audit and Risk Oversight Committee. He joined Pilipinas Shell in 1956 and served as its Chairman and Chief Executive Officer from 1975 to 1990. He is also the Founding Chairman of the Pilipinas Shell Foundation and a Founding Member of the Board of Trustees of the Makati Business Club. He is currently Chairman of Buenaventura, Echauz, and Partners, Inc., and of Mitsubishi Hitachi Power System Philippines. He is also the Vice Chairman of DMCI Holdings and a Director of Concepcion Industrial Corporation, Semirara Mining and Power Corporation, Petroenergy Resources Corporation, and I People, Inc.



LYDIA B. ECHAUZ
Filipino

Independent Director since 2017, and Chairperson of the Related Party Transactions Committee. She is also a Director of D&L Industries, Inc., Philstar Group, BusinessWorld Publishing Corporation, Global Business Power Corporation, Riverside College, Inc., and Fern Realty Corporation. Additionally, she is a Trustee/Director of MCO Foundation, Inc., Immaculate Conception Academy, and Bancholders, Inc., among others.



RANDOLPH T. DEL VALLE
Filipino

Executive Director and Vice President-Retail starting 2020. Mr. Del Valle has been the Global Head of the Shell Downstream Retail Network Strategy and Planning based in Singapore. He previously worked in Downstream strategy and retail for the Shell Group and held various roles within Operations and Marketing in Downstream Retail in Shell Philippines/East. He is a Chemical Engineer and has an MBA degree from the London Business School.



RAFI HAROON BASHEER
Pakistani

Non-Executive Director starting 2020. He is currently Chairman of the Board of Shell Pakistan Ltd., a listed entity in Pakistan, and the Global GM Finance for Planning & Appraisal Downstream Retail and Global Commercial. He has held various positions in the Shell Group, including Global GM Finance-Specialities and Regional Finance Manager Asia Pacific (Shell Singapore), and Global Governance and Assurance Manager. He is a member of the Institute of Chartered Accountants in England and Wales.

Meet Our New Director



REYNALDO P. ABILO
Filipino

Assumes position as the Chief Risk Officer and Vice President-Finance and Treasurer at Pilipinas Shell on January 1, 2021. Mr. Abilo first joined Shell in 2009 as the Retail Economics Manager in the Philippines, and has served as Corporate Assurance Manager since 2017 prior to his latest appointment. Mr. Abilo is a CPA Board Topnotcher with over 15 years of experience in audit, accounting, economics, strategy development, business performance management, and commercial decision support.

GRI CONTENT INDEX

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.



MATERIALITY DISCLOSURES SERVICE

2021

GRI 101: FOUNDATION 2016

GRI 102: GENERAL DISCLOSURES 2016

GRI STANDARD	DISCLOSURE NUMBER AND TITLE		PAGE	DIRECT ANSWER OR STATEMENT OF OMISSION
Organizational Profile	102-1	Name of the organization	7	
	102-2	Activities, brands, products and services	12, 13, 15	
	102-3	Location of headquarters	12	
	102-4	Location of operations	12, 13	
	102-5	Ownership and legal form	13	
	102-6	Markets served	13, 15	
	102-7	Scale of the organization	12, 15	
	102-8	Information on employees and other workers	41	
	102-9	Supply chain	12	
	102-10	Significant changes to the organization and its supply chain	12	
	102-11	Precautionary Principle or approach	8	
	102-12	External initiatives	9, 17	
	102-13	Membership of associations	9	
Strategy	102-14	Statement from senior decision-maker	4-6, 20-22	
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	14	
Governance	102-18	Governance structure	29	
Reporting Practice	102-40	List of stakeholder groups	10, 11	
	102-41	Collective bargaining agreements	10, 11, 47	
	102-42	Identifying and selecting stakeholders	10, 11	
	102-43	Approach to stakeholder engagement	10, 11	
	102-44	Key topics and concerns raised	10, 11	
	102-45	Entities included in the consolidated financial statements		Pilipinas Shell Petroleum Corp. ("PSPC," "Pilipinas Shell")
	102-46	Defining report content and topic boundaries	7, 9, 10	
	102-47	List of material topics	11	
	102-48	Restatements of information		Due to corrections made, there are minimal changes in the water discharge data for 2019. We have also updated our waste data to better reflect the types of waste recovered and disposed.
	102-49	Changes in reporting		There are no changes in reporting for this year

GRI STANDARD	DISCLOSURE NUMBER AND TITLE		PAGE	DIRECT ANSWER OR STATEMENT OF OMISSION
Reporting Practice	102-50	Reporting period	7	
	102-51	Date of most recent report	7	
	102-52	Reporting cycle	7	
	102-53	Contact point for questions regarding the report	7	
	102-54	Claims of reporting in accordance with the GRI Standards	7	
	102-55	GRI content index	86-88	
	102-56	External assurance		This report has not been externally assured.
GRI 200: ECONOMIC				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	23-26, 41-47, 50, 63-65	For additional information, refer to page 38 and 77 of PSPC's 2017 Annual and Sustainability Report.
	103-2	The management approach and its components	23-26, 41-47, 63-66	For additional information, refer to page 38 and 77 of PSPC's 2017 Annual and Sustainability Report.
	103-3	Evaluation of the management approach	23-26, 42-47, 49, 63-65	For additional information, refer to page 38 and 77 of PSPC's 2017 Annual and Sustainability Report.
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	18	
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community		To ensure that there is a robust leadership pipeline, Pilipinas Shell hires the best Filipino talent, here and abroad, and promotes from the ranks.
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	19	
	203-2	Significant indirect economic impacts	19	
GRI 300: ENVIRONMENTAL				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	41-47, 50	
	103-2	The management approach and its components	63-66	
	103-3	Evaluation of the management approach	42-47, 49, 63-65	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	63	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	64	
	303-2	Management of water-discharge related impacts	64	
	303-3	Water withdrawal by source	64	
	303-4	Water Discharge	64	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	63	
	305-2	Energy indirect (Scope 2) GHG emissions	63	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	66	
Sector Specific Aspect: Effluents and Waste	OG6	Volume of flared and vented hydrocarbon	66	
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	65	
	306-3	Significant spills	64	
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations		None.

GRI STANDARD	DISCLOSURE NUMBER AND TITLE	PAGE	DIRECT ANSWER OR STATEMENT OF OMISSION
GRI 400: SOCIAL STANDARDS SERIES 2016			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	40, 42-47
	103-2	The management approach and its components	40, 42-47
	103-3	Evaluation of the management approach	40, 42-47, 49
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	41
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.
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Please refer to page 61 of PSPC Annual and Sustainability Report 2018.
	403-2	Hazard identification, risk assessment, and incident investigation	Please refer to page 61 of PSPC Annual and Sustainability Report 2018.
	403-3	Occupational health services	46-48
	403-4	Worker participation, consultation, and communication on occupational health and safety	Please refer to page 61 of PSPC Annual and Sustainability Report 2018.
	403-5	Worker training on occupational health and safety	Please refer to page 61 of PSPC Annual and Sustainability Report 2018.
	403-6	Promotion of worker health	46-49
	403-9	Work-related injuries	49
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	44-45
	404-2	Programs for upgrading employee skills and transition assistance programs	46
	404-3	Percentage of employees receiving regular performance and career development reviews	44
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	30
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	None.
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	51-58, 60, 67-73
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None.
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	None.

REFERENCE

PSPC Annual and Sustainability Report 2017

https://pilipinas.shell.com.ph/promos/pilipinas-shell-sustainability-report-2017/_jcr_content.stream/1525229456257/ad44357ff2c3a673369c50f6ff8cadfa9530eae0/2017-pspc-asr-full-report.pdf

PSPC Annual and Sustainability Report 2018

<https://pilipinas.shell.com.ph/sustainability/pilipinas-shell-annual-sustainability-report-2018.html>

PSPC Annual and Sustainability Report 2019

<https://pilipinas.shell.com.ph/sustainability/pilipinas-shell-annual-sustainability-report-2019>



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on our sustainability story.

