



Nigeria Briefing Notes

For 2023 Business Activities



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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 improve our environmental performance.

Shell's Daystar personnel inspecting a solar energy panel farm.



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 some states 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.

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

In addition, Shell Gas B.V. has 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) by Guarantee, 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 of Nigeria Limited (SPDC) in this report should be understood as SPDC acting as the operator of SPDC joint venture (SPDC JV), which is composed of the Nigerian National Petroleum Company Limited (NNPC Ltd.), which holds 55%; SPDC 30%, Total Energies 10% and Nigerian Agip Oil Company Limited (NAOC) 5%. SPDC has 30% of the participating interest in SPDC JV. SPDC JV holds 15 onshore oil mining leases and 3 shallow water oil mining leases.

² SNEPCo has interests in two Shell-operated deep-water blocks: OML 118 (Bonga – 55% interest) and OML 135 (Bolia-Chota/Nnwa-Doro – 55% interest). SNEPCo also has an interest in the non-operated deep-water block: OML 133 (Erha – 43.75% interest).

OPERATION	NAME OF COMPANY	DESCRIPTION AND MAIN ACTIVITIES	OPERATING ASSETS
ONSHORE	The Shell Petroleum Development Company of Nigeria Limited (SPDC)	Produces onshore and shallow-water oil and gas.	Operator and 30% participating interest in SPDC JV <ul style="list-style-type: none"> • 250 producing oil wells (189 West assets and 61 East assets). • 37 producing gas wells (4 West assets and 33 East assets). • Four gas plants. • Two onshore oil export terminals.
DEEP WATER	Shell Nigeria Exploration and Production Company Limited (SNEPCo)	Produces deep-water oil and gas.	Operator of the Bonga field Floating Production, Storage, and Offloading (FPSO) vessel. Interests in two Shell-operated deep-water blocks under production sharing contracts. <ul style="list-style-type: none"> • The producing asset, OML 118 – 55% interest (Bonga) and the non-producing asset OML 135 – 55% interest (Bolia-Chota/Nnwa-Doro). SNEPCo also has an interest in one non-operated deep-water block: <ul style="list-style-type: none"> • The producing asset, 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.	<ul style="list-style-type: none"> • SNG is part of the Shell Energy Nigeria (SEN) line of business. SEN seeks to expedite the delivery of competitive and dependable energy to foster economic development. • 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 140 industrial and commercial customers, mostly in Ogun, Abia, and Rivers States.
GAS FOR EXPORT	Nigeria Liquefied Natural Gas Company Limited (NLNG)	Processes and exports Liquefied Natural Gas (LNG).	Shell holds an interest of 25.6% in NLNG. <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.	<ul style="list-style-type: none"> • It has installed more than 50 megawatts (MW) of solar power for commercial and industrial customers across more than 400 sites in countries including Nigeria, Ghana, Senegal and Ivory Coast. In 2023, Daystar entered South Africa to further expand its reach.
RENEWABLES	All On	An impact investment company seeded by Shell to facilitate the creation and delivery of clean energy products and services to under-served ³ and unserved off-grid communities in Nigeria, with a special focus on the Niger Delta region.	<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 49 energy access investee companies with a total of \$22.5 million⁴ in investments. • Delivered over 130,000 energy connections since its inception in 2017 through investments and other programmes.

³ Under-served is used to refer to people receiving less than four hours of electricity per day.

⁴ Unless otherwise stated, the reporting currency is the US dollar \$.

Message from the Country Chair

OSAGIE OKUNBOR

Country Chair of Shell Companies in Nigeria



The Nigeria Briefing Notes reflect the work of Shell Companies in Nigeria, the progress that we have achieved, and the contributions made to communities and the country in 2023.

In 2023, our teams worked to lay an even stronger foundation for solid performance. We have demonstrated that through our focus on performance, discipline and simplification, we can deliver impressive results. These benefit not just our shareholders but all our stakeholders and make a true difference to the lives of the communities in which we operate.

Let me share some of last year's highlights.

Performance improvements

SNEPCo, our deep-water business, recorded improvement in availability and production at both Bonga, the operated asset, and Erha, the non-operated asset. This performance was driven by a combination of successful drilling, bringing on new oil wells, optimising reservoir and facility management, and achieving excellence in asset management. In fact, Bonga achieved its highest controllable availability since 2017.

By the end of 2023, SPDC increased its oil and gas production to circa 200kb/d and 1.4bscf/d respectively – a demonstration of the ongoing significant potential of the business.

We have worked in close collaboration with key stakeholders, including the Nigerian government and our partner Nigerian National Petroleum Company Limited (NNPC Ltd.), to reduce crude oil theft across our production and transmission infrastructure in the Niger Delta. SPDC also has anti-theft protection mechanisms for key infrastructure such as wellheads and manifolds. The programme to protect wellheads with steel cages continues to help deter theft. Other pipeline technologies have been introduced including specialised intelligent pigging and pipeline pressure monitoring. These have deterred illegal activities, prevented crude oil losses across the network and enabled an improvement in crude delivery through our joint venture pipelines to export terminals.

Regrettably, however, there were still spills, caused mostly by crude theft and other illegal activities affecting SPDC's onshore operations. SPDC has continued to clean up these spills and to remediate the affected areas. Closer engagement with communities has helped us to access spill locations faster, minimising environmental impacts of such spills.

More reliable energy for Nigeria

SPDC has now approved the final investment decision for the construction of a dedicated upstream facility to supply 100 million standard cubic feet of gas per day (MMScF/d) from the Iseni field to the Dangote Fertiliser and Petrochemical Plant in Lekki, Lagos State, for an initial duration of 10 years.

In 2023, Shell Nigeria Gas (SNG) progressed discussions on a collaboration to develop a new gas distribution infrastructure network in Oyo State, the fourth state where SNG is active. The proposed new gas distribution infrastructure will play a pivotal role in distributing more reliable energy to industrial and commercial customers in the state. The project offers an opportunity to increase the utilisation of domestic gas in both the state and Nigeria as a whole. This collaboration is poised to contribute to growing local industries and creating employment opportunities.

For solar energy, Daystar Power grew its business with a focus on hybrid solar systems for industrial customers. The company is now looking to grow its portfolio through installations in its existing markets – mainly in Nigeria – as well as in markets such as South Africa, into which Daystar expanded last year.

Meanwhile, All On – our impact investment business – now has a total portfolio of 49 renewable energy companies, which have delivered more than 130,000 energy connections to under-served areas of Nigeria. In 2023, All On delivered professional services support to approximately 20 companies through the All On Hub. Through this support, one of the investees, Auxano Solar, successfully launched its 100 MW Solar PV assembly plant.

Transforming lives through health and education programmes

I am pleased by the work with our communities to create Host Communities Development Trusts (HCDTs), which will enable support for the communities' development needs through a structured process. By the end of the year, an industry record 27 of the 33 HCDTs had been incorporated and funded by SPDC. During 2023, statutory contributions of \$42 million were paid to HCDTs for the development of the respective communities in line with the aspirations of the Petroleum Industry Act (PIA).

Beyond these contributions, Shell Companies in Nigeria spent a further \$42.2 million to fund direct social investments in the country in 2023, benefitting communities, health, education, road safety and enterprise programmes.

Our community health programmes have helped many Nigerians over the years. During 2023, SPDC supported 10 healthcare centres in the Niger Delta and – together with SNEPCo – funded the Health-in-Motion mobile healthcare programme, which has assisted more than one million people since its launch in 2010.

Since the 1950s, Shell Companies in Nigeria have also supported education through scholarships and other initiatives. In 2023, SPDC, SNEPCo and SNG invested more than \$3 million in such programmes.

SPDC completed the handover of the Centre of Excellence in Geosciences and Petroleum Engineering to the University of Benin, which will help encourage development of technical capabilities for the future. Two additional educational infrastructure projects are under construction, the \$10 million Geosciences Centre of Excellence for the University of Lagos and the \$5 million e-library project at the Niger Delta University in Bayelsa State.

Each of these projects contributes to a legacy of social commitment that will shape the lives of future generations of young Nigerians.

Long-term strategic partnership with Nigeria

In January 2024, Shell plc announced the sale of SPDC to Renaissance, a consortium of five companies comprising four exploration and production companies based in Nigeria and an international energy group.

Completion of this transaction remains subject to regulatory approvals and other conditions precedent. The transaction is designed to preserve the full range of SPDC's operating capabilities for the benefit of the SPDC joint venture.

It is important to emphasise that Shell is not leaving Nigeria and will remain a major partner of the country's energy sector through its Deep Water and Integrated Gas businesses.

Our collective focus remains on delivery of safe operations and care for our people. I have faith in the commitment and resilience of our people in navigating the transition as we focus on opportunities for growth.

In conclusion, Shell Companies in Nigeria delivered a strong performance in 2023. We worked with stakeholders and communities to make a positive contribution to socio-economic development, and continued to power progress through more and cleaner energy solutions that meet the growing demands of our customers.



The Bonga Floating Production, Storage and Offloading (FPSO) vessel.

Fact sheet 2023 key developments

Two female engineers during inspection on the deck of the Bonga FPSO.



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.

- \$1.09 billion⁵ in corporate taxes and royalties paid to the Federal Government of Nigeria (SPDC \$442 million and SNEPCo \$649 million), compared with \$1.36 billion in 2022.
- In 2023, SPDC, SNEPCo and SNG awarded \$1.98 billion in contracts to Nigeria-registered companies, marking a 3% increase in value from the previous year.
- SPDC, in compliance with statutory requirements, paid \$112.5 million⁵ in 2023 to the Niger Delta Development Commission (NDDC), while SNEPCo and its partners paid \$30 million.
- SCiN directly employed more than 2,500 people (of whom 96% were Nigerian nationals) with over 9,000 contractors supporting operations.

Business Developments

Shell has invested in game-changing businesses in Nigeria for over 60 years and in 2023 we continued to power progress, positively impact lives and unlock opportunities.

- In 2023, SPDC production increased to 290,000 barrels of oil equivalent per day (boepd) from 267,000 boepd in 2022. The increase was largely due to the commencement of Soku liquids evacuation via Soku to San Barth and improved pipeline availability.
- SNEPCo recorded around 138,000 boepd compared to around 101,000 boepd in 2022. This increase was driven by the improved performance of new wells, gains

from Well Reservoir Facility Management (WRFM), and increased facility uptime.

- 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 took a final investment decision (FID) to construct a dedicated upstream facility in Iseni, Bayelsa State. This facility is designed to supply 100 million standard cubic feet of gas per day (MMScF/d) to the Dangote Fertiliser and Petrochemical Plant in Lekki, Lagos State, over a span of 10 years.
- In 2023, SNG witnessed progress in the construction of the distribution infrastructure to provide gas to the Nigerian Content Development and Monitoring Board (NCDMB) industrial gas park in Bayelsa State. The industrial park is an initiative by the NCDMB to create an industrial hub for companies, with access to reliable energy supply via domestic gas. SNG's target is to deliver gas to the park in 2025.
- SNG progressed discussion 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.
- Daystar Power is present in seven countries including Nigeria, Ghana, Senegal and Ivory Coast and runs more than 400 power installations. It has installed more than 50 megawatts of solar power for commercial and industrial customers. Daystar is now expanding its operations into South Africa.
- Daystar Power signed an agreement with Nigerian Breweries to install and operate a 4.2 Megawatt-Peak (MWp) solar plant and 2 Megawatt-Hour (MWh) battery storage system, marking one of the largest solar and battery storage projects for an industrial manufacturer in Nigeria. When completed, the hybrid solar solution is expected to generate over 5,200 MWh of electricity annually, reducing dependence on diesel generators.⁶

⁵ This is a Shell-only statutory contribution, exclusive of our partners' share.

⁶ Completion of the project is dependent on several factors, some of which are outside of Daystar's control

- At the end of 2023, All On's total portfolio of renewable energy access investee companies increased to 49, with a total of \$27.9 million in investments committed to be paid. Since its inception in 2017, All On has delivered more than 130,000 energy connections⁷; and 16.3 MWh installed capacity through its investee companies.
- In 2023, All On delivered professional services support to approximately 20 companies through the All On Hub, a facility established to provide non-financial support such as financial modelling and strategy development, to build the capabilities of new ventures operating in the Nigerian renewable energy sector. Through this support, one of the investees, Auxano Solar, successfully launched its 100 MW Solar PV assembly plant.
- Shell, in conjunction with its joint venture partners, contributed \$4.1 million to aid those impacted by the conflict in north-east Nigeria. The donation focused on addressing health needs in Yobe State, involving the construction and equipping of a primary healthcare centre in Dagare, providing free surgeries and healthcare professional training. Additionally, the contribution supported the establishment of an ICT centre in Bauchi State University, aimed at enhancing technology access and literacy in the region. Furthermore, Shell facilitated enterprise training and distributed business start-up kits to 5,550 individuals in Yobe and Borno States, fostering economic empowerment in the area.

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 \$42.2 million⁸ on direct social investment in 2023. These investments fund community, health, education, road safety and enterprise programmes.
- In 2022, SPDC closed out its existing Global Memorandum of Understanding (GMOU) agreements as part of the transition to the management of community matters through the Host Communities Development Trust (HCDTs). By 2023, 27 out of the 33 HCDTs had been incorporated. These Trusts were funded by SPDC with \$42 million⁹, representing their statutory contributions for 2022 and 2023.
- SNG concluded a five-day enterprise development training programme benefitting 150 individuals from Ogun State. The initiative provided guidance to youths with promising business ideas or skills, allowing participants to refine their abilities, improve business acumen and initiate successful ventures.
- Since securing an additional \$15 million from the Global Energy Alliance for People and Planet to expand the Demand Aggregation for Renewable Technology (DART) programme, All On disbursed \$3.9 million in 2023 to developers, resulting in over 8,600 energy access connections.
- The global Shell LiveWIRE entrepreneurship programme supported 73 businesses through training and mentorship programmes leading to 97 employment opportunities for Nigerians.
- In 2023, SNEPCo, in partnership with NNPC Ltd. and its co-venturers, remodelled the 'E' Wing of the arrival hall of Nigeria's busiest airport, the Murtala Muhammed International Airport in Lagos. The initiative has enhanced passengers' experience with reduced immigration clearance time and more effective queue management.
- In 2023, SPDC supported 10 healthcare centres¹⁰ in the Niger Delta and signature intervention projects throughout Nigeria.
- The Health-in-Motion mobile community healthcare programme, providing free medical services directly to communities, has benefitted over one million individuals since its inception in the early 2000s. Supported by funding from SPDC, SNEPCo and their partners, the programme continued its commitment in 2023, assisting an additional 17,358 people.
- Since its inception in 2010, the Community Health Insurance Scheme (CHIS) has positively impacted over 98,000 individuals. In 2023, an additional 5,900 people enrolled in the programme, which provides coverage for both primary and secondary care services. CHIS is a collaborative partnership involving SPDC, the Rivers State government, and local communities.
- In 2023, over 2,500 babies were safely delivered in the Obio Cottage Hospital, a specialist maternal and paediatric hospital. More than 40,000 safe births have been recorded since the launch of CHIS at the hospital in 2010, and the hospital is now self-sustaining.
- The Shell-funded Oloibiri Health Programme (OHP) has enabled the accreditation of the School of Health Technology for the training and empowerment of healthcare workers in Bayelsa State. The communities' use of the OHP has tripled in Ogbia, with safe deliveries of babies increasing from 433 per month to 608 at the General Hospital Kolo and Oloibiri Primary Health centre. The management of the OHP has now transferred to an indigenous organisation, the Oloibiri Health Programme Limited.

⁷ 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 four broad categories: solar energy systems, solar assembly, cold storage and mini-grids.

⁸ The total contribution of SPDC, SNEPCo & SNG was \$42.2 million. The Shell-only contribution was \$14.1 million.

⁹ The total contribution of SPDC & SNEPCo was \$42 million. The Shell-only contribution was \$12.6 million.

¹⁰ Due to a reduction in the number of leases held by SPDC JV since 2021, the total number of healthcare centres reduced from 17 in 2022 to 10 in 2023.

Investing in education

SCiN have a long history of supporting education through scholarships and other initiatives. Since the 1950s, Shell scholarship schemes have supported thousands of students in Nigeria.

- In 2023, SPDC, SNEPCo and SNG invested over \$3 million¹¹ in education programmes. More than 3,450 secondary school grants, 3,772 university grants and 1,062 cradle-to-career scholarship grants have been awarded since 2016.
- Since 2013, the Niger Delta Post Graduate Scholarship has benefitted 109 recipients. Offering one-year scholarships to three United Kingdom universities, this programme provides young Niger Deltans with the opportunity to pursue studies in energy-related subjects at leading universities in the UK.
- In 2023, SPDC successfully completed the construction and delivery of the new Centre of Excellence in Geosciences and Petroleum Engineering building at the University of Benin in Edo State. The centre provides specialised postgraduate degrees in Geosciences, Petroleum Engineering, Marine and Offshore Engineering.
- Additionally, SPDC offered sabbatical and research internship opportunities to seven senior lecturers and twelve postgraduate students. These beneficiaries collaborated closely with SPDC subject matter experts in Engineering, Environment, Health, Geosciences and Social Performance.
- Shell Nigeria Gas completed the construction of a classroom block for Agbara Grammar School, a local secondary school in Ogun State. This block comprises six classrooms and a modern toilet block.
- 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.

¹¹ The total contribution of SPDC, SNEPCo & SNG was \$3 million. The Shell-only spend was \$903,790.



A group of six NNPC Limited-SNEPCo National University Scholarship Students in a classroom.



Spills and Clean-up

SPDC continues focusing on preventing spills from its area of operation, remediating past spills and preventing 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, SPDC cleans up and remediates the areas affected by spills originating from its facilities.

- **SPDC operational spills**¹²: In the Niger Delta, over the last 13 years, the total number of operational hydrocarbon spills and the volume of oil spilled from them into the environment have reduced. In 2023, nine incidents of more than 100 kilograms of crude oil, were recorded. This compares to 10 incidents in 2022. The volume of 0.005 thousand tonnes was less than the 0.01 thousand tonnes recorded in 2022.
- 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 2023, around 54 kilometres of pipelines and flow lines were 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.
- **Spills from illegal activities**: 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. In 2023, about 94% of the oil spills of more than 100 kilograms from SPDC-operated facilities were caused by illegal activities of third parties – 139 incidents with a total volume of 1.4 thousand tonnes, compared to 75 incidents in 2022 with a total volume of 0.6 thousand tonnes.
- The increased number of spill incidents in 2023 can directly be attributed to an increase in illegal connections to pipelines, with 119 of the 139 incidents caused by illegal connections. However, through daily inspections from the air and on the ground, we are identifying illegal connections. A total of 675 illegal connections were removed from SPDC pipelines in 2023, compared to 468 in 2022. Through these measures we have made progress, but illegal connections continue to be a challenge.
- In addition, SPDC has introduced anti-theft protection mechanisms for key infrastructure such as wellheads and its manifolds. The programme to protect wellheads with steel cages continues to help deter theft. By the end of 2023, 60 new steel cages were installed around critical infrastructure nodes, bringing the total number of cages installed to 374. This includes 52 cages that have been upgraded with CCTV and 28 with satellite communications. In 2023, out of 508 registered attacks, cages were breached 38 times.
- In 2023, SPDC successfully remediated an additional 194 sites, compared to 230 sites in 2022. Since 2016, 970 sites have been remediated.

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

Response and remediation

- In 2023, 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 spill site, initiate containment to prevent further spread of the spill, and start joint investigation visits with regulators, affected communities and other stakeholders.
- Closer engagement with communities has helped SPDC to access spill sites more quickly, meaning on average, joint investigations into the cause of a spill began within two days in 2023 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, and in the event of an operational spill, in addition, SPDC compensates any affected people and communities. SPDC continues to publish details of spill management performance.¹³
- The International Union for Conservation of Nature (IUCN) and SPDC have worked together in Nigeria since 2012 to enhance remediation techniques and protect biodiversity at sites affected by oil spills. In 2017, SPDC and IUCN joined forces on the Niger Delta Biodiversity Technical Advisory Group, which also includes representatives from the Nigerian Conservation Foundation. Following the initial assessment of the pilot and reference sites, a Field Assessment Manual was developed to document the methodology and deployment approach. Further collaboration with IUCN, the Nigerian Conservation Foundation, and Wetlands International as the Niger Delta Biodiversity Technical Advisory Group (BTAG), continues to monitor biodiversity recovery at remediated sites. In 2023, the deployment of environmental DNA (eDNA) technology, additional to the traditional biodiversity monitoring techniques, showed remarkable comparative results, demonstrating that biodiversity is recovering at the monitored sites.

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

SPDC remains committed to the implementation of the 2011 United Nations Environment Programme (UNEP) Report¹⁴ in Ogoniland. The UNEP report assessed contamination from oil operations in the region and recommended actions to clean it up. Over the last 12 years, SPDC has acted on all, and completed most of, the UNEP recommendations that were specifically addressed to it as the operator of the joint venture.

- 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 report recorded 67 sites, of which two were classified as waste sites without hydrocarbon pollution. Also, for 13 sites, the National Oil Spill Detection and Response Agency (NOSDRA) certified that, in contrast to the original

report, remediation was not needed. This left 52 sites to be remediated, with all completed sites to be certified by NOSDRA.

- In 2021 and 2022, remediation was completed for 18 sites, and certification issued for 13 of those. In 2023, remediation of one site and certification of three sites were completed, while remediation is ongoing for one site. Field work commenced on 17 sites and remediation plans are being developed for the remaining 15 sites.
- The UNEP report recommended creating an Ogoni Trust Fund (OTF) with \$1 billion capital, to be co-funded by the Nigerian Government, The Shell Petroleum Development Company of Nigeria Limited (SPDC) operated Joint Venture (the SPDC JV) and other operators in the area. The SPDC JV is responsible for contributing \$900 million to the fund while the Nigerian government and other operators are responsible for contributing the balance of \$100 million. By the end of 2023, SPDC had fully funded its share of the financial commitments of the SPDC JV to the clean-up process, bringing the total contribution to the OTF to \$751 million.

Bodo clean-up process

- The Bodo Remediation project was suspended at the end of 2022 due to safety concerns and community unrest. Remediation work resumed at the end of 2023, following a dispute resolution process. By the end of 2023, work on around 88% of that area had been completed and work continues into 2024.
- The replanting of mangrove seedlings started in 2021. Around two million seedlings must be planted and survive to 2025 to fulfil the project's goal. By the end of 2023, the number of seedlings planted remained at 340,000, the level reached at the end of 2022, because of community unrest.

¹³ Read more on the oil spill data reporting in Nigeria at www.shell.com.ng/environment

¹⁴ 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. Read more on our commitment to the United Nations Environment Programme at www.shell.com.ng/environment and in the [Shell plc 2023 Annual Reports and Accounts](#).

Shell Companies in Nigeria

\$1.09 B.

in **corporate taxes and royalties** paid to the Federal Government of Nigeria by SPDC and SNEPCo in 2023.



\$42.2 M.

direct social investment made by SPDC JV, SNEPCo and SNG in 2023.



2,500 +

people **employed** by Shell Companies in Nigeria, plus more than 9,000 contractors supporting operations.



Powering progress

\$3.9 M.

disbursed in 2023 by All On to **renewable energy** developers

\$1.98 B.

in **contracts** awarded by SPDC, SNEPCo and SNG in 2023 to Nigeria-registered companies, marking a 3% increase in value from the previous year.



98,000 +

people enrolled in the **Community Health Insurance Scheme (CHIS)** in the Niger Delta since 2010

400

power installations run by Daystar Power, in seven countries including Nigeria.



\$42 M.

disbursed by SPDC JV to the Host Communities Development Trust (HCDTs) in 2023.



40,000 +

babies delivered at Obio Cottage Hospital since 2010.



1 B.

barrels of oil export achieved in 2023 by The Bonga FPSO, the country's first deep-water exploration and production vessel

10

Healthcare centres supported by the SPDC JV in the Niger Delta.



3,750 +

university grants awarded by SPDC JV and SNEPCo since 2016.



\$3 M.

invested in education programmes by SPDC JV, SNEPCo and SNG in 2023.

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. The term "joint venture", "joint operations", "joint arrangements", and "associates" may also be used to refer to a commercial arrangement in which Shell has a direct or indirect ownership interest with one or more parties. 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", "commit", "commitment", "could", "estimate", "expect", "goals", "intend", "may", "milestones", "objectives", "outlook", "plan", "probably", "project", "risks", "schedule", "seek", "should", "target", "will", "would" 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, regional conflicts, such as the Russia-Ukraine war, and a significant cybersecurity breach; 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, 2023 (available at www.shell.com/investors/news-and-filings/sec-filings.html 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, 7 May 2024. Neither Shell plc nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this report.

Shell's Net Carbon Intensity

Also, in this report we may refer to Shell's "Net Carbon Intensity" (NCI), which includes Shell's carbon emissions from the production of our energy products, our suppliers' carbon emissions in supplying energy for that production and our customers' carbon emissions associated with their use of the energy products we sell. Shell's NCI also includes the emissions associated with the production and use of energy products produced by others which Shell purchases for resale. Shell only controls its own emissions. The use of the terms Shell's "Net Carbon Intensity" or NCI are for convenience only and not intended to suggest these emissions are those of Shell plc or its subsidiaries.

Shell's net-zero emissions target

Shell's operating plan, outlook and budgets are forecasted for a ten-year period and are updated every year. They reflect the current economic environment and what we can reasonably expect to see over the next ten years. Accordingly, they reflect our Scope 1, Scope 2 and NCI targets over the next ten years. However, Shell's operating plans cannot reflect our 2050 net-zero emissions target, as this target is 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 **cash capital expenditure** and **divestments**. We are unable to provide a reconciliation of these forward-looking non-GAAP measures to the most comparable GAAP financial measures because certain information needed to reconcile those non-GAAP measures to the most comparable GAAP financial measures is dependent on future events some of which are outside the control of Shell, such as oil and gas prices, interest rates and exchange rates. Moreover, estimating such GAAP measures with the required precision necessary to provide a meaningful reconciliation is extremely difficult and could not be accomplished without unreasonable effort. Non-GAAP measures in respect of future periods which cannot be reconciled to the most comparable GAAP financial measure are calculated in a manner which is consistent with the accounting policies applied in Shell plc's consolidated financial statements.

The contents of websites referred to in this 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