



NIGERIA BRIEFING NOTES

For 2022 Business Activities



CONTENT

Shell's interests in Nigeria	3
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Message from the Country Chair	5
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Factsheet 2022 key developments	8
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Cautionary Note	13
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SHELL'S INTERESTS IN NIGERIA

The Nigeria Briefing Notes **provide an overview of the activities** of several Nigerian companies owned by Shell or in which Shell has an interest. They offer insight into our business ambitions, how we are contributing to communities, and the actions we are taking to prevent and clean up oil spills.



The Bonga floating production, storage and offloading (FPSO) vessel.

Shell has invested in businesses in Nigeria for more than 60 years and has interests in several companies that produce, distribute and export oil, gas, liquefied natural gas (LNG) and other energy products.

These four businesses are wholly owned by Shell plc and together are part of the entities known as the Shell Companies in Nigeria (SCiN):

The Shell Petroleum Development Company of Nigeria Limited (SPDC)¹ produces oil and gas in the Niger Delta;

Shell Nigeria Exploration and Production Company Limited (SNEPCo)² produces oil and gas in the deep-water Gulf of Guinea;

Shell Nigeria Gas Limited (SNG) as part of the Shell Energy Nigeria (SEN) business line, provides gas to domestic industrial and commercial customers; and

Daystar Power provides integrated solar power to commercial and industrial businesses across West Africa. The acquisition of Daystar Power was completed in December 2022.

In addition, Shell Gas B.V. holds a 25.6% shareholding in Nigeria LNG Limited (NLNG) which processes and exports LNG to global markets. SPDC and SNEPCo also own All On Partnerships for Energy Access Limited (All On), an impact investment company whose purpose is to improve access to energy in Nigeria.

¹ Unless otherwise stated, all activities reported for or as relating to Shell Petroleum Development Company Limited (SPDC) in this report should be understood as SPDC acting as the operator of the SPDC joint venture (SPDC JV). SPDC, as the corporate entity, owns 30% of the participating interests in the SPDC JV.

² SNEPCo has interests in two Shell-operated deep-water blocks: OML 118 (Bonga – 55% interest) and OML 135 (Bolia/Doro – 55% interest). SNEPCo also has an interest in the non-operated deep-water block: OML 133 (Erha – 43.75% interest). SNEPCo had interests in the non-operated OPL 245 (Zabazaba block), the licence for which expired in 2021.

	NAME OF COMPANY	DESCRIPTION AND MAIN ACTIVITIES	OPERATING ASSETS
HEARTLAND	The Shell Petroleum Development Company of Nigeria Limited (SPDC)	Produces onshore and shallow-water oil and gas.	<p>SPDC: Operator and 30% participant interest holder in SPDC JV</p> <ul style="list-style-type: none"> ■ 243 producing oil wells (180 West assets and 63 East assets). ■ 43 producing gas wells (4 West assets and 39 East assets). ■ Four gas plants. ■ Two major oil export terminals.
DEEP WATER	Shell Nigeria Exploration and Production Company Limited (SNEPCo)	Produces deep-water oil and gas.	<p>SNEPCo: Operator of the Bonga field Floating Production, Storage, and Offloading (FPSO) vessel. Interests in two Shell-operated deep-water blocks under production sharing contracts.</p> <ul style="list-style-type: none"> ■ OML 118 – 55% interest (Bonga) and OML 135 – 55% interest (Bolia/Doro). <p>SNEPCo also has an interest in one non-operated deep-water block:</p> <ul style="list-style-type: none"> ■ OML - 133 – 43.75% interest (Erha) operated by Esso under a production sharing contract.
GAS FOR NIGERIA	Shell Nigeria Gas Limited (SNG)	Distributes domestic gas	<p>SNG: Operator</p> <ul style="list-style-type: none"> ■ SNG is part of the recently launched Shell Energy Nigeria (SEN) line of business. SEN seeks to accelerate the delivery of competitive and reliable energy, enabling economic development and growth ■ Two gas trains with a total network distribution capacity of more than 102 million standard cubic feet per day (mmscf/d) ■ Pressure Reduction and Metering Station ■ Gas transmission and distribution network of approximately 150 kilometres. ■ Serving more than 130 industrial and commercial customers, mostly in Ogun, Abia, and Rivers states. ■ Signed gas sales and purchase agreements with more than 165 customers in Ogun, Abia, Rivers and Bayelsa states.
GAS FOR EXPORT	Nigeria Liquefied Natural Gas Company Limited (NLNG)	Processes and exports Liquefied Natural Gas (LNG)	<p>NLNG: Shell Gas B.V.'s shareholding in NLNG is 25.6%</p> <ul style="list-style-type: none"> ■ Six LNG trains with total processing capacity of 22 million tonnes a year of LNG and up to 5 million tonnes of natural gas liquids (LPG and condensate) from circa 3.5 billion standard cubic feet per day of natural gas.
POWER	Daystar Power	Provides integrated solar power to commercial and industrial businesses across West Africa	<p>Daystar Power:</p> <ul style="list-style-type: none"> ■ The acquisition of Daystar Power was completed in December 2022. It has around 250 projects across West Africa. ■ Daystar Power has about 40MW of solar installation as at end of 2022, with plans to rapidly grow and expand into other markets.
RENEWABLES	All On	An impact investment company seeded by Shell was established to facilitate the creation and delivery of clean energy products and services to under-served and unserved off-grid energy communities in Nigeria, with a special focus on the Niger Delta region.	<p>All On: Operates as an independent company</p> <ul style="list-style-type: none"> ■ With investments in mini-grids, solar home systems, solar energy systems, solar refrigeration systems and battery-as-a-service businesses, All On has 46 energy access investee companies with a total of \$23.6 million³ in investments in these companies. ■ Delivered over 75,000 energy connections since its inception in 2017 through the investee companies.

3 Unless otherwise stated, the reporting currency is the US dollar \$.

A portrait of Osagie Okunbor, a Black man with a bald head, smiling. He is wearing a dark blue pinstripe suit, a white shirt, and a red tie with a small pattern. The background is a solid brown color.

OSAGIE OKUNBOR

Country Chair of Shell Companies in Nigeria

MESSAGE FROM THE COUNTRY CHAIR

Each year, the Nigeria Briefing Notes reflect our pride in the work of Shell Companies in Nigeria, the progress that we have achieved and the contributions we have once again made to communities.

For our businesses in Nigeria, 2022 was very much a year of two halves, with the first half proving especially difficult due to the production challenges outlined in these pages. Tragically, 2022 was also a year where our country experienced its worst flooding in recent history, with many lives lost and hundreds of thousands of people displaced from their homes.

However, despite these headwinds, the tenacity, commitment and resilience of our people allowed us to turn a corner on several fronts, leading to optimism for the beginning of 2023.

Crude theft is a serious threat to our country

Last year, we faced our biggest operational challenge in many years at SPDC, where a significant decline in crude receipts at the Bonny Oil and Gas Terminal resulted in our declaration of force majeure in March 2022. I am pleased to say that the force majeure on the Bonny export programme was lifted in March 2023.

Unfortunately, along with other operators in Nigeria, SPDC continues to face the twin challenges of sabotage and crude oil theft, each of which not only deprives our country and our people of billions of dollars of tax revenue, but also endangers people's lives. Sadly, we were reminded of these dangers in March 2023 when a fire incident occurred at the site of an illegal connection used for crude theft on the Rumuekpe - Nkpoku trunk line in Rivers state. The line was not operational at the time of the fatal incident.

Crude theft poses a serious environmental risk that impacts not just oil and gas operations but also our communities. Our teams continue to collaborate with the Nigerian government and other stakeholders with the aim of eradicating crude theft from our facilities. There is cause for optimism, as these collaborations are starting to yield results through changes in approach. Together, we have also made progress in developing security systems that allow us to better monitor our facilities, and therefore detect and deter some of these illegal actions.

We delivered an outstanding export milestone

At SNEPCo, our deep-water operating entity, alongside our OML 118 partners and the Nigerian National Petroleum Company Limited, we continue to operate under a production sharing contract that provides exciting deep water growth opportunities.

The team at SNEPCo, most of whom I am proud to say are Nigerians, delivered an outstanding milestone early in 2023. The Bonga FPSO, the country's first deep-water exploration and production vessel, exported its one billionth barrel of oil – a fantastic achievement.

Shell continues to be committed to Nigeria

As mentioned above, in 2022 our country was profoundly impacted by severe flooding, which affected businesses and communities in several states. Shell responded by committing \$1 million to support the government's efforts to provide relief. Beyond that, our own staff raised more than 10 million Nigerian Naira for people most in need.

Our commitment to Nigeria is not simply in response to such challenges, and in the factsheet of this report, you will find a summary of the revenue we generated for the government through taxes, the employment opportunities we created and the contributions we have made to developing local businesses.

Between them, SPDC, SNEPCo and SNG spent \$34.29 million in direct social investment during 2022. A further \$56.13 million has been earmarked to be paid in 2023 by SPDC and SNEPCo as a statutory contribution to the Host Communities Development Trusts (HCDDT) which will benefit our communities.

WE BELIEVE STRONGLY IN THE TALENTS, CAPACITY AND CULTURE OF THE NIGERIAN PEOPLE

While these HCDDTs are one valuable outcome of the Petroleum Industry Act (PIA), we have always demonstrated resolute commitment to our communities, and we will continue to do so.

In 2022, we worked on several projects including the completion of the final phase of our Oloibiri Health Programme in Bayelsa state which has helped over 18,000 patients since its launch. The integrated healthcare project, powered by a hybrid solar electrification system, provides access to a health campus, drug distribution centre and an infant care programme.

I am similarly proud of the incredible work that we do to support entrepreneurship and education. SPDC, SNEPCo and SNG funded more than \$5.6 million in academic scholarships in 2022, investments that are critical to the country's development. Many of these programmes' previous beneficiaries have gone on to become today's business and political leaders in Nigeria. In tandem, we continue to improve opportunities for young Nigerians to achieve their ambitions through the Shell LiveWIRE youth programme, providing training in enterprise development and management, as well as business start-up grants.

Celebrating our business achievements

All On – the impact investment company we established in 2016 – continues to go from strength to strength, backed by \$200 million of seed funding provided by Shell. By the end of 2022, All On had committed a total of \$23.6 million to a portfolio of 46 renewable energy companies. By doing so, it is increasing access to commercial renewable energy products and services for the under-served, and indeed the completely unserved off-grid energy markets, with a special focus on those in the Niger Delta.

We are inspired by the possibilities that exist for developing new gas distribution solutions. SNG continues to provide gas to both business and domestic customers in Nigeria. Meanwhile, Shell's acquisition in December 2022 of Daystar Power, an integrated solar power provider in West Africa, is well aligned with our strategy of delivering more and cleaner energy.

SPDC also took further actions on existing gas projects, such as drilling additional wells to restore supply capacity to meet its commitment to NLNG and build additional contingency margin. Additional projects are planned for 2023 to build further resilience in supply capacity.

I am also pleased that once again Shell Companies in Nigeria and our staff have been recognised with a number of awards during 2022. To name just three, we have received accolades as Best International Company of the Year (Petroleum Technology Association of Nigeria), Upstream Company of the Year (Nigeria International Energy Summit) and Leading Tax Compliant Firm in Nigeria (Federal Inland Revenue Service).

Looking to the future

Shell Companies in Nigeria have significantly contributed to Nigeria's economy and its communities for over six decades. We believe strongly in the talents, capacity and culture of the Nigerian people. Going forward we will continue that collaboration, working together to power progress in Nigeria.



Providing solar power in Nigeria



FACT SHEET 2022

KEY DEVELOPMENTS

FINANCIAL

Shell Companies in Nigeria (SCiN) contribute to economic growth in Nigeria by generating revenue for the government through taxes, creating employment opportunities and contributing to the development of local businesses.

- \$1.36 billion⁴ in corporate taxes and royalties paid to the Federal Government of Nigeria (SPDC \$450 million and SNEPCo \$907 million), compared with \$986 million in 2021.
- SPDC, SNEPCo and SNG awarded \$1.9 billion contracts to Nigerian-registered companies. Overall, there has been a 138% increase in SCiN's total value of contracts awarded in 2022 compared to 2021.
- SPDC, in compliance with statutory requirements, paid \$59.04 million⁴ in 2022 to the Niger Delta Development Commission (NDDC). SNEPCo and its partners, in compliance with statutory requirements, paid \$20.73 million to NDDC in 2022.
- SCiN directly employed more than 2,500 people (of whom 97% are Nigerian nationals) with 10,000 contractors supporting operations.

BUSINESS DEVELOPMENTS

Shell has invested in game-changing businesses in Nigeria for over 60 years and in 2022 we continued to power progress, impacting lives and unlocking opportunities.

- Combined production by SPDC and SNEPCo (Bonga) was 367,683* barrels of oil equivalent per day in 2022. This is a reduction compared with 493,000 barrels of oil equivalent per day in 2021. The decline was largely the result of a partial shutdown of production for around six months due to an unprecedented increase in crude oil theft activities along the Trans Niger Pipeline (TNP).

- SPDC lifted the force majeure on its Bonny export programme with effect from March 15, 2023. The declaration of force majeure on March 3 2022, was on account of significantly lower deliveries of crude oil to the Bonny Terminal because of theft from illegal connections to pipelines.
- In February 2023, the Bonga FPSO, the country's first deep-water exploration and production vessel, exported its one billionth barrel of oil.
- SPDC successfully delivered first gas from the Enwhe East and KoloCreek to Soku Wells projects in 2022, adding about 350 mmscf/d of additional gas capacity.
- Following the expiration of OML 11 in 2019 and the subsequent non-renewal of the lease by the Federal Government of Nigeria, SPDC completed the handover of the lease and operatorship in 2022.
- SNG signed an agreement with the Oyo state government, in the south-west of Nigeria, to build a gas distribution infrastructure network with the intention of delivering gas to industries and other large-scale commercial businesses within the state and beyond.
- Shell acquired Daystar Power Group (Daystar Power), a provider of integrated solar power to commercial and industrial businesses across West Africa in December 2022. Daystar Power has around 250 projects across West Africa with approximately 40 megawatts of solar installation and plans to rapidly grow and expand into other markets.
- NLNG Train 7 offsite piping prefabrication work is in progress. In addition, construction activities on the workers' camps, marine scopes and brownfield tie-ins have ramped up.
- At the end of 2022, All On's total portfolio of renewable, energy access investee companies increased to 46, with a total of \$23.6 million in investments committed to be paid. In addition, the All On Hub increased its supported businesses from 41 to 91 ventures. Since its inception in 2017, All On has delivered more than 75,000 energy connections⁵ through its investee companies.
- In 2021, Shell plc announced its intention to reduce its involvement in onshore oil production in Nigeria while remaining in deep-water and its integrated gas position in country. Information on Shell plc's strategy is available on its website at www.shell.com.

* This amount was restated on the 26th of February 2024

⁴ This is a Shell-only statutory contribution, exclusive of our partners' share.

⁵ Energy connection is defined as when a customer, household or business is connected to power supply via an off-grid source. This is measured on a scale of MW generation capacity. All On connections are produced from 4 broad categories: solar energy systems, solar assembly, cold storage and mini-grids.

SOCIAL INVESTMENT

Through our social investment, Shell Companies in Nigeria aim to contribute positively to socio-economic development in the communities where we operate.

- SPDC, SNEPCo and SNG spent \$34.29 million⁶ funding direct social investment in 2022. These investments were in projects related to community, health, education, road safety and enterprise programmes.
- Since 2017, more than \$106.3 million has been disbursed through the Global Memorandum of Understanding (GMOU) agreements in the Niger Delta by SPDC to provide secure funding for community-led development programmes. SPDC closed out⁷ its existing agreements as part of its transition to HCDDTs⁸, in compliance with the PIA of 2021. In addition, \$56.13 million⁹ was earmarked by SPDC and SNEPCo to be paid in 2023 in compliance with statutory requirements as contribution to HCDDTs.
- In 2022, All On secured additional funding of \$15 million from the Global Alliance for People and Planet to expand the Demand Aggregation for Renewable Technology (DART) programme, which aims to bring affordable solar products to communities most in need. The size of the DART programme's financing facility now stands at \$25 million.
- The global Shell LiveWIRE entrepreneurship programme helped 220 Nigerians through providing training and grants.
- Shell donated \$1 million, exclusive of its joint venture partners in Nigeria, to support the Federal Government of Nigeria's efforts to provide relief to people impacted by the flood disaster. The donation was used to procure and distribute food and non-food relief materials, as well as medical supplies, to impacted communities hosting Shell operations in the affected states. In addition, more than 10 million Nigerian Naira was raised by SCiN staff for the cause.

Affordable and quality health care
SCiN have supported community health programmes in Nigeria since the 1980s, benefitting many hundreds of thousands of Nigerians.

- In 2022, SPDC and SNEPCo supported 17 healthcare centres¹⁰ in the Niger Delta and signature intervention projects throughout Nigeria.
- The Health-in-Motion mobile community health outreach programme, which takes free medical services to where people live and work, has benefitting more than one million people since its launch in 2010. Funded by SPDC and SNEPCo, the programme assisted a further 12,755 people in 2022.

- In 2022, SNEPCo constructed and renovated two primary healthcare centres for Internally Displaced Persons (IDPs) in Borno and Yobe states in north-east Nigeria. These provide Water, Sanitation and Hygiene (WASH) facilities, medical infrastructure and training for 252 healthcare workers.
- The number of people enrolled in the Community Health Insurance Scheme (CHIS) increased by 7,149 in 2022. More than 92,000 people have benefitting from CHIS since its launch in 2010. The scheme, which covers primary and secondary care services, is a partnership between SPDC, the Rivers state government and local communities.
- The Obio Cottage Hospital is a specialist maternal and child health hospital. It has specialist pre- and post-natal wards, an operating theatre and provides other services. In 2022, 3,243 babies were safely delivered, making a total of more than 37,000 safe births at the hospital since 2010. The hospital is funded by the Community Health Insurance Scheme (CHIS).
- Shell delivered the final phase of the Oloibiri Health Programme (OHP), which incorporates a health campus and an access road, a hybrid solar-powered electrification system, a zonal drug distribution centre, community water supply, and an infant care programme. The OHP is a Shell-funded local government initiative in the Ogbia area of Bayelsa state. Since its launch in January 2019, cumulatively more than 18,000 patients have been seen in the two OHP health facilities (Kolo General Hospital and Oloibiri campus).

Investing in education

SCiN have a long history of supporting education through scholarships and other initiatives. Since the 1950s, the Shell scholarship schemes have supported several thousands of students, many of whom have gone on to become Nigeria's business, political and social leaders.

- In 2022, SPDC, SNEPCo and SNG invested over \$5.6 million¹¹ in education programmes. More than 3,000 secondary school grants, 3,500 university grants and 990 cradle-to-career scholarship grants have been awarded since 2016.
- SNEPCo constructed, furnished and delivered a 100-seat ICT Centre, at the Federal University of Petroleum Resources Effurun (FUPRE), Delta state in 2022.
- SNEPCo continued the construction of two educational infrastructure projects valued at \$15 million:
 - A \$10 million Geosciences Centre of Excellence for the University of Lagos, and
 - A \$5 million e-library project for the Niger Delta University, Bayelsa state.

6 The total contribution of SPDC, SNEPCo & SNG was \$34.29 million. The Shell-only contribution was \$11.37 million.

7 The phrase 'closed out' as used in this context means that the GMOUs are no longer and shall no longer be functional in compliance to the Petroleum Industry Act (PIA) 2021. Therefore, outstanding tranche payments due to communities in the GMOU shall be transited to the Host Communities Development Trust (HCDDTs).

8 Host Communities Development Trust funds require a Settlor (a holder of an interest in a petroleum prospecting license or a petroleum mining lease whose area is located or appurtenant to any community or communities) to make an annual contribution to the applicable community of 3% of its actual operating expenditure of the preceding year in the upstream petroleum operation affecting the community.

9 The total contribution of SPDC & SNEPCo was \$56.13 million. The Shell-only contribution was \$20.19 million.

10 Following the handover of OML 11 to the government by SPDC in 2022, the total number of healthcare centres reduced from 19 in 2021 to 17 in 2022.

11 The total contribution of SPDC, SNEPCo & SNG was \$5.6 million. The Shell-only spend was \$2.37 million.

SPILLS AND CLEAN-UP

SPDC is working to eliminate spills from its operational activities, remediate past spills and prevent spills caused by crude oil theft, sabotage of pipelines or illegal oil refining. While SPDC operates to the same technical standards as other Shell companies globally, illegal activities continue to inhibit a normal operating environment. Regardless of the cause of a spill, we clean up and remediate areas affected by spills originating from our facilities.

- **SPDC operational spills¹²:** In the Niger Delta, over the last 12 years, the total number of operational hydrocarbon spills and the volume of oil spilled from them into the environment has been significantly reduced. In 2022, 10 incidents, each of over 100 kilograms of crude oil, were reported compared with nine incidents in 2021. The volume of around 0.01 thousand tonnes was less than the 0.03 thousand tonnes recorded in 2021.
- **Spills from illegal activities:** In 2022, about 88% of the oil spills of more than 100 kilograms from the SPDC operated facilities were caused by the illegal activities of third parties – 75 incidents with volume of 0.6 thousand tonnes, compared with 106 incidents in 2021, with volume of 3.3 thousand tonnes. The decreased number of incidents in 2022 correlates with a shutdown of production for about six months because of an unprecedented increase in crude oil theft from the TNP, which is operated by SPDC on behalf of the SPDC JV partners.
- In 2022, SPDC successfully remediated an additional 230 sites, compared to 187 sites remediated in 2021. Since 2016, 776 sites have been remediated.
- Most oil spills in the Niger Delta region continue to be caused by crude oil theft, the sabotage of oil and gas production facilities, and illegal oil refining, including the distribution of illegally refined products. Illegal connections continued to be a challenge. A total of 468 illegal connections were removed from SPDC's pipelines in 2022 compared to 195 in 2021. Illegal connections are identified by daily inspections from the air and on the ground.

- SPDC has an ongoing work programme to appraise, maintain and replace key sections of pipelines and flow lines, to reduce the number of operational spills and enhance the integrity of the pipelines. In 2022, around 27 kilometres of pipelines and flow lines have been replaced. This work is organised through a proactive pipeline and flow line integrity management system. The system installs barriers where necessary, and recommends when and where pipeline sections should be replaced to prevent failures.
- By the end of 2022, a total of 311 new steel cages were installed around critical infrastructure nodes, including 38 that had been upgraded with CCTV. This compared to a total of 283 installed cages at the end of 2021. In 2022, out of 732 registered attempts to breach them, only 47 were successful.

Response and remediation

- In 2022, the time needed to complete the recovery of free-phase oil – oil that forms a separate layer and is not mixed with water or soil – remained at around one week. This is the average time it takes to safely access a damaged site, initiate containment to prevent further spread of the spill, and start joint investigation visits with regulators, affected communities, and in some cases with NGOs.
- Closer engagement with communities has helped SPDC to access spill locations more quickly, meaning on average that joint investigations into the cause of a spill began within two days in 2022 compared to six days in 2016.
- Regardless of the cause of a spill, SPDC cleans up and remediates areas affected by spills originating from its facilities. With operational spills, it pays compensation to affected people and communities.
- SPDC continues to transparently publish details of every oil spill joint investigation visit. In 2023, in response to stakeholder requests, videos – where available – were added to the subsequent reports¹³ and photographs.

¹² Read more on spill prevention and response in Nigeria at www.shell.com.ng/environment.

¹³ Read more on the oil spill data reporting in Nigeria at www.shell.com.ng/environment and page 19 of the Shell plc [2022 Sustainability Report](#).



Inspection of a facility



A shoreline clean-up and assessment technique (SCAT) team inspect a creek.

Ogoniland: Commitment to the United Nations Environment Programme (UNEP)

SPDC is working with the relevant stakeholders to implement the 2011 UNEP report in Ogoniland.¹⁴

- The clean-up efforts within Ogoniland are led by the Hydrocarbon Pollution and Remediation Project (HYPREP), an agency established by the Federal Government of Nigeria. The UNEP report¹⁵ had recorded 67 sites, of which two were classified as waste sites without hydrocarbon pollution. This left 65 sites to be remediated, with all completed sites to be certified by the National Oil Spill Detection and Response Agency (NOSDRA).
- In 2021, remediation and certification was completed at **nine** sites, and work on a further 11 sites continued. In 2022, remediation of another **nine** sites and certification of four was completed by HYPREP. Work on the outstanding **two** sites continued into 2023.
- In addition, in 2022, NOSDRA certified that – in contrast to the original UNEP report – remediation was not required for **13** sites. Field work is expected to commence in 2023 for **17** sites. For the remaining 15 sites, contracts were awarded by HYPREP in 2022 and remediation plans are being developed.
- The UNEP report recommended creating an Ogoni Trust Fund (OTF) with \$1 billion capital, to be co-funded by the Federal Government of Nigeria, SPDC and other operators in the area. The SPDC Joint Venture, remains fully committed to contributing \$900 million to the OTF as its share over five years. SPDC JV contributed the first installment of \$180 million in July 2018 and released the second installment of \$180 million in 2019. HYPREP did not request the release of any funds in 2020. In 2021, HYPREP requested the release of funds for 2020 and 2021 (\$360 million). SPDC JV paid \$212 million in 2022, which brought the total contribution to the OTF by the SPDC JV to \$572 million at the end of 2022.

Bodo clean-up process

- By the end of 2022, remediation work was completed on more than 87% of around 1,000 hectares that had been designated for clean-up (vs. about 60% as at the end of 2021) by the Bodo Mediation Initiative¹⁶. Remediation is expected to be completed by the end of the third quarter of 2023.
- The planting of mangrove seedlings (phase 3) started in 2021. Around two million mangrove seedlings need to be planted and survive to 2025 to achieve the project's goal. At the end of 2022, close to 340,000 seedlings had been planted. NOSDRA had completed the certification for the planting on about a third of the 722 hectares that had been remediated.

¹⁴ Read more on our commitment to the United Nations Environment Programme at www.shell.com.ng/environment and on page 111 of the Shell plc 2022 Annual Report and Accounts.

¹⁵ SPDC remains committed to the implementation of the 2011 United Nations Environment Programme (UNEP) Report on Ogoniland which assessed contamination from oil operations in the region and recommended actions to clean it up.

¹⁶ The clean-up process is overseen by an independent body called the Bodo Mediation Initiative.

SHELL COMPANIES IN NIGERIA

\$1.36 B.

in **corporate taxes** and **royalties** paid by SPDC and SNEPCo to the Federal Government of Nigeria in 2022.



2,500

employees (97% are Nigerian nationals) & 10,000 contractors supporting operations.



\$79.77 M.

paid by SPDC and SNEPCo to the **Niger Delta Development Commission (NDDC)** in 2022.



POWERING PROGRESS

\$34.29 M.

direct social investment made by SPDC JV, SNEPCo and SNG in 2022.



\$1.9 B.

contracts awarded to Nigerian-registered companies by Shell Companies in Nigeria in 2022.



\$106.3 M.

disbursed by SPDC JV to **communities** through GMOUs since 2017.



220

Nigerian beneficiaries of Shell LiveWire entrepreneurship programme.

3,500

university grants and **990 cradle-to-career scholarship grants** awarded by SPDC JV, SNEPCo and SNG since 2016.



\$200 M.

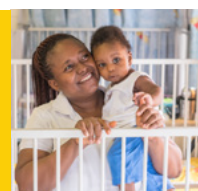
committed to support **All On for renewable energy** impact investments.

\$1 M.

donated by Shell for relief to people impacted by the flood disaster in 2022.

37,000 +

babies delivered at Obio Cottage Hospital since 2010.



CAUTIONARY NOTE

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

Forward-Looking Statements

This report contains forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995) concerning the financial condition, results of operations and businesses of Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Shell to market risks and statements expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as “aim”, “ambition”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “goals”, “intend”, “may”, “milestones”, “objectives”, “outlook”, “plan”, “probably”, “project”, “risks”, “schedule”, “seek”, “should”, “target”, “will” and similar terms and phrases. There are a number of factors that could affect the future operations of Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this report, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell’s products; (c) currency fluctuations; (d) drilling and production results; (e) reserves estimates; (f) loss of market share and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, judicial, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; (m) risks associated with the impact of pandemics, such as the COVID-19 (coronavirus) outbreak; and (n) changes in trading conditions. No assurance is provided that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this report are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Additional risk factors that may affect future results are contained in Shell plc’s Form 20-F for the year ended December 31, 2022 (available at www.shell.com/investor and www.sec.gov). These risk factors also expressly qualify all forward-looking statements contained in this report and should be considered by the reader. Each forward-looking statement speaks only as of the date of this report, April 20, 2023. Neither Shell plc nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this report.

Shell’s net carbon intensity

Also, in this report we may refer to Shell’s “Net Carbon Intensity”, which includes Shell’s carbon emissions from the production of our energy products, our suppliers’ carbon emissions in supplying energy for that production and our customers’ carbon emissions associated with their use of the energy products we sell. Shell only controls its own emissions. The use of the term Shell’s “Net Carbon Intensity” is for convenience only and not intended to suggest these emissions are those of Shell plc or its subsidiaries.

Shell’s net-Zero Emissions Target

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

Forward Looking Non-GAAP measures

This report may contain certain forward-looking non-GAAP measures such as divestments. We are unable to provide a reconciliation of these forward-looking Non-GAAP measures to the most comparable GAAP financial measures because certain information needed to reconcile those Non-GAAP measures to the most comparable GAAP financial measures is dependent on future events some of which are outside the control of Shell, such as oil and gas prices, interest rates and exchange rates. Moreover, estimating such GAAP measures with the required precision necessary to provide a meaningful reconciliation is extremely difficult and could not be accomplished without unreasonable effort.

Non-GAAP measures in respect of future periods which cannot be reconciled to the most comparable GAAP financial measure are calculated in a manner which is consistent with the accounting policies applied in Shell plc’s consolidated financial statements.

The contents of websites referred to in this report do not form part of this report.

We may have used certain terms, such as resources, in this report that the United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. Investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575, available on the SEC website www.sec.gov.