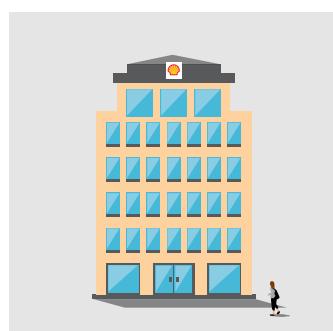
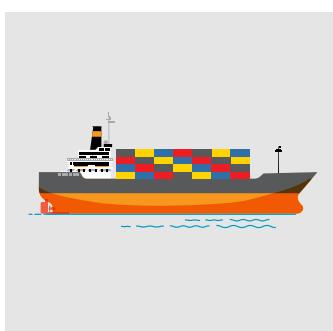


# TAX CONTRIBUTION



**Shell plc**  
Tax Contribution  
Report 2021



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Design and production: Friend [www.friendstudio.com](http://www.friendstudio.com)  
Implementation: nexxar [www.nexxar.com](http://www.nexxar.com)  
Print: Toppan Merrill

**About this publication:** With the Shell Tax Contribution Report, we aim to provide easily accessible and detailed information on Shell's taxes for 2021. This report builds on the information Shell discloses in its Annual Report and Accounts, Form 20-F, Sustainability Report and Payments to Governments Report.

**Digital:** The Tax Contribution Report is an online digital report <https://reports.shell.com/tax-contribution-report/2021>. In the event of any conflict, discrepancy or inconsistency between the digital report and this printed version of the Tax Contribution Report, the information contained in the digital report will prevail. This printed version is provided for the reader's convenience only.





This report demonstrates our commitment to complying with tax legislation and explains our approach to tax.

# INTRODUCTION

**Welcome to Shell's Tax Contribution Report. Shell voluntarily publishes the corporate income tax paid in each country and location for 2021. This report demonstrates our commitment to complying with tax legislation and explains our approach to tax. It builds on the information in our Annual Report and Accounts, Annual Report on Form 20-F, Energy Transition Progress Report, Sustainability Report and Payments to Governments Report.**

- 02** MESSAGE FROM THE CFO
- 03** PAYMENTS OVERVIEW
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## MESSAGE FROM THE CHIEF FINANCIAL OFFICER



Sinead Gorman, Chief Financial Officer

High energy prices are affecting households and businesses globally, and the taxes paid by energy companies are under scrutiny. We, at Shell, believe in making a meaningful financial contribution to the countries where we operate by paying taxes. Taxes generate revenues for governments that allow them to invest in the development of their countries – in health systems, education, infrastructure – and to secure energy supplies.

In 2021, Shell paid \$12.6 billion in corporate income taxes and government royalties after recording a profit before tax of \$30 billion. This Tax Contribution Report is based on data from a year when the global economy was recovering from the COVID-19 pandemic and before the much higher energy prices we have seen in 2022. As I present this report, my first as Chief Financial Officer, I want to emphasise Shell's continued commitment to increase transparency around the taxes we pay.

This report provides details of the corporate income tax we pay in 99 countries and locations. We have also provided details of our total tax contribution for 21 countries, building on the figures we disclosed for five countries in 2020. In addition, we have included information on the incentives we make use of in key markets and presented our views on how tax can play a major role in the energy transition. In the section on windfall taxes, we share our views on how additional taxes could be applied to energy producers. Shell advocates balanced tax policies that enable a stable investment climate and support a secure supply of energy. We recognise that governments must support consumers who are struggling to pay their bills. But we also believe that updated tax policies addressing higher prices should encourage further investment in renewable energies and new technologies. An example of such a policy is the recent US Inflation Reduction Act, which provides incentives to support the scaling-up of cleaner energies and aims to combat higher prices.

The tax landscape is changing and in 2021 the OECD proposed a framework to respond to the tax challenges of today's digital economy where revenues can be earned outside of where businesses have their tax residences. This framework seeks to align taxes more closely with where revenues are actually earned and to introduce a global minimum level of corporate income tax at 15% for all profits made by multinationals, regardless of where they are located.

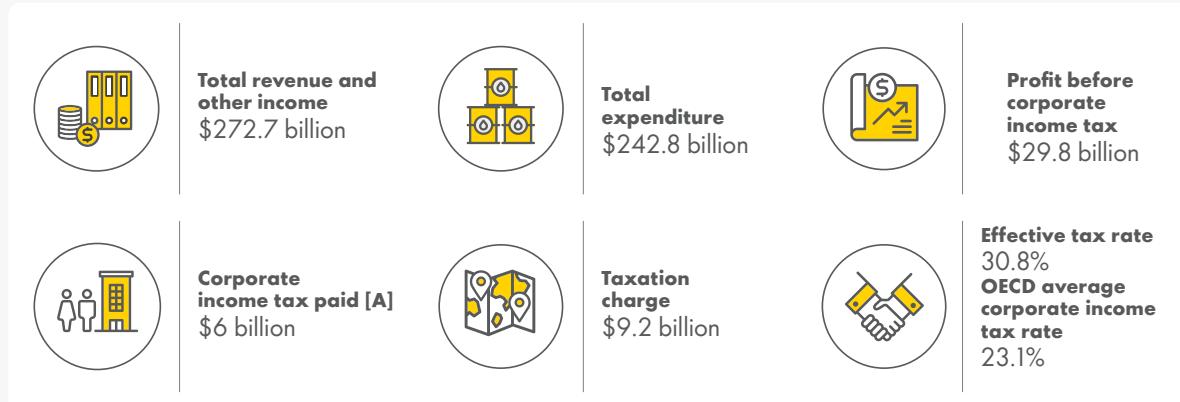
We support this framework as it is in line with our advocacy for a transparent, coordinated approach to improving the global tax system and ensuring that all governments receive a fair share of tax revenues. If the framework is implemented, we would expect to pay higher taxes in some countries where we operate because their corporate income tax rate is currently lower than 15%. We regularly review our entities in low-tax jurisdictions to ensure our presence aligns with our Responsible Tax Principles and that we are there for commercial reasons. Since 2019, we have closed 18 entities in low-tax jurisdictions, and we are liquidating another 33 entities. This review will continue.

I invite you to read this report, which shows how important it is for industry, governments and society to work together to build fair and stable tax systems. Through collaboration, I believe we can put fiscal policy to work in a manner that encourages investment in the energy transition and in countries' economic and social development. Your feedback is valuable as we look to provide meaningful and insightful information on the taxes we pay.



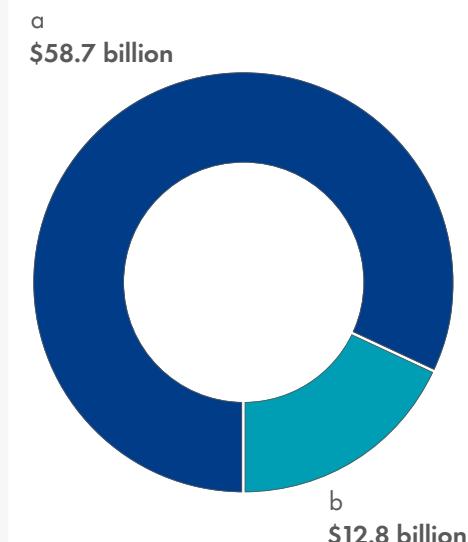
## PAYMENTS OVERVIEW

### KEY FIGURES IN 2021



### OVERVIEW OF TAX AND OTHER PAYMENTS TO GOVERNMENTS

(US dollars)



#### a Taxes paid and collected \$58.7 billion

|  |                                   |  |
|--|-----------------------------------|--|
| <b>Corporate income taxes [A]</b><br>\$6 billion | <b>Royalties</b><br>\$6.6 billion | <b>Excise duties, sales taxes and similar levies</b><br>\$46.1 billion |
|--|-----------------------------------|--|

#### b Other payments to governments \$12.8 billion

|  |                                   |                              |
|--|-----------------------------------|------------------------------|
| <b>Production entitlements</b><br>\$10.5 billion | <b>Bonuses</b><br>\$148.6 million | <b>Fees</b><br>\$2.1 billion |
|--|-----------------------------------|------------------------------|

[A] In 2021, we paid \$5.7 billion of **corporate income taxes** and accrued \$279 million of withholding taxes. This gives a total of \$6 billion in income taxes and **withholding taxes** as reported in our **country-by-country report**. For more details, see the chapter on **Our tax data**.



## BUSINESSES AND TAX

Governments use tax to raise revenues. Revenue agencies audit and collect these taxes. Most businesses are subject to tax, regardless of whether they are multinational corporations or home-office enterprises. Businesses pay direct taxes to the government and they collect indirect taxes on behalf of governments as a supplier of goods or services.

### COMPANIES PAY AND COLLECT A RANGE OF TAXES

- **Corporate income tax:** Direct tax on profits, after operating costs have been deducted from revenues.
- **Value-added tax (VAT):** Indirect tax due on the purchase of goods and services, typically as a percentage of the sales price of the item or service. Companies administer VAT collection and payment on behalf of governments.
- **Employment taxes:** Companies routinely collect income taxes on employees' salaries and pay these taxes to the government. Companies also pay employer taxes on employees' salaries on behalf of the employee.
- **Excise duties:** An indirect tax on manufacturers due at the point of production rather than sale, which generally forms part of the cost of the product.
- **Customs duties:** An indirect tax imposed on goods as they either enter or leave a country.

When a business collects indirect taxes on behalf of a government, it carries the cost of gathering the financial data, preparing reports and executing payments. This process helps governments collect taxes more efficiently. For example, it is easier to collect VAT from businesses than from individual consumers.

### TAX GENERATES REVENUE FOR GOVERNMENTS

Governments raise revenues through taxes to pay for public services, such as education, health care and transport. Governments set their fiscal policies and the rules for individual and business taxes.

According to 2021 figures from the OECD [A], social security contributions amounted to the largest share of tax revenues in the OECD, at just over one-quarter on average. Together with personal income taxes, these two tax types amounted to nearly one-half of tax revenues in OECD countries. OECD data on the average split of member countries' tax revenues show that corporate income tax raises around 10% of total tax revenues.

Tax treatments – such as tax rates, reliefs, exemptions and allowances or disallowances – are typically approved by national parliaments. Companies must comply with relevant tax laws. Audits and controls by tax authorities help to check whether companies are compliant.

Governments can use targeted tax incentives for specific policy objectives, such as protecting the environment, reducing carbon emissions or encouraging advances in areas like research and development. Governments often design incentives to attract domestic and international investment, which can boost economies, create jobs and develop communities. When available and appropriate, we make use of tax incentives and exemptions where we have a business activity that qualifies.

Some governments may choose to lower specific taxes, like corporate income tax. These are deliberate policy decisions and not unintended tax loopholes. Such incentives are designed by governments to attract investment in areas where development may benefit their countries.

When governments offer such incentives, they may expect to raise revenues through other types of taxes, such as employment taxes or export duties.

### MOST BUSINESSES PAY CORPORATE INCOME TAX WHERE PROFITS ARE MADE

Corporate income tax is typically due by law in countries where profits are made. This should correspond to where the business activity occurred. The tax due is determined by the tax system of the country or location where that activity took place.

Governments design and apply tax rules to the profits generated in their countries and assess what is owed by businesses. Corporate income tax is payable on profits, not revenues. See the table "Simplified example of application of local tax law" for how tax rules are applied to calculate the tax due.

[A] Revenue Statistics 2021: The Initial Impact of COVID-19 on OECD Tax Revenues.



There are instances when a multinational enterprise like Shell faces double taxation. This is when two jurisdictions seek to tax the same business income, resulting in a company or a transaction being taxed twice. We believe that profit should only be taxed once, in line with the positions of the United Nations and the OECD.

In 2021, Shell reported pre-tax income of \$30 billion compared with a 2020 loss of \$27 billion, largely as a result of asset impairments recorded that year. In 2021, Shell paid \$58.7 billion to governments (2020: \$47.3 billion). We paid \$6.0 billion in corporate income taxes and \$6.6 billion in government royalties, and collected \$46.1 billion in excise duties, sales taxes and similar levies on our fuel and other products on behalf of governments.

We reported a corporate income tax charge of \$9.2 billion for 2021. In most countries and locations, the corporate income tax we pay differs from the accounting tax credit or charge. This is because tax paid can include payments relating to previous years, the current year and future years.

Our effective tax rate (ETR) is calculated by dividing the tax charge of \$9.2 billion by the total income before taxation of \$29.8 billion, resulting in an ETR of 30.8% for 2021. For comparison, in 2021 the average corporate income tax rate levied by the 38 countries that were members of the OECD was 23.1% [B].

Our ETR is typically higher than the average corporate income tax rate in OECD countries, partly because many governments apply a higher corporate income tax rate to profits made by oil and gas production activities. In some cases, this tax rate can be more than 80%. Our ETR is a blend of the different statutory tax rates applied to our various businesses and the different tax laws with which we have sought to comply.

The following table provides a simplified example of local tax law. The data in this table is not Shell data and is used for illustrative purposes only.

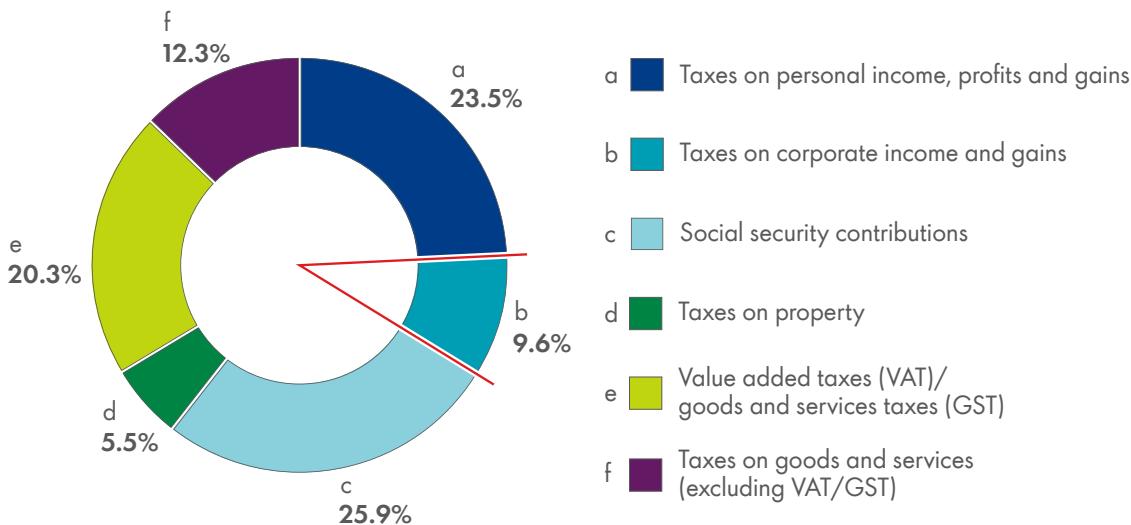
| <b>Simplified example of application of local tax law</b>   |                     |
|---|---------------------|
| <b>Revenues</b>   | <b>\$ 2,500,000</b> |
| Cost of operations  | (500,000)           |
| Cost of financing the business  | (150,000)           |
| Cost arising from equipment   | (175,000)           |
| Research and development  | (100,000)           |
| <b>Profit before tax per the accounts</b>   | <b>\$ 1,575,000</b> |
| Adjustment to accounting profit based on the application of laws  |                     |
| Additional research & development tax relief  | (50,000)            |
| Additional tax relief for investment in new plant and machinery   | (50,000)            |
| Denial of deduction for some finance costs (for example perhaps relief is only available up to a certain percentage per year) | <b>25,000</b>       |
| Profits subject to tax  | 1,500,000           |
| Tax due at statutory tax rate   | 375,000             |
| Effective tax rate (375,000 / 1,575,000)  | 23.8%               |

[B] Source: OECD Tax Database 2021 Combined Statutory CIT rates (%), 2000-2021.



## GOVERNMENTS COLLECT DIFFERENT TYPES OF TAXES

### SOURCES OF GOVERNMENT REVENUE



Source: OECD (2019), Revenue Statistics 2021, OECD Publishing, Paris.

Companies operating in the oil and gas industry also contribute to public finances by paying royalties, bonuses, fees, and a host government's production entitlements. For example, in 2021 we paid around \$10.5 billion in production entitlements. This is more than we paid in corporate income tax.

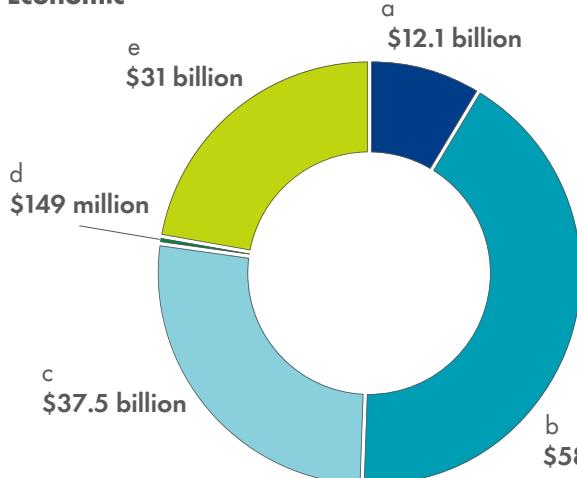
[Our Payments to Governments Report](#) shows how we directly contributed to public finances in 2021 as a result of our exploration and production activities.



# TAX AND ECONOMIC CONTRIBUTION

## ECONOMIC AND SOCIAL CONTRIBUTIONS 2021

### Economic



- a To our employees through wages and related expenditure
- b Paid in taxes and royalties borne and taxes collected
- c Paid to suppliers
- d Spent on corporate social investment
- e To providers of capital [A]

[A] Of which \$21.6 billion was paid to lenders, dividends of \$0.3 billion were paid to non-controlling interests, and \$9.1 billion was paid to Shell plc shareholders.

### Social

|                                      |   |                                   |   |  |
|--------------------------------------|---|-----------------------------------|---|--|
| Number of suppliers<br><b>24,000</b> | Spend with suppliers<br><b>\$37.5 billion</b> | Employees<br><b>82,000</b> people | Total employee costs<br><b>\$12.2 billion</b> | Spend in countries where GDP is less than \$15,000 a year per person<br><b>\$4.2 billion</b> |
|--------------------------------------|---|-----------------------------------|---|--|

|                                   |  |  |  |  |
|-----------------------------------|--|--|--|--|
| R&D spend<br><b>\$815 million</b> | New hires (experienced)<br><b>1,292</b> (34% female) | New hires (operations centre)<br><b>2,742</b> (51% female) | Social investment<br><b>\$149 million</b> of which \$94 million is voluntary | Flagship STEM<br><b>60,000</b> students participated in NXplorers, our flagship STEM programme |
|-----------------------------------|--|--|--|--|

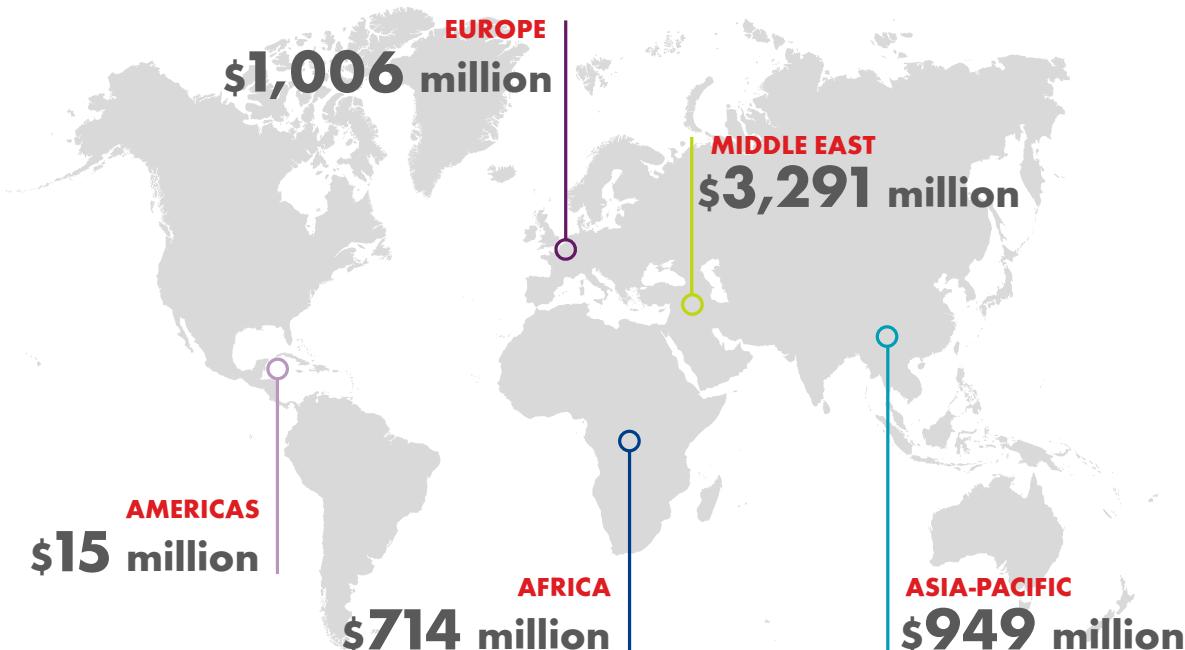
|   |   |  |                                  |
|---|---|--|----------------------------------|
| Pay linked to carbon intensity for<br><b>16,500</b> staff | We started<br><b>182</b> R&D projects with universities [B] | Women in senior leadership positions<br><b>29.5%</b> | Women on the Board<br><b>50%</b> |
|---|---|--|----------------------------------|

[B] Compared with 124 in 2020



## MAP OF INCOME TAXES PAID IN 2021

The world map below shows income taxes paid and withholding taxes accrued in line with our country-by-country reporting data. In 2021, Shell paid \$58.7 billion to governments. We paid \$6 billion in corporate income taxes and \$6.6 billion in government royalties. In addition, we collected \$46.1 billion in excise duties, sales taxes and similar levies on our fuel and other products on behalf of governments. The [Payments to Governments Report 2021](#) details payments in 25 countries where Shell has Upstream operations.



### EUROPE

|             |               |
|-------------|---------------|
| Norway      | \$605,435,834 |
| Switzerland | \$175,616,683 |
| Netherlands | \$165,023,107 |
| Germany     | \$38,273,425  |
| Turkey      | \$26,602,032  |
| Others      | (\$5,189,722) |

### MIDDLE EAST

|                      |                 |
|----------------------|-----------------|
| Oman                 | \$2,221,988,356 |
| Qatar [A]            | \$859,253,322   |
| United Arab Emirates | \$168,760,848   |
| Kuwait               | \$40,699,304    |
| Saudi Arabia         | \$53,865        |

### ASIA-PACIFIC

|             |                 |
|-------------|-----------------|
| Malaysia    | \$306,408,067   |
| Kazakhstan  | \$200,134,312   |
| China       | \$117,929,125   |
| Philippines | \$82,438,339    |
| Russia      | \$68,265,466    |
| Others      | (\$173,501,247) |

### AMERICAS

|                     |                 |
|---------------------|-----------------|
| Trinidad and Tobago | \$111,420,453   |
| Mexico              | \$3,374,178     |
| Venezuela           | \$1,651,509     |
| Peru                | \$1,229,983     |
| Argentina           | \$386,037       |
| Others              | (\$103,275,352) |

### AFRICA

|          |               |
|----------|---------------|
| Nigeria  | \$488,979,948 |
| Egypt    | \$136,773,047 |
| Tanzania | \$65,445,902  |
| Tunisia  | \$28,074,332  |
| Ghana    | \$414,390     |
| Others   | (\$5,940,348) |

[A] Source: Payments to Governments Report 2021



## TOTAL TAX CONTRIBUTION

In the table below, we present our total tax contribution for 2021 in 21 jurisdictions. This builds on the information we disclosed for five countries in our 2020 Tax Contribution Report. We are able to provide the total tax contribution for these jurisdictions because their employment tax data is on the same Shell payroll system. We hope to expand this disclosure to include our other tax jurisdictions in the future.

Our total tax contribution for 2021 in these 21 jurisdictions was \$58.8 billion. The figure includes \$17.5 billion in tax borne by Shell and \$41.3 billion in taxes collected by Shell in relation to its economic and employment activities. This data has been compiled from other published Shell sources and our financial reporting systems. Where centrally held data is unavailable, we have gathered figures from in-country tax teams and Human Resources.

**TOTAL TAX CONTRIBUTION**

| Jurisdiction        | Taxes borne (\$ million)     |                   |                                     | Taxes collected (\$ million)            |                   | Total<br>(\$ billion) |
|---------------------|------------------------------|-------------------|-------------------------------------|---|-------------------|-----------------------|
|                     | Corporate<br>income<br>taxes | Employer<br>taxes | Other<br>payments to<br>governments | Indirect<br>taxes paid<br>and collected | Employee<br>taxes |                       |
| <b>Germany</b>      | 38                           | 59                | 0                                   | 14,626                                  | 171               | <b>14.9</b>           |
| <b>UK</b>           | (54)                         | 133               | 11                                  | 6,491                                   | 378               | <b>7.0</b>            |
| <b>USA</b>          | (36)                         | 190               | 959                                 | 4,087                                   | 754               | <b>6.0</b>            |
| <b>Netherlands</b>  | 165                          | 96                | 0                                   | 4,079                                   | 637               | <b>5.0</b>            |
| <b>Nigeria</b>      | 489                          | 10                | 3,969                               | 212                                     | 66                | <b>4.7</b>            |
| <b>Norway</b>       | 605                          | 13                | 3,914                               | 86                                      | 34                | <b>4.7</b>            |
| <b>Canada</b>       | (35)                         | 14                | 5                                   | 3,604                                   | 184               | <b>3.8</b>            |
| <b>Malaysia</b>     | 306                          | 5                 | 2,960                               | 42                                      | 38                | <b>3.4</b>            |
| <b>Brazil</b>       | (33)                         | 29                | 2,345                               | 62                                      | 19                | <b>2.4</b>            |
| <b>Philippines</b>  | 82                           | 5                 | 466                                 | 1,016                                   | 32                | <b>1.6</b>            |
| <b>Poland</b>       | 14                           | 24                | 0                                   | 1,139                                   | 45                | <b>1.2</b>            |
| <b>Austria</b>      | 3                            | 2                 | 0                                   | 1,019                                   | 5                 | <b>1.0</b>            |
| <b>China</b>        | 118                          | 43                | 0                                   | 576                                     | 41                | <b>0.8</b>            |
| <b>France</b>       | 0                            | 22                | 0                                   | 592                                     | 13                | <b>0.6</b>            |
| <b>Australia</b>    | 37                           | 48                | 276                                 | 48                                      | 158               | <b>0.6</b>            |
| <b>Singapore</b>    | 31                           | 39                | 0                                   | 330                                     | 37                | <b>0.4</b>            |
| <b>India</b>        | 4                            | 30                | 0                                   | 229                                     | 90                | <b>0.4</b>            |
| <b>Thailand</b>     | 35                           | <1                | 0                                   | 201                                     | 4                 | <b>0.2</b>            |
| <b>Hong Kong</b>    | 6                            | 0                 | 0                                   | 109                                     | 0                 | <b>0.1</b>            |
| <b>Argentina</b>    | <1                           | 2                 | 49                                  | 0                                       | 6                 | <b>0.1</b>            |
| <b>South Africa</b> | (6)                          | 2                 | 0                                   | 0                                       | 8                 | <b>0.0</b>            |



## TAX DEFINITIONS

**Taxes borne** are taxes that are a cost to Shell and comprise:



### Corporate income taxes

These numbers correspond to the "corporate income taxes paid" figures presented in "Our tax data" and are in line with our country-by-country reports.

### Employer taxes

These numbers represent employment-related taxes borne by Shell in respect of its role as an employer and include employer social security contributions and similar payments. They also include employer taxes borne by Shell's joint-venture partners where Shell is responsible for managing the payroll of the joint venture.

### Other payments to governments

These numbers correspond to upstream-related payments included in our 2021 Payments to Governments Report, comprising royalties, production entitlements, bonuses, and fees.

**Taxes collected** are taxes that Shell does not directly incur but instead collects from its customers and employees on behalf of governments. These comprise:



### Indirect taxes

These numbers represent gross indirect taxes such as value-added tax (VAT), goods and services tax (GST) and duties arising on the products we sell. Indirect taxes on our purchases of goods and services, which may be borne by Shell or be available to offset and reduce the taxes paid directly by Shell to governments, are not included.

### Employee taxes

These include employee income taxes, employee social security contributions and similar payments. They also include taxes collected in joint ventures where Shell is responsible for managing the payroll of the joint venture.

Data relating to certain taxes borne and collected by Shell are not included in this report. For example, we have not included property taxes, insurance premium taxes, customs duties, and withholding taxes collected on dividends paid to shareholders. We aim to expand our total tax contribution data in the future.

Shell globally contributes hundreds of millions of dollars in property taxes each year. Property tax is typically levied by local authorities based on an appraised value of property. For Shell, property tax is generally levied on commercial and industrial properties that the company owns, such as refineries, chemicals parks, ports, terminals, and retail facilities. Property taxes are often the largest source of annual revenues for local governments.



# SUMMARY OF CHANGES TO 2021 REPORT

## NEW CONTENT IN THE TAX CONTRIBUTION REPORT 2021

A summary of global developments. Disclosure of the total tax contribution for 21 jurisdictions, this is increased from the five key jurisdictions included in the Tax Contribution Report 2020.

- An updated 'Our approach to tax' chapter
- More information on [Tax incentives](#) and [Low-tax jurisdictions](#) and an [Energy transition overview](#) in the 'Special topics' section
- New sections related to [Windfall taxes](#) and [Carbon-pricing policy](#) in our Advocacy chapter
- An explanation of the [simplification of our share structure](#) effective January 29, 2021.
- An infographic showing [taxation across our value chain](#)
- An introduction of a number of in-focus section

### In focus sections

- Co-operative compliance arrangements
- Tax and sustainability
- Incentives key to Carbon capture and storage
- Electric vehicles and taxes
- UK environmental taxes
- A country tax profile of the UK
- The Pernis Hydroprocessed esters and fatty acids (HEFA) plant
- Taxation of renewable power

## GLOBAL DEVELOPMENTS

### COVID-19

While recovery from the global pandemic has started, COVID-19 continues to have a serious impact on people's health and livelihoods in many parts of the world. Shell's tax team continues to provide the business with the advice and support it needs. Read more about Shell's response to COVID-19 on our website: [www.shell.com/covid19](http://www.shell.com/covid19).

### WAR IN UKRAINE

The Tax Contribution Report 2021 discloses how much corporate income tax we paid in countries and locations where we had a taxable presence in 2021. The data on the pages detailing the country-by-country reporting (CbCR) for Russia and Ukraine relate to a period before the outbreak of war in Ukraine in February 2022. Actions taken by Shell as a result of the war are therefore not reflected in these numbers. Read more about Shell's actions in support of global economic measures against Russia on our website: [War in Ukraine: Shell's response](#).

### COST OF LIVING

Consumers are facing significantly higher energy bills and rising inflation as a result of volatile prices and the energy crisis triggered by the war in Ukraine. At the same time, energy producers are benefiting from higher revenues and additional cash flows. Many governments are introducing additional taxes on the windfall gains made by the energy industry due to these higher prices. These taxes are commonly referred to as "windfall taxes". Read more in [Windfall taxes](#).



Our tax strategy is designed to support Shell in delivering our Powering Progress strategy.

# OUR APPROACH

**Shell seeks to comply with the applicable tax laws in all the countries and locations in which we have a taxable presence. We respect both the letter and the spirit of the tax law.**

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## OUR APPROACH TO TAX

When we invest in a country or location, we seek to build long-term relationships and develop our business sustainably. We recognise our responsibility towards investors, governments, employees and the local communities we are part of. The taxes we collect and pay are one of the ways in which we fulfil this responsibility.

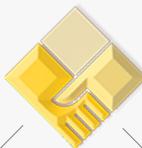
Our tax strategy is designed to support Shell in delivering our Powering Progress strategy. We provide our support through our commitment to compliance, transparency and open dialogue with our stakeholders, from governments to civil society. Our strategy and actions reflect our Shell values and principles.

### OUR APPROACH TO TAX

#### Our strategy

##### GENERATING SHAREHOLDER VALUE

Growing value through a dynamic portfolio and disciplined capital allocation



##### POWERING LIVES

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



##### RESPECTING NATURE

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



##### POWERING PROGRESS

Our strategy to accelerate the transition to net-zero emissions, purposefully and profitably



##### ACHIEVING NET-ZERO EMISSIONS

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

##### UNDERPINNED BY OUR CORE VALUES AND OUR FOCUS ON SAFETY

Our tax strategy is designed to support Shell in delivering its Powering Progress strategy



##### Shell is committed to tax compliance

- We have a tax presence in 99 countries and locations
- We file around 42,000 tax returns annually
- We seek to protect the interests of our investors by managing our tax affairs in a sustainable way



##### Shell is transparent on tax matters

- We publish our global approach to tax and the taxes we pay by country or location
- We publish payments on our extractive activities by project
- We seek to provide tax authorities with timely and comprehensive information on potential tax issues



##### Shell is open to dialogue

- We engage with society on tax matters
- We promote co-operative compliance relationships
- We give constructive input to industry groups and international organisations



The Board of Directors of Shell plc approves our tax strategy, regularly reviews its effectiveness and maintains a sound system of risk management and internal control. The Executive Vice President Taxation and Controller is responsible for tax matters and provides assurance based on our tax control framework.

The Audit Committee assists the Board in maintaining a sound system of risk management and internal control and oversight over Shell's financial reporting. A variety of standing matters and more specific topics are discussed by the Audit Committee throughout the year. Annually, the Board conducts a review, to its satisfaction, of the effectiveness of Shell's system of risk management and internal controls which includes financial, operational and compliance controls, including tax controls.

## RESPONSIBLE TAX PRINCIPLES

The B Team Responsible Tax Principles were developed by companies, including Shell, civil society, investors and representatives from international institutions. We adopted the B Team Responsible Tax Principles as our own. The Shell Responsible Tax Principles guide our decisions on tax matters:





## COMPLIANCE

We are committed to compliance. We seek to comply with the letter and the spirit of the tax laws wherever we have a taxable presence. We expect to pay tax on profits where the business activity took place. When available and appropriate, we use tax incentives and exemptions.

Our aim is to take sustainable tax positions in support of our business investments, many of which are of a long-term nature. We plan our tax activities efficiently within boundaries set by our principles and overall tax strategy, and balance this with the aim of preserving value for shareholders. We do not define an acceptable level of tax risk, but rather we aim for certainty on tax positions.

Where tax law is unclear or subject to interpretation, we evaluate whether our position is more likely than not to be upheld and, where appropriate, seek an external opinion. We also escalate these uncertain tax positions to the tax leadership team for their review and advice to the business.

We seek to resolve uncertainty in the interpretation of tax laws directly with tax authorities, including through advance tax agreements. We may also seek a co-operative compliance approach, which involves regularly and proactively engaging with tax authorities and providing them with real-time information before filing the tax return.

These arrangements offer an opportunity for early resolution, minimising the risk of future disputes. Where necessary, we will seek a clear resolution through the judicial system to test the legal principle of the tax law concerned.

Our tax and finance staff supported the filing of around 42,000 tax returns in 2021. We aim to adhere to international best practices and aim for accuracy and timeliness when we fulfil our tax filing obligations.

Our tax control framework, policies and guidelines set out the standards, controls, risk management and assurance that establish boundaries for our tax activities. Our tax control framework helps us to identify tax risks and sets out practical guidance for our staff, including the procedures for considering tax risks.

All ventures that we operate must conduct their activities in line with our business principles. The tax control framework is part of the Shell Control Framework, which applies to each Shell entity, including its employees and contract staff, and to Shell-operated ventures. We monitor the adequacy of our system of risk management and internal controls throughout the year. Our tax and data systems evolve continuously to deal with the growing demand for information from authorities.

We do not condone, encourage or support tax evasion. Compliance with all applicable laws and regulations of the countries in which we operate is embedded in the Shell General Business Principles and the Code of Conduct. Employees, contract staff and third parties with which Shell has a business relationship may raise ethical and compliance concerns, anonymously if preferred, through the Shell Global Helpline.

We regularly monitor relevant changes and developments in tax systems. We review our corporate and financing structures to confirm that our presence in all countries, including low-tax jurisdictions, is grounded in substantive and commercial reasons.

Shell may seek the support of an external adviser where specialist technical expertise is required that is not available within Shell or where additional resources are required.



## TAX TRANSPARENCY

We aim for an open dialogue on tax matters with governments, policymakers, businesses, investors, and civil society. Since 2003, we have taken important steps to be more transparent about the taxes we pay.

### TAX TRANSPARENCY TIMELINE

**2003**

One of the initiators of the Extractive Industries Transparency Initiative (EITI)

**2016**

First publication of Payments to Governments Report in line with European regulations (covering exploration and production activities)

**2018**

Pilot International Compliance and Assurance Programme  
Shell commits to the B Team Responsible Tax Principles

**2021**

Shell agrees to report on environmental, social and governance performance factors, including tax, against the World Economic Forum Stakeholder Capitalism Metrics

**2012**

First voluntary publication of tax payments in 14 countries

Publication of Shell's Approach to Tax

**2017**

Publication of Shell UK Tax Strategy and Statement on Tax Evasion

Shell's first country-by-country report submitted to tax authorities

**2019**

First publication of Shell's Tax Contribution Report

Our participation in the development of the B Team Responsible Tax Principles reflects our ambition to align our tax strategy more closely with emerging best practice. Our Tax Contribution Report and future publications aim to demonstrate how we are applying our **Responsible Tax Principles**.



## OPEN TO DIALOGUE

Shell welcomes the opportunity to work with others in areas of shared interest. Our approach to tax considers the interests of relevant stakeholders. Through engagement with thought leaders, other companies, investors and civil society, we stay informed of developments that may impact our business.

We regularly engage with policymakers to support the development of tax rules and regulations based on sound tax policy principles. In this way, we hope to contribute to the development of fair, effective and stable tax systems.

We also provide constructive input to industry groups and international organisations, such as the Extractive Industries Transparency Initiative (EITI), the B Team Responsible Tax Working Group (B Team) and Business at OECD, an international business network.

Shell contributed to updating the Best Practices for Business Engaging with Tax Authorities in Developing Countries [A], launched by Business at OECD in November 2022. The updated best practices can be used to support efficient and effective tax policy administration. We endorse these principles and aspire to use them. Read more in [Our work with the EITI](#).

### INTERNAL VOICE



**Christopher Rice** EVP Taxation and Corporate Structure, Shell

Shell is committed to tax transparency and I am very proud that Shell continues to be a front runner in this space. Our journey began in 2003 with the EITI and in 2018 we signed up to the B Team principles. We strongly advocate tax transparency and we will continue to share more information about our tax affairs.

The Tax Contribution Report gives stakeholders, from governments to communities, an annual update on our tax contribution, and shares our views on tax developments and emerging trends.

Tax has a vital role to play in the energy transition. For the transition to be fair and just, governments, industry and society must all play a role.

[A] Source: Business at OECD (BIAC), Statement of Best Practices for engaging with tax administrations in developing countries, November 2022



## TAX COMPLIANCE

Shell invests significant time and resources in building processes to support accurate and timely compliance with tax legislation. We are committed to complying with the tax legislation of the many countries where we operate and seek to establish constructive relationships with tax authorities.

In 2021, Shell filed around 5,100 direct tax returns and 37,000 indirect tax returns. We filed these on time in almost 100% of cases. We also processed more than 25,300 separate tax payments. A small number of returns may be submitted late. When this is the case, we carefully monitor the reasons, learn from them and pay any applicable late-filing fees. If we identify errors in our filings, we seek to address these with the relevant tax authorities.

Around 650 trained staff prepare, file and process our tax returns and payments. They are based in our business service centres in Poland, India, Malaysia and the Philippines.

We also rely on a global team of around 300 tax experts who advise the business according to the Shell Responsible Tax Principles and our tax control framework. Where appropriate, we run training sessions for non-tax staff who need to be aware of tax compliance requirements.

### OUR TAX COMPLIANCE ACTIVITIES IN 2021

#### BY TYPE OF RETURN

##### Indirect tax returns

|              |        |
|--------------|--------|
| Africa       | 173    |
| Americas     | 16,157 |
| Asia-Pacific | 9,147  |
| Europe       | 11,283 |
| Middle East  | 188    |

##### Direct tax returns

|              |       |
|--------------|-------|
| Africa       | 34    |
| Americas     | 4,308 |
| Asia-Pacific | 225   |
| Europe       | 476   |
| Middle East  | 33    |

##### Number of tax payments

|              |        |
|--------------|--------|
| Africa       | 166    |
| Americas     | 13,796 |
| Asia-Pacific | 3,716  |
| Europe       | 7,573  |
| Middle East  | 45     |

#### BY REGION

##### Africa

|                        |     |
|------------------------|-----|
| Indirect tax returns   | 173 |
| Direct tax returns     | 34  |
| Number of tax payments | 166 |

##### Americas

|                        |        |
|------------------------|--------|
| Indirect tax returns   | 16,157 |
| Direct tax returns     | 4,308  |
| Number of tax payments | 13,796 |

##### Asia-Pacific

|                        |        |
|------------------------|--------|
| Indirect tax returns   | 11,283 |
| Direct tax returns     | 255    |
| Number of tax payments | 3,716  |

##### Europe

|                        |       |
|------------------------|-------|
| Indirect tax returns   | 9,147 |
| Direct tax returns     | 476   |
| Number of tax payments | 7,573 |

##### Middle East

|                        |     |
|------------------------|-----|
| Indirect tax returns   | 188 |
| Direct tax returns     | 33  |
| Number of tax payments | 45  |



## ASSURANCE AND CONTROLS

Our Tax function supports the business in delivering on priorities and understanding tax risks. We seek to submit accurate tax accounting data and tax returns, in compliance with the letter and spirit of the applicable laws, wherever we have a taxable presence.

Our tax control framework, policies and guidelines set out the standards, risk management, controls and assurance processes that establish boundaries for our tax activities. The framework helps us to identify tax risks and sets out practical guidance for our staff, including the procedures for considering tax risks.

All ventures that we operate must conduct their activities in line with our business principles. The tax control framework is part of the Shell Control Framework, which applies to every Shell entity, including its employees and contract staff, and to Shell-operated ventures.

We monitor the adequacy of our system of risk management and internal control throughout the year. External auditors regularly review our tax controls as part of the audit of our financial results.

Tax authorities in several countries, including the UK and the Netherlands, have granted Shell entities Authorised Economic Operator (AEO) status for customs duties. AEO is an internationally recognised status which indicates that Shell operates secure supply chains and has a strong compliance framework when it comes to customs processes and controls. One of the benefits of having AEO status is reduced reliance on physical and document-based customs controls.

We do not condone, encourage or support tax evasion. Compliance is embedded in the Shell General Business Principles and the Code of Conduct. Employees, contract staff and third parties with whom Shell has a business relationship may raise ethical and compliance concerns, anonymously if preferred, through the Shell Global Helpline.

## DEALING WITH UNCERTAINTY

Our aim is to take sustainable tax positions in support of our business investments, which may be of a long-term nature. When we apply tax legislation, we do so with the reasonable expectation that our interpretation will be upheld in court. Sometimes, the law or how to apply it is unclear to taxpayers.

The countries in which we operate have differing degrees of political, legal and fiscal stability. This exposes us to a wide range of political developments that could result in changes to contractual terms, laws and regulations.

We continually monitor geopolitical developments and societal issues relevant to our interests. In situations where the tax law and how to apply it are unclear, we will first seek to find clarity by talking to the tax authority and sharing our understanding of the application of the law.

There are a number of ways in which a lack of clarity can be resolved. One such solution is a co-operative compliance arrangement, where businesses and tax authorities proactively discuss how to resolve uncertainty before the tax filing occurs. Read more in our [Co-operative compliance programmes](#) in-focus section.

Tax authorities in different countries can hold conflicting views about how the taxation of multinational enterprises should be interpreted or applied. When this lack of clarity occurs within a tax treaty or agreement between countries, we may use a mutual agreement procedure where the authorities aim to resolve the issue between themselves.

In the case of transfer pricing, where there is uncertainty about the appropriate price for a particular intra-group transaction, we may apply for an advance pricing agreement (APA). Under an APA, the taxpayer and tax authority agree the transfer price that will apply before a tax return is submitted.

If we are still unable to reach an agreement with an authority on any matter of tax, we may have to test the legal principle of the tax law concerned through the judicial system. However, we take this approach only when other options have not provided a resolution.

Tax liabilities are recognised when it is likely that there will be a future payment to a taxing authority. In such cases, provision is made for the amount that is expected to be paid. These provisions are measured at the most likely amount or the expected value, whichever method is more appropriate.

Generally, uncertain tax treatments are assessed on an individual basis unless they are expected to be settled collectively. Provisions for taxes on uncertain income can be examined by tax authorities. A change in an estimate would be recognised in the income for the period in which the change occurs.



## TRANSPARENCY INITIATIVES

We constantly review our tax disclosures for compliance, taking into account transparency initiatives. We also provide constructive input to industry groups and international organisations, such as the Extractive Industries Transparency Initiative (EITI) and the B Team Responsible Tax Working Group (B Team).

The Global Reporting Initiative (GRI) has set out Sustainability Reporting Guidelines that seek to help companies report more transparently on their environmental, social and governance (ESG) performance.

In 2021, the GRI introduced the GRI 207 standard which encourages companies to publicly and comprehensively disclose country-by-country corporate income tax payments. GRI 207 provides best practice reporting guidance. We have publicly disclosed country-by-country income tax payments, according to OECD guidelines, since we published our Tax Contribution Report for 2018.

Shell seeks to meet the mandatory elements of the GRI 207 requirements. As to the GRI 207 requirement for companies to report non-aggregated country data for entities that are consolidated, we follow OECD rules and report aggregated data.

In 2021, at the World Economic Forum, Shell joined a global coalition of businesses to report on a range of ESG performance factors. These Stakeholder Capitalism Metrics comprise 21 disclosures which are mapped to the UN Sustainable Development Goals. One of the core metrics is for companies to disclose their total tax borne.

Shell has worked with the largest employers' organisation in the Netherlands, the VNO-NCW, on an initiative to improve tax governance and transparency for companies listed in that country.

In May 2022, the VNO-NCW published the Tax Governance Code (TGC), which Shell helped initiate and develop. Given the scale of our activities in the Netherlands, we have voluntarily signed up to the TGC.

The TGC is based on existing transparency initiatives such as the B Team Responsible Tax Principles, the Global Reporting Initiative and the World Economic Forum Stakeholder Capitalism Metrics. Our tax activities therefore already largely comply with the TGC. We will continue to review and improve our tax disclosures so that they are meaningful to our stakeholders.

### Tax Governance Code (TGC)

### In this report

|   |  |
|---|--|
| A. Approach to Tax: Tax Strategy and Tax Principles                   | Our approach to tax  |
| B. Accountability and Tax Governance                                  | Our approach to tax  |
| C. Tax Compliance   | Compliance   |
| D. Business structure   | Low-tax jurisdictions  |
| E. Relationships with Tax Authorities and Other External Stakeholders | Compliance, Advocacy   |
| F. Tax Transparency and Reporting                                     | Our tax data, Total tax contribution, Tax incentives, Advocacy, Annual Report list of subsidiaries |



## INNOVATION FOR THE FUTURE

Tax authorities are increasingly implementing or expanding digital tax platforms, requiring businesses to file tax data online and in real time. To meet these requirements, Shell is looking at ways to improve our accounting systems and our data quality through the use of technology, including analytical tools for testing, assessment and interpretation of data. In 2021, we continued developing a programme to implement a new central finance software platform and a new accounting system.

More and more countries are introducing digital VAT regimes that allow for the direct transfer of data from company reporting tools to the tax authorities. In recent years, these regimes were introduced in Spain, Hungary, Poland, Norway, France, Portugal and Luxembourg. In addition to digital VAT regimes, e-invoicing (submission of real-time electronic invoices) requirements are also on the rise and expected to grow in years to come.

Tax authorities are also increasingly requesting access to our accounting systems. We are improving our data management to meet compliance and transparency requirements more efficiently.

We are also developing and deploying software for our reporting of indirect taxes. The software standardises, reconciles and classifies indirect tax data, such as VAT, with the appropriate tax treatment, helping in the preparation of tax returns. The tool is being used in the Netherlands, Germany, the UK, France, Italy, Austria, Luxembourg and Belgium with further deployment planned in Asia-Pacific, namely Thailand, Australia, Indonesia; and in the USA.

To support indirect tax audits in the USA, we introduced our first in-house advanced data analytics tool using machine learning software in 2021. We plan to test this tool further before potentially deploying it globally.



We are improving our data management to meet compliance and transparency requirements more efficiently.



## IN FOCUS

## CO-OPERATIVE COMPLIANCE PROGRAMMES

Business transactions can be complex and how tax laws apply to them can sometimes be unclear. Through co-operative compliance programmes, businesses and tax authorities are able engage in open and constructive dialogue to discuss matters, such as tax strategy, risks and control frameworks. For this to be effective, companies need efficient tax processes and controls.

Co-operative compliance requires companies to be transparent and voluntarily and pro-actively share matters that may have tax implications with the authorities. For this to be effective, companies need efficient tax processes and controls. Ultimately, co-operative compliance programmes seek to ensure that the right amounts of tax are paid at the right time.

Clarity about business transactions and potential tax implication significantly reduces tax risks and allows for a more efficient allocation of compliance costs. It can also reduce the administrative burden for tax authorities and businesses. Shell favours co-operative compliance programmes as a means to engage with tax authorities.

Co-operative compliance can cover all types of taxes, including corporate income tax, indirect taxes and employment taxes.

We contributed to the development and implementation of the Netherlands' co-operative compliance programme, which was introduced in 2005. In 2021, we also supported the development of the new VNO-NCW Tax Governance Code in the Netherlands, which was introduced in May 2022 and which sets out the rules and principles that taxpayers should follow if they want to be transparent and compliant. See [transparency initiatives](#).

Shell has co-operative compliance arrangements in place with the tax authorities in the UK, the Netherlands, Singapore, Italy and Austria. We continue to explore possibilities for establishing more co-operative compliance relationships in other countries. In 2021, we were invited by Brazil's tax authorities to help them design their co-operative compliance programme framework.



Shell favours co-operative compliance programmes as a means to engage with tax authorities.



## IN FOCUS

## TAX AND SUSTAINABILITY

Tax is an important part of the environmental, social and governance (ESG) approach that companies like Shell are implementing. Tax and tax policy can play a critical role in the development of a more sustainable future by raising revenues for social investment and encouraging investment in lower-carbon energy, for example through incentives and grants.

In 2021, at the World Economic Forum, Shell joined a global coalition of more than 70 businesses that have agreed to incorporate a range of ESG performance factors, such as tax, in their key reporting materials, including annual reports and sustainability reports. These Stakeholder Capitalism Metrics comprise 21 disclosures which are mapped to the UN Sustainable Development Goals. One of the metrics is for companies to disclose their total tax borne.

### ENVIRONMENT

With regard to the environmental aspect of ESG, tax can play an important role in government policies relating to the energy transition, such as taxes on plastics, carbon and waste, and incentives for investment in renewables and lower-carbon energy. Read more in the [UK environmental taxes](#) and [Electric vehicles and tax](#) in-focus sections.

### SOCIAL

A sizeable share of taxes paid by individuals and businesses generates the revenues that governments need to fund society's basic needs, as well as its development and progress. Shell is committed to contributing to the communities where we have activities.

### GOVERNANCE

Shell's commitment to contribute to sustainable development has been part of the Shell General Business Principles since 1997 and we are a founding member of the B Team Responsible tax principles. Read more in [Our approach to tax](#).



Tax is an important part of the environmental, social and governance (ESG) approach.



Environmental taxes are designed to drive behaviour change such as reducing a business's carbon footprint or reducing waste.

## SPECIAL TOPICS

**Some aspects of tax systems attract high levels of public scrutiny. We aim to increase transparency around these topics and promote an open dialogue with governments and wider society.**

- 25** ENERGY TRANSITION OVERVIEW
- 26** IN FOCUS: INCENTIVES KEY TO CCS
- 27** IN FOCUS: ELECTRIC VEHICLES AND TAX
- 29** IN FOCUS: UK ENVIRONMENTAL TAXES
- 30** THE CHANGING TAX LANDSCAPE
- 30** TAX INCENTIVES
- 34** LOW-TAX JURISDICTIONS



## ENERGY TRANSITION OVERVIEW

Fiscal policy will continue to play a critical role in the energy transition and taxes are one of the tools that governments can use to incentivise investment in low-carbon fuels and encourage their use.

Governments use taxes to raise revenues and drive the behaviour of both business and consumers. This may result in governments being faced with competing priorities.

On the one hand, they may wish to use tax incentives to reduce greenhouse gas emissions by encouraging investment in renewable energy and new technologies. On the other hand, they may also need to guarantee energy security and secure revenues for public spending.

As the energy transition gathers momentum, new business models and changes in tax policy may give rise to uncertainty for taxpayers and governments. Governments may also need to implement tax policies that can help them manage potentially lower revenues from fossil fuels.

Shell supports stable fiscal regimes which attract investment and which can support countries in developing sustainable budgets.

Environmental taxes are fiscal instruments that are used to drive behaviour change, such as reducing a business's carbon footprint or waste. These are often indirect taxes that do not form part of a company's corporate income tax charge. Read more in the [UK environmental taxes](#) section.

Shell only makes use of incentives that encourage investment in low-carbon and renewable energy when they are aligned with our business and operational objectives.



Incentives can encourage investments in low-carbon and renewable energy linked to our business and operational objectives.



## IN FOCUS

## INCENTIVES KEY TO CARBON CAPTURE AND STORAGE

Carbon capture and storage, or CCS, is a combination of technologies that capture and store carbon dioxide, preventing its release into the atmosphere. Shell believes that CCS is vital to achieve net-zero emissions. However, the technology for CCS is not yet commercially viable. Shell advocates government support for CCS.

Shell operates the Quest Carbon Capture Storage (Shell interest 10%) facility in Canada. In June 2021, the Canadian government launched public consultations on a proposed investment tax credit (ITC) for businesses that incur costs relating to the purchase and installation of equipment used in eligible carbon capture, utilisation, storage (CCUS) projects. This is part of the government's plan to achieve net-zero emissions by 2050.

Following the consultations, the government announced that companies investing in CCUS would be able to claim up to 60% of eligible capital expenses for the year in which the costs were incurred. The ITC would be refundable and available to businesses that incur eligible expenses from January 1, 2022 until the end of 2040. Shell would consider the use of the ITC for possible future CCUS investments.



Shell advocates government support for CCS.



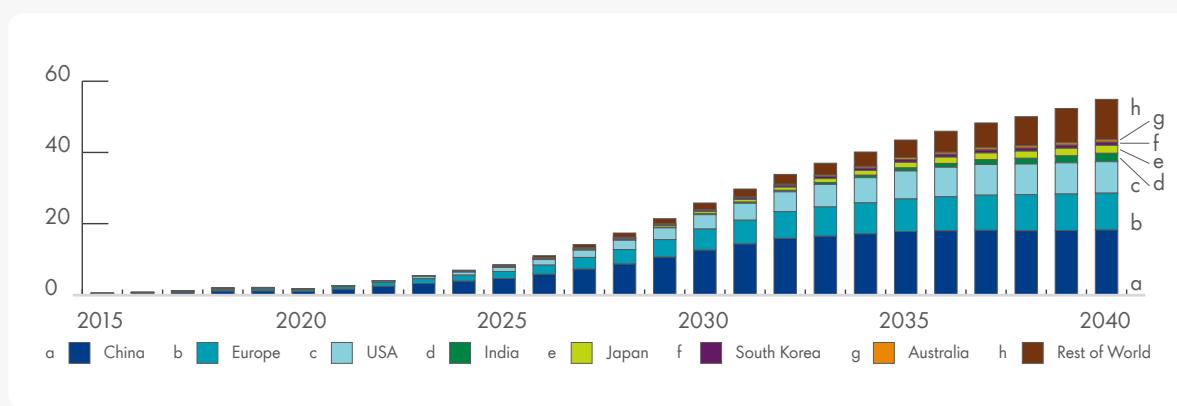
## IN FOCUS

## ELECTRIC VEHICLES AND TAX

More than 120 countries have pledged to reach net-zero emissions in the next few decades and together they have about 85% of the global road vehicle fleet [A]. Replacing petrol- and diesel-powered vehicles with electric vehicles is therefore critical to achieving these aims.

### EV SALES FORECAST BY REGION

in millions



Source: BNEF 2020 EV Outlook

However, governments are still debating how to tax electric vehicles. Governments receive significant revenues from taxes on petrol- and diesel-powered vehicles. Some governments are looking to replicate these revenues through taxes on electric vehicles. As the energy transition progresses, governments may decide to develop tax policies for electric vehicles that encourage consumers to purchase these but which also replace the tax revenues currently earned from petrol- and diesel-powered vehicles.

### FACTORS AFFECTING ELECTRIC VEHICLE TRANSITION



#### Government policy (including tax) affects

- EV adoption
- EV production
- EV infrastructure

#### Total cost of ownership drives adoption, including

- Vehicle cost
- Electricity cost
- Tax

#### Charging infrastructure driven by regulatory environment and customer needs

- Location
- Accessibility
- Interoperability

[A] IEA (2021), Global EV Outlook 2021, IEA, Paris.



Shell supports and advocates tax policies which support the transition to electric vehicles. For example, Shell is an active member of ChargeUp Europe. ChargeUp Europe advocates a smoother roll-out of electric vehicle charging infrastructure in Europe.

Through this forum, Shell has advocated clear and consistent tax policy on electric vehicle charging within the European Union (EU). For example, EU VAT legislation on vehicle fuelling has typically been applied in the context of the physical transfer of liquid fuel and not the flow of electrons. The debate about how to tax electric vehicles in the EU continues and includes certain key questions:

- Is the supply of electricity the supply of a good or a service? This will determine how VAT should be charged and by which party. To date, electricity has been treated as a good.
- Is there a linear chain of supply from the electricity utility through to the driver, or do some electric vehicle charging business models entail a more complex and wider web of relationships?
- Should all electric vehicle charging be taxed in the same way? Usually, the purchase of electricity for private use involves supply to a domestic property, which may be eligible for reduced VAT rates compared with supply to commercial premises. Should electric vehicle owners unable to charge their vehicles at home be required to pay higher VAT because they are charging on commercial premises or on the street?

Shell advocates VAT policies on electric vehicle charging that are consistent with governments' net-zero emissions strategies, the treatment of conventional fuels and the supply of electricity generally. We believe that through certainty and consistency of taxation, governments can encourage the transition to electric vehicles.



Shell supports and advocates tax policies which maintain and support the transition to electric vehicles.



## IN FOCUS

## UK ENVIRONMENTAL TAXES

Environmental taxes are designed to drive behaviour change such as reducing a business's carbon footprint or reducing waste. They do not form part of a company's corporate income tax charge. The UK has a number of environmental taxes, including Climate Change Levy (CCL) and the recently introduced Plastic Packaging Tax (PPT).

### CLIMATE CHANGE LEVY

CCL came into effect in 2001 and is a tax on energy products, such as electricity, gas and other fuels supplied to businesses and public sector consumers. CCL aims to encourage these consumers to be more energy efficient in how they operate, as well as helping to reduce their overall emissions. Households and the transport sectors are excluded from this. CCL is a tax that Shell pays, as well as one that it collects on behalf of the government. In 2021, we paid £0.6 million and collected £6 million in CCL.

The table below details how CCL rates are applied to taxable commodities:

| Taxable commodity           | Tax base                  | Rate from April 1, 2021 |
|-----------------------------|---------------------------|-------------------------|
| Electricity                 | £ per kilowatt hour (kWh) | 0.00775                 |
| Gas                         | £ per kWh                 | 0.00465                 |
| Liquefied Petroleum Gas     | £ per kilogramme (kg)     | 0.02175                 |
| Any other taxable commodity | £ per kg                  | 0.0364                  |

### PLASTIC PACKAGING TAX

PPT was introduced in 2022 and seeks to encourage the use of recycled material in the production of plastic packaging. PPT applies to the manufacture and import of plastic packaging in the UK. Plastic packaging containing more than 30% of recycled plastic material is not subject to the tax, which is chargeable at a rate of £200 per tonne.

The UK requires businesses to register for PPT when the annual total of plastic packaging that is manufactured or imported, recycled or not, is above 10 tonnes. We anticipate that the biggest impact on Shell will be within our lubricants business and Shell U.K. Limited is registered for and pays PPT.



Plastic Packaging Tax seeks to encourage the use of recycled material in the production of plastic packaging.



## THE CHANGING TAX LANDSCAPE

The global tax landscape is changing as governments seek to modernise tax systems to deal with economies that are increasingly digitalised. Traditional tax concepts are being challenged as businesses earn revenues in multiple countries even if they are not physically present in those tax jurisdictions. In addition, low-tax jurisdictions are continually in the spotlight with many countries debating whether a low-tax policy in one jurisdiction may have a negative impact on other countries.

In recent years, international organisations, such as the Organization for Economic Cooperation and Development (OECD), and governments have discussed ways of addressing these challenges. Most recently and steered by the G20, the OECD has been developing proposals for a coordinated two-pillar response, which was supported in October 2021 by over 130 countries.

Pillar One of the framework aims to align taxes more closely with local market engagement so that a larger portion of profits is taxed in the jurisdiction where sales are made, even if a multinational does not have a physical presence in that jurisdiction.

Pillar Two introduces new rules to ensure a new global minimum level of tax at 15% for all profits made by multinationals.

Shell supports the OECD's framework and we are putting in place the systems we need to comply with the rules when they are introduced. We strongly support a transparent and coordinated approach to improving the global tax system, rather than unilateral, non-coordinated legislative actions. Countries should decide, build consensus, and agree on the applicable legislation. Shell believes deep and broad consensus is needed to ensure the kind of coordinated implementation of international fiscal agreements that will yield clear, predictable, and principle-based tax legislation. Business input is necessary for the development of these rules.

Shell provides input to the OECD and to countries implementing the framework through a public consultation process. Pillar One rules are still being developed by the OECD and implementation by countries is not expected until 2024 at the earliest. Pillar Two is generally more advanced and is expected to apply to Shell from 2024.

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## TAX INCENTIVES

Governments offer tax incentives to support investment, employment or economic development. We seek to ensure that tax incentives are transparent and consistent with statutory and regulatory frameworks before deciding whether to make use of them. We only make use of incentives where they are aligned with our business and operational objectives and where we have a qualifying business activity.

We continually review our approach to tax incentives because we believe that greater transparency promotes a better understanding of what tax incentives are designed to achieve. If there is uncertainty, we will seek to engage with the relevant authorities to agree that the implementation of any incentive meets a government's intended policy objectives.

Ideally, incentives should be specified by law and generally available to all market participants. However, sometimes governments offer companies incentives that are specific to a contract and not widely available to other market participants. We will use these incentives if they align with our Responsible Tax Principles and if there is any uncertainty we will escalate a decision to the Shell Tax Leadership Team through our Shell Tax Escalation Procedure (STEP).

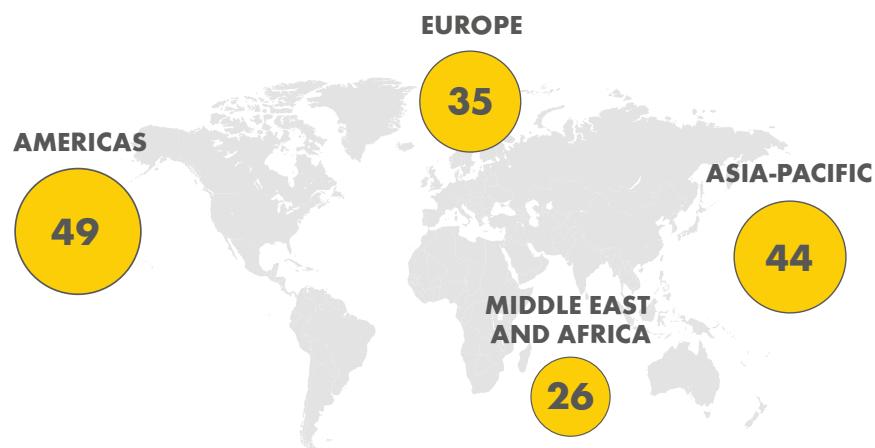
If we decide to use an incentive that is not specified by law and is not generally available to all market participants, we will encourage the relevant authorities to make details of these incentives publicly known.



## TAX INCENTIVES APPLIED

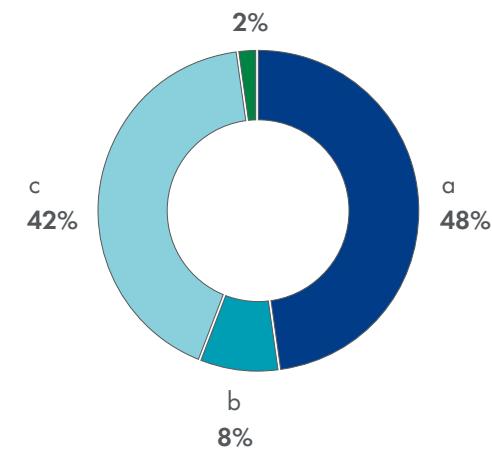
Tax incentives applied by Shell

**154**



### Tax incentives by strategy pillars

%



a Upstream

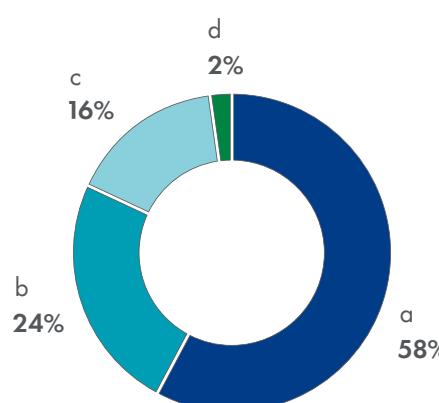
c Transition

b Growth

d Other

### Tax incentives by tax type

%



a Direct taxes (income, WHT)

c Property tax

b Indirect taxes (VAT, Duties, Excise)

d Others (royalties, rent, etc.)

As part of our commitment to continually expand tax transparency, this report publishes the main tax incentives applied by Shell in the Netherlands, the UK, India, the USA and Nigeria.

Like other companies, we aim to make data available for governments to assess the economic impact of incentives when requested to do so by the relevant authorities. Data requirements vary by country but could include investments, earnings forecasts or jobs created.



## TAX INCENTIVES IN THE ENERGY TRANSITION

We are transforming our business to meet our target to become a net-zero emissions energy business by 2050. This includes providing more lower-carbon and renewable energy and working with customers and others as they seek to decarbonise.

Shell advocates government incentives to encourage investment in lower-carbon and renewable energy projects, as well as those that would encourage demand for this energy. Read more about [our global climate and energy transition policy positions](#) on [shell.com](#).

For example, we believe that incentives for consumers to purchase electric vehicles are necessary to support the decarbonisation of the transport sector. In aviation, Shell supports the introduction of mandates or incentives that would increase demand for sustainable aviation fuel (SAF). We believe that SAF producers, including international energy companies like Shell, should be offered incentives, such as tax credits, capital grants or loan guarantees, to support the decarbonisation of the aviation sector.

We recognise that the pace of the energy transition and the fiscal measures, including tax incentives, available to governments differ from country to country.



Shell supports the introduction of mandates or incentives that would increase demand for sustainable aviation fuel (SAF).

## COUNTRY-SPECIFIC INCENTIVES

### The Netherlands

In the Netherlands, Shell uses tax incentives. These include research and development tax credits (WBSO) which offer compensation for a portion of salary costs related to research and development. We also apply the Energy Investment Allowance (EIA) which allows us to deduct 45.5% of investment costs related to energy-efficient technologies and sustainable energy from our taxable profit. This is in addition to customary depreciation. Another incentive that we make use of is the Environmental Investment Deduction (MIA) measure, which allows companies to deduct up to 45% of the investment costs for an environmentally friendly investment. This is in addition to standard investment cost tax deductions.

### UK

The UK tax regime offers tax incentives, some of which Shell uses. The primary incentive used by Shell is the research and development expenditure credit (RDEC). The RDEC is a taxable credit on certain qualifying research and development (R&D) expenses borne by a company. If an R&D expense qualifies, then it generates a taxable credit that can be used to offset UK tax liabilities. If there are no tax liabilities to offset against the RDEC, then the value of the credit can be paid out to the company in cash. Shell in the UK spends around £200 million annually on R&D. This and other types of incentives used in the UK are not specific to Shell, and are widely available to other businesses in the UK.



## Nigeria

Shell uses a number of incentives in Nigeria. These include:

- The Investment Tax Allowance (ITA), which reduces taxable profit by 50% of the qualifying capital expenditure in the accounting year in which a relevant asset is acquired and first used.
- The Petroleum Investment Allowance (PIA), which allows companies that hold onshore or shallow-water leases, like Shell, to benefit from a tax uplift of 5% to 20% on the qualifying capital expenditure in the accounting year in which an asset is acquired and put to use.
- The Associated Gas Framework Agreement (AGFA), which allows the tax deduction of capital expenditure for gas development from oil revenues at the higher oil profit tax rate of 85%. The lower corporate income tax rate of 30% then also applies to gas profits.

## India

India offers incentives to companies that are present in Special Economic Zones (SEZ). Shell IT Centre is a global in-house operation located in the Bangalore SEZ and is eligible for the incentives offered. Shell started to make use of these incentives in 2016. The incentives and other measures offered to investors in the SEZs include:

- Duty-free import and domestic procurement of goods for development, operation and maintenance of SEZ units.
- Corporate income tax exemption on export revenues for companies in the SEZ of 100% for the first five years, 50% for the next five years and 50% tax exemption for the following five years on export profit which is reinvested.
- Exemption from indirect taxes on supplies to SEZs.

Shell's Projects and Technology (P&T) and Shell Business Operations (SBO) in India benefit from the Service Export from India Scheme (SEIS), which promotes the export of services from India by providing a credit for some exports which can be used to offset certain tax liabilities. The government has also established a refund mechanism for Goods and Services Tax (GST) paid by exporters of services.

## USA

Federal, state, and local governments in the USA offer tax incentives for capital investments and job creation. Incentives available to Shell in the USA can vary among the state and local tax jurisdictions. Generally, the tax incentives pursued by Shell encourage the upgrading of manufacturing facilities, investment in new energies, and creation of jobs for local economies. US tax incentives typically grant: property tax abatements or reductions for a certain number of years; sales tax exemptions or rebates for purchases of machinery and equipment; and/or income tax credits.



## LOW-TAX JURISDICTIONS

Low-tax jurisdictions, so-called tax havens, are typically considered to mean countries with significantly lower effective tax rates compared with the average rates offered by other countries. In some cases, the corporate income tax rate is zero. Governments have a sovereign right to determine tax matters in their countries and sometimes set low corporate income tax rates to attract investment from outside their borders.

Shell has a taxable presence in 99 countries and locations, with different tax regimes and varying corporate income tax rates. When we are present in low-tax jurisdictions, we are there for commercial reasons, such as crude oil trading and retail sites. These reasons can also include the presence of companies that hold investments or perform other services we need such as pensions, finance and insurance. In line with the [Shell Responsible Tax Principles](#), we do not use these locations to avoid tax on activities that take place elsewhere.

When we invest in a country, we consider factors which include access to local or regional markets, the stability of the political, regulatory and social environment, local infrastructure and workforce. We also consider the overall costs of operation and the attractiveness and stability of a country's fiscal regime. However, the investment must first meet our strategic, business or operational aims.

### REVIEWING ENTITIES IN LOW-TAX JURISDICTIONS

We conducted a review in 2019 and 2020 of Shell-controlled and Shell-operated entities incorporated or present in low-tax jurisdictions against our Shell Responsible Tax Principles. The review considered the purpose of the entity and whether it should continue to be in that jurisdiction.

We identified entities that are no longer active and can be liquidated as a matter of good corporate governance. We also identified entities that can be restructured and held or operated from another jurisdiction. In other cases, our review concluded that the entities could remain in low- or zero-tax jurisdictions because there was a commercial reason for being there.

Since 2019, we have liquidated 18 legal entities in low-tax jurisdictions, including in Bermuda and Saint Lucia, and we are in the process of liquidating 33 others.

In 2021, a review of our presence in low-tax jurisdictions became an annual exercise undertaken by the country tax manager in each low-tax jurisdiction. This now forms part of our tax control framework and provides ongoing assurance that Group structures in low-tax jurisdictions continue to be there for commercial reasons. The new assurance control process will also identify potential liquidations and restructuring.

Read more about our presence in low-tax jurisdictions in [Our tax data](#).

### THE OECD TWO-PILLAR APPROACH

In recent years, international organisations, such as the OECD, and many countries have discussed whether a country's low-tax policy may have a negative impact on other countries. They have also debated various ways of addressing this. Most recently and steered by the G20, the OECD has been developing proposals for a coordinated two-pillar response. Read more in [The changing tax landscape](#).



Shell engages in advocacy on tax matters to provide policymakers with commercial insights to inform debate and decision-making.

# ADVOCACY

**We believe it is important to hold open dialogue on fiscal matters and we advocate fair, effective and stable tax systems.**

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## INFORMED DEBATE AND DECISION-MAKING

Shell engages in advocacy on tax matters to provide policymakers with commercial insights to inform debate and decision-making. We share our position with the relevant governments and policymakers on matters which affect us, our employees, customers, shareholders or local communities, in accordance with our values and the Shell General Business Principles.

Shell recognises that any advocacy should not improperly influence decisions and should never be misused for any corrupt or illegal purpose. Shell companies do not make payments to political parties and organisations or their representatives and do not participate in party politics. For further information, see the [Annual Report and Accounts](#).

Governments are responsible for their fiscal policy and resulting laws. We respect the roles and responsibilities of the institutions and organisations we engage with.

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## SUPPORTING EFFECTIVE TAX REGIMES

We advocate fair, effective and stable tax systems because they reduce uncertainty for both governments and companies. Such tax systems help countries develop sustainable budgets and help companies manage their investments more effectively. We support a transparent and coordinated approach to improving the global tax system where countries work together, build consensus and agree on applicable legislation.

Governments may seek input from different stakeholders through public consultation when they design tax policies. We believe it is important to hold an open dialogue on fiscal matters as new legislation should be effective, practical to administer and should facilitate the collection of taxes. For example, we continue to support the implementation of government-led carbon-pricing systems, including carbon taxes, and recognise them as an essential tool for reducing emissions and tackling climate change.

We believe that smart policies from governments, such as applying a cost to emissions through measures such as carbon-pricing mechanisms, supported by effective steps to reduce emissions, are among the best ways to reach solutions and drive progress. We regularly share knowledge and best practice through participation in industry and professional associations. These include the Extractive Industries Transparency Initiative (EITI), the B Team Responsible Tax Working Group (B Team) and Business at OECD.

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## TRANSPARENCY

The [Shell General Business Principles](#) define our core values, our responsibilities and the principles and behaviours by which we do business. In all cases of advocacy, employees are bound by the Shell General Business Principles and Code of Conduct. As part of these principles, everyone engaged in Shell's business, including tax advocacy activities, must comply with the anti-bribery and corruption laws of the countries where we operate as well as those that apply across borders. This has been made explicit in the [Corporate Political Engagement Statement](#).

Our employees and contractors, and people working in joint ventures we operate, are prohibited from offering, paying, seeking or accepting a personal payment, gift or favour in return for favourable treatment or to gain a business advantage. There is no place for bribery or corruption at Shell. Shell senior executives, including tax and government relations professionals, lead our tax advocacy activities. We also participate in industry groups that advocate on behalf of businesses. We report on our advocacy activities in line with local requirements.

In the EU and the USA, we also report on costs relating to advocacy activities in line with the requirements and guidelines set out in the EU Transparency Register and the US Lobbying Disclosure Act. These submissions are publicly available.



## OUR WORK WITH EITI

We are a founder and board member of the Extractive Industries Transparency Initiative (EITI). The EITI is the global standard to promote the open and accountable management of extractive resources.

The EITI provides a platform for governments, non-governmental organisations and companies to disclose information that supports greater transparency and responsibility in the extractive sector, including the oil and gas industry.

We aim to support governments' ambitions to achieve contract transparency. We encourage governments to share contracts and licences in line with the EITI's revised standard on contract transparency. From January 1, 2021, this requires countries implementing the EITI standard to disclose contracts and licences that are granted, entered into or amended.

According to the EITI, more than 30 countries are disclosing some or all of their contracts. Shell is party to some of these contracts. In Suriname, Shell continues to support the government's intention to disclose its purchase and sale contracts. In the Netherlands, Shell supports the government's efforts in contract transparency, including publishing licences for carrying out oil and gas activities.

## INDIRECT TAX ADVOCACY

Changes to laws governing indirect taxes, such as value-added tax (VAT), are frequent and often complex. Many of these developments are linked to the energy transition and to economic recovery from the COVID-19 pandemic.

As a global business with substantial tax-paying and tax-collecting obligations, Shell contributes its experience and insight to discussions aimed at strengthening tax processes and controls. Together with other companies, we continue to call for simple and harmonised regulations, wherever possible, to support fair and efficient indirect tax systems.

### USING TAXES FOR EMISSIONS REDUCTION

Governments regularly use indirect taxes to encourage businesses to take action to reduce their carbon emissions. For example, governments might implement lower VAT rates on the purchase of solar panels and additional taxes on chemical or petrol products. Shell supports indirect tax measures when a government applies them consistently and when they are aligned with the government's overall policy framework for emissions reduction.

### ADAPTING TO NEW BUSINESS MODELS

Many tax authorities are struggling to adapt existing indirect tax legislation to new business models within a globalised and increasingly digitalised economy. For most countries, VAT legislation was designed for simple, linear supply chains of goods or services where production, supplier and customer were within a single country.

The energy transition is also triggering debate about how to update or introduce indirect taxes to new areas of the economy. Within the European Union, for instance, there is continued discussion about where VAT should be paid for electric vehicle (EV) charging networks and whether the energy producer, supplier or retailer is responsible for collecting the tax.

Shell believes that it is important that VAT be applied to electric vehicle charging in a way that provides certainty to all network participants, while allowing the sector to grow. Shell continues to be an active participant in discussions with the European Commission to agree an appropriate and harmonised approach. Read more in [Electric vehicles and tax](#).

### DIGITALISATION TO COMBAT FRAUD

Tax authorities are increasingly requiring certain tax reporting to be made online and in real time as a way to combat indirect tax fraud. For example, in Spain businesses are required to report VAT very shortly after it is charged. Shell contributes to the debate around the digitalisation of tax. We support proportionate and targeted measures that safeguard VAT revenues for tax authorities without placing onerous additional compliance burdens on taxpayers.



## WINDFALL TAXES

Consumers in 2022 are facing significantly higher energy bills and rising inflation. We recognise the impact that volatile prices have across society, in particular on vulnerable consumers and communities. This creates a challenge for governments that are under pressure to mitigate the impact of higher prices.

Many governments are introducing additional taxes on the windfall gains made by the energy industry due to higher revenues. These taxes are commonly referred to as windfall taxes. For example, in May 2022, the UK introduced a 25% Energy Profits Levy to profits from operations in the North Sea and in November announced that this would increase to 35% from January 2023. In September 2022, the EU agreed that the crude petroleum, natural gas, coal and refinery sectors should be subject to a minimum 33% solidarity contribution on their surplus profits arising in 2022 and/or 2023. EU member states are in the process of implementing this in their domestic tax legislation.

While Shell recognises that taxation is the prerogative of government, we believe that collaboration is necessary between industry, governments, consumers, and other stakeholders to consider how best to address the challenge of higher energy prices. Any changes to tax policies need to be designed with clear objectives. We believe that policies must be balanced: addressing the energy crisis and higher prices, while also enabling energy producers and society to develop and scale up cleaner and alternative sources of energy for the future.

Shell is ready to engage with all stakeholders. Our view is that to be effective in achieving their objectives, additional taxes on energy producers would be:

- Profit-based and not based on energy prices alone, as energy producers' costs typically also increase when energy prices are high;
- Predictable through taxing future income because retrospective taxation could bring uncertainty as investors would be unable to effectively factor taxation into their investment decisions;
- Time-limited and aligned to the period in which the windfall income arises. This would ensure that it is just the windfall income that is subject to tax, and cash flow issues are mitigated by energy producers paying any liabilities using proceeds from their additional revenues;
- Progressive by only being applicable to income generated by higher energy prices and with potential progressive rates linked to profitability; and
- Simple to administer and comply with, for example by aligning with existing tax computation processes, with no additional filing obligations.

We also believe that fiscal policy should consider linking these additional taxes to a specific public spending objective, such as investment in low-carbon and more sustainable energy sources. For example, governments could offer companies tax incentives to encourage investment in renewable or new energy technologies. Alternatively, governments may consider linking additional tax receipts to funding such initiatives directly.



## CARBON PRICING

Carbon pricing, whereby a cost is applied to carbon emissions to discourage their release, is one of the tools that governments can use to reduce global warming. Shell has long been a supporter of governments using carbon pricing as a way to tackle climate change.

We believe carbon pricing should apply to as many sectors as possible and that its implementation should increase over time. Shell advocates carbon pricing through various industry bodies.

There are two main types of carbon-pricing policies that governments implement to create an economic incentive to control emissions without limiting the goods and services that hydrocarbons can deliver.

The first option is for governments to tax emissions which directly establishes a price for emitting carbon dioxide. This tax can be offset by reduction in other taxes, which is what has been implemented in British Columbia, Canada.

The alternative is to cap emissions and then allow a price to develop through the trading of allowances between emitters. This is the route adopted in Europe through the Emissions Trading System (ETS).

Shell prefers a direct price on carbon. However, we also support policies that put an indirect price on carbon through, for example, mandates or performance standards.

In 2019, Singapore introduced a carbon tax as part of the government's strategy to reduce emissions and transition to an energy-efficient, low-carbon economy. Singapore's carbon tax applies to any industrial facility in any sector that emits direct greenhouse gas emissions equivalent to or more than 25,000 tonnes of CO<sub>2</sub> each year (tCO<sub>2</sub>e). The carbon tax rate in Singapore will be applied at S\$5/tCO<sub>2</sub>e until 2023.

In 2022, Singapore announced it would accelerate its climate ambition to achieve net-zero emissions by or around 2050. To achieve this, the government plans to raise the carbon tax rate to S\$25/tCO<sub>2</sub>e for 2024-2025, to S\$45/tCO<sub>2</sub>e for 2026-2027 and to S\$50-80/tCO<sub>2</sub>e by 2030.

The carbon tax significantly impacts Shell's refinery business in Singapore. In 2021, we paid carbon tax of more than S\$25 million.



Singapore's carbon tax aims to reduce emissions and support its transition into an energy-efficient, low-carbon economy.



Shell Headquarters, London, UK. Shell has been present in the UK since 1897.

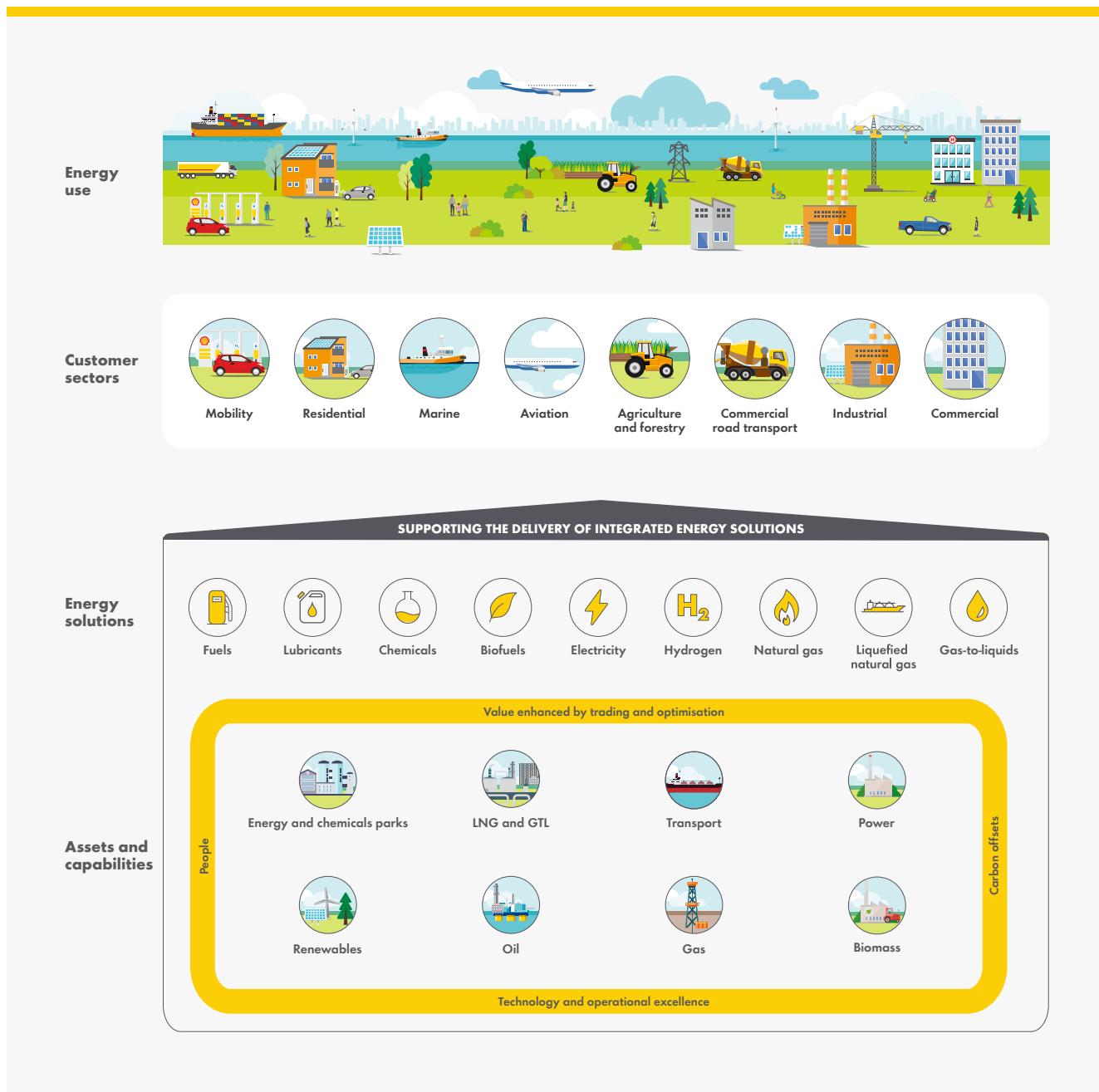
# OUR BUSINESS

**Shell pays taxes on profits where our business activities take place. Understanding our business is key to understanding where Shell is taxed.**

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## OUR BUSINESS ACTIVITIES



Shell is a global group of energy and petrochemical companies with 82,000 employees and operations in more than 70 countries and a taxable presence in 99 jurisdictions.

We use advanced technologies and take an innovative approach to help build a sustainable energy future. We work collaboratively with customers, governments, business partners, investors and other stakeholders.

Shell is a customer-focused organisation, serving more than 1 million commercial and industrial customers, and around 32 million customers at more than 46,000 retail service stations daily.



Our strategy is to accelerate the transition of our business to net-zero emissions, purposefully and profitably. We aim to meet the world's growing need for more and cleaner energy solutions in ways that are economically, environmentally and socially responsible.

**Powering Progress** is our strategy to accelerate the transition of our business to net-zero emissions.

Powering Progress is designed to create value for our shareholders, customers and wider society. It has four main goals – generating shareholder value, achieving net-zero emissions, powering lives and respecting nature – which integrate sustainability with our business strategy. These goals support Shell's purpose, to power progress together by providing more and cleaner energy solutions.

Powering Progress is underpinned by our core values of honesty, integrity and respect for people, and our focus on safety including our commitment to doing business in an ethical and transparent way.

Shell is changing to be more focused, more resilient and more competitive – not just for the energy system of today, but for the energy system of the future.

## OUR ORGANISATION

Our operations are divided into our businesses: Upstream; Integrated Gas and Renewables and Energy Solutions (formerly New Energies); and Downstream. Our Projects & Technology organisation manages the delivery of Shell's major projects and drives our research and innovation.

### UPSTREAM

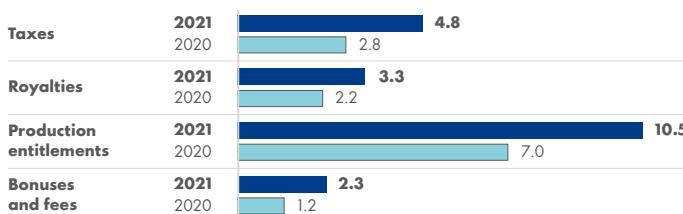
Upstream manages the exploration for and extraction of crude oil, natural gas and natural gas liquids. It also markets and transports oil and gas and operates infrastructure necessary to deliver them to market. We need to discover resources and negotiate their extraction with governments and other stakeholders before operations can begin. Despite significant advances in technology, exploration risks remain high. We do not always find the oil and gas that we are looking for and may have to write off early investment costs.

When we find resources, we expect to invest significant sums in the development stages of projects in order to build required facilities and infrastructure. It may be several years before we realise any revenues as projects move through development and into production. Upstream projects often span decades.

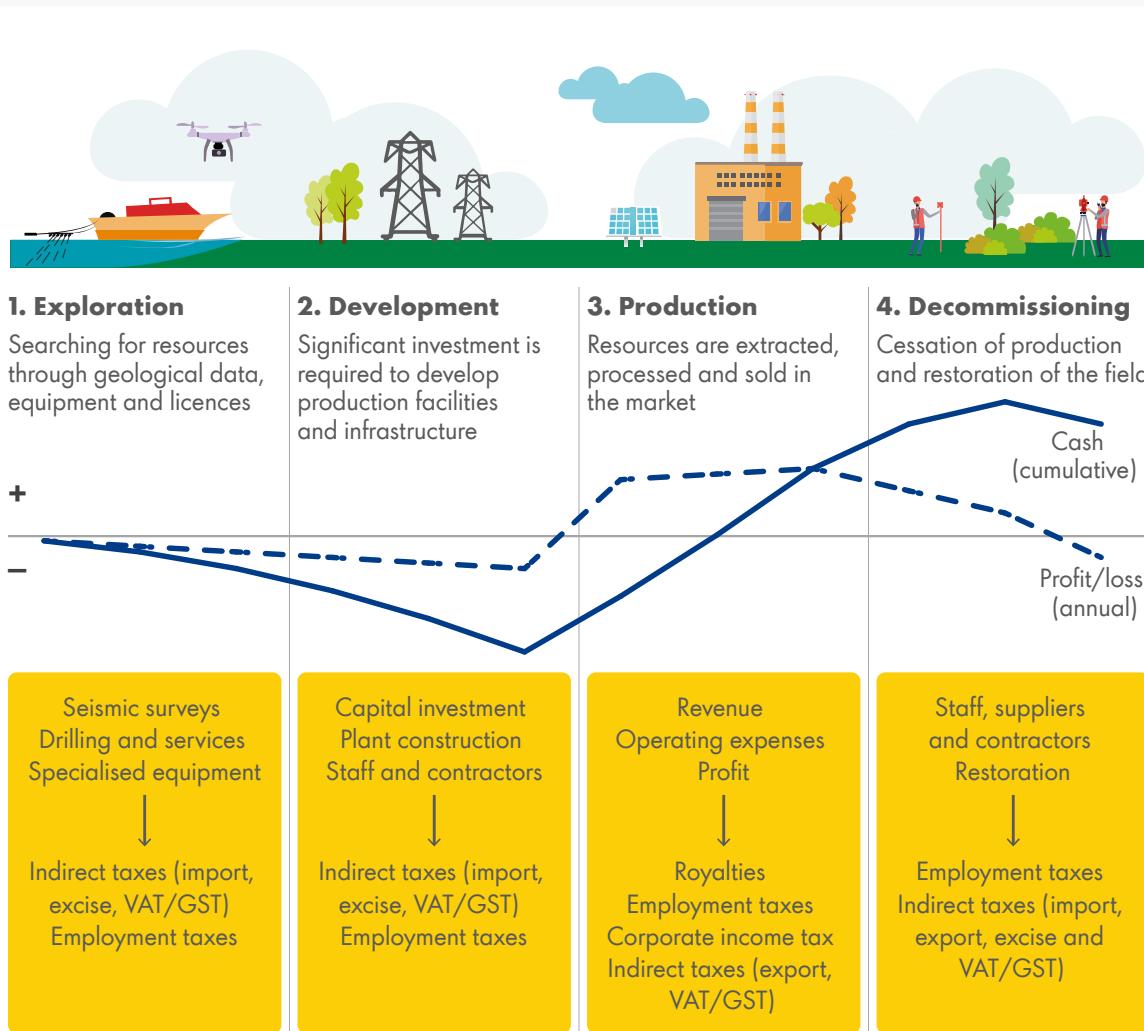
We are exposed to market risks, among others, over the lifetime of a project and this impacts the taxes we pay. Low oil or natural gas prices may sometimes mean that upstream activities incur losses even during a production phase. Equally, oil and gas prices can rise, just as they have as a result of the global energy crisis, and this can lead to higher-than-expected profits. In some countries, governments have responded to this by introducing some form of taxation on these (additional) profits, also known as windfall taxes. Read more in [Windfall taxes](#).

### OUR PAYMENTS TO GOVERNMENTS

in \$ billion [A]



[A] Includes payments made to governments in countries where we have upstream operations. Excludes payments related to other businesses.

**TAXES THROUGH THE BUSINESS CYCLE [A]**

[A] This is a simplified example of an upstream investment.



## DOWNSTREAM

Downstream manages different Oil Products and Chemicals activities as part of an integrated value chain that trades and refines crude oil, other feedstocks, and low-carbon molecules into a range of products which are moved and sold around the world for domestic, industrial and transport use. Our Downstream organisation serves around 32 million customers at more than 46,000 retail sites every day.

Downstream also trades crude oil, natural gas, liquefied natural gas (LNG), electricity, refined products, biofuels, chemical feedstocks and environmental products. Trading and Supply combines our network of trading companies, shipping and maritime capabilities and an integrated network of supply and distribution activities.

The products we offer customers include conventional fuels for road, aviation and shipping; low-carbon fuels such as biofuels, renewable natural gas (RNG), hydrogen and electric vehicle charging. We also produce and sell lubricants, bitumen, sulphur and petrochemicals worldwide. Downstream includes a new business created to help Shell's customers decarbonise in hard-to-abate sectors, which include shipping, aviation, steel and cement.

In 2021, Downstream earnings increased compared with 2020 but did not recover to pre-COVID-19 levels.

## INTEGRATED GAS, RENEWABLES AND ENERGY SOLUTIONS

Our Integrated Gas business manages liquefied natural gas (LNG) activities and the conversion of natural gas into gas-to-liquids (GTL) fuels and other products. It includes natural gas and liquids exploration and extraction, and the operation of infrastructure necessary to deliver gas and liquids to market.

The business markets and trades natural gas, LNG, electricity and carbon-emission rights. It also sells LNG as a fuel for heavy-duty vehicles and marine vessels.

In Renewables and Energy Solutions (formerly New Energies) we are exploring emerging opportunities and investing in those where we believe sufficient commercial value is available. We focus on new fuels for transport, such as advanced biofuels, hydrogen and charging for battery-electric vehicles; and power, including from natural gas and low-carbon sources such as wind and solar.

Global demand for natural gas rose by an estimated 4.6% in 2021 after the COVID-19 pandemic caused consumption to decline by around 1.2% in 2020, according to the International Energy Agency (IEA).

The rise in 2021 demand represented a return to the historical norms of growth for gas and was roughly the same as the pre-pandemic growth rate of 2019. The revival of economic growth underpinned the industrial uptake of gas, especially in China.

## PROJECTS & TECHNOLOGY

Our Projects & Technology organisation manages the delivery of our major projects and drives research and innovation to develop new technology solutions. It provides technical services and technology capability for our Integrated Gas and Renewables and Energy Solutions, Upstream and Downstream activities.

It is also responsible for providing functional leadership across Shell in the areas of safety and environment, contracting and procurement, asset management support, information and digital technology, wells activities and greenhouse gas management.

Projects & Technology mainly generates income from service fees. In our consolidated financial statements for 2021, the financial information for Projects & Technology is included in Upstream, Integrated Gas and Renewables and Energy Solutions and Downstream.

More than 25,000 people work in technology centres, offices and sites around the world for Projects & Technology, which has centres in the Netherlands, India, the USA and the UK.



## IN FOCUS

## PERNIS HEFA PLANT AND TAX

Shell is building a facility at its Pernis Energy and Chemicals Park in the Netherlands which will process feedstocks, such as vegetable oils, animal fats and waste oils, into renewable diesel for use in vehicles and sustainable aviation fuel for use in aircraft. The process is known as HEFA (Hydroprocessed esters and fatty acids) and the Rotterdam biofuels facility is expected to start production in 2024.

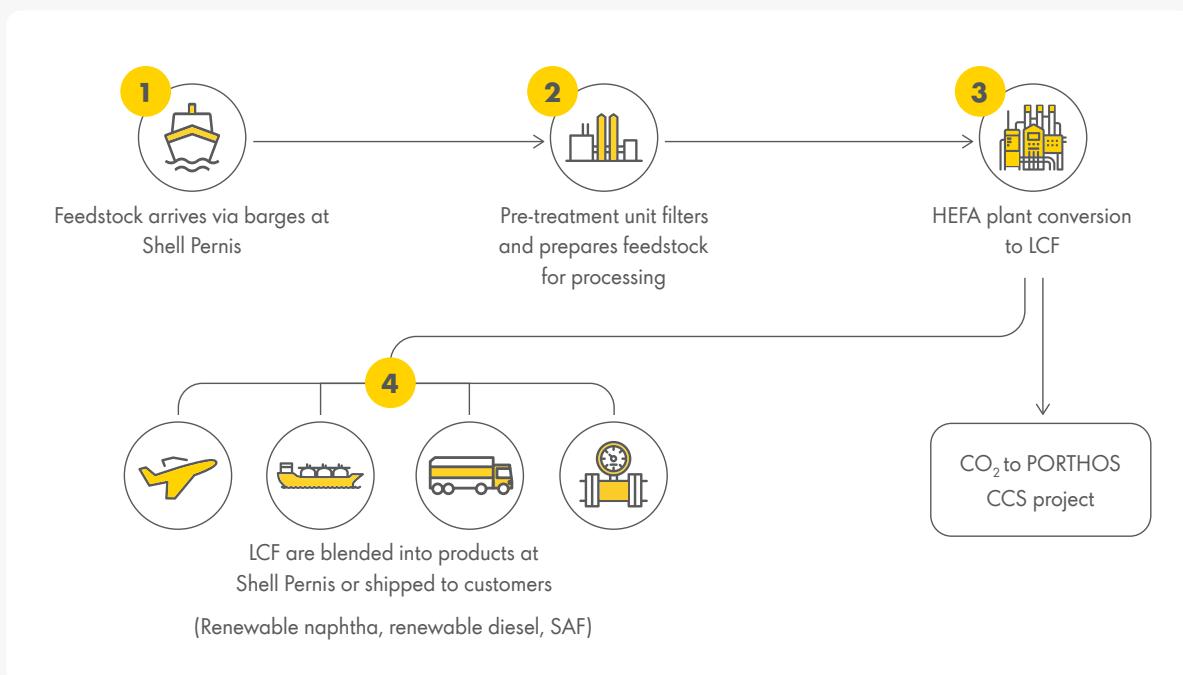
A secure supply of feedstocks is essential. Feedstocks will be sourced through offtake contracts with suppliers, equity investments and partnerships with third parties that have access to these materials. Factors such as availability, performance, regulatory constraints and sustainability will need to be considered.

Tax considerations will include: the structuring of equity feedstock investments; the financing and depreciation of the assets; and the transfer pricing of the new types of feedstock or product between different legal entities in the Group.

In addition, there are indirect tax issues to consider in terms of new transactions and movements arising from currently immature supply chains. We will need to ensure that these are correctly reflected in the relevant systems and processes. For example, in some cases businesses other than those using the fuel are prepared to fund any premium cost of a lower-carbon alternative as part of their contribution to decarbonising the sector. These new commercial realities must also be analysed and addressed from a tax perspective.

We expect to capture carbon emissions from the HEFA manufacturing process and store them in an empty gas field beneath the North Sea through the planned Port of Rotterdam CO<sub>2</sub> Transport Hub and Offshore Storage project (PORTHOS).

### HEFA TECHNOLOGY AT PERNIS



HEFA - Hydroprocessed esters and fatty acids

LCF - Low-carbon fuels

PORTHOS - Port of Rotterdam CO<sub>2</sub> Transport Hub and Offshore Storage

CCS - Carbon capture and storage

SAF - Sustainable aviation fuel



## IN FOCUS

## TAXATION OF RENEWABLE POWER

Shell's Renewables and Energy Solutions business develops and supplies energy from solar and wind to businesses and homes. We trade and market this energy directly to customers or use it ourselves, in line with Shell's target to become a net-zero emissions energy business by 2050.

As the energy transition unfolds, we expect the increase in the generation, trading and supply of renewable energy to impact the amount and type of taxes we pay in some countries. The type of customer, type of usage and the country where the supply and consumption take place could all impact taxes.

In some tax jurisdictions there may be tax incentives, such as subsidies, credits, exemptions and reduced rates to stimulate the generation and consumption of renewable power.



Shell's Renewables and Energy Solutions business develops and supplies energy from solar and wind to business and homes.



## TAXATION OF OUR BUSINESSES

Our tax data reflects the varied nature of our activities. We have a large portfolio of assets and businesses in different countries and at different stages of the business cycle, from start-up to decommissioning. The business model, the stage in the investment cycle and business performance drive much of our taxes paid.

Our business profits are closely linked to oil and gas prices and so are our taxes. When oil prices are higher, we see a greater proportion of profits being taxed at higher Upstream tax rates. When oil prices are lower, a lower overall effective tax rate (ETR) might be expected. Average oil and gas industry prices in 2021 were higher than in 2020 which resulted in higher earnings in our upstream business. This contributed to an ETR of 30.8% in 2021. Shell's ETR in 2020 of 20.1% was primarily influenced by asset impairments. Further details on our ETR can be found in the [Annual Report and Accounts 2021](#).

The Upstream and Integrated Gas businesses generate a significant part of our taxation charge. Governments often have specific oil and gas fiscal regimes with tax rates that are higher than those for other industries. Upstream and Integrated Gas projects have phases and our total tax fluctuates depending on the phase of a project. Our contributions to a country are not always included in the corporate income taxes reported. We may have agreed with governments to make payments as a share of the oil and gas we produce, through royalties or indirect taxes. Details of these payments are included in our Payments to Governments Report.

Developing our Renewables and Energy Solutions business is a key growth pillar of our strategy. We are growing our integrated power business, which covers everything from solar and floating wind farms, to producing green hydrogen and working with our customers to accelerate the transition to net-zero emissions. These activities are largely in the development phase and so will take time to generate significant taxable profits due to the investment costs involved. They share many characteristics with our Downstream business as they are typically subject to a country's standard tax regime.

Downstream includes the business activities for manufacturing and energy production, chemicals, transport and trading, and sales and marketing. These activities are usually taxed at a country's standard rate of corporate income tax. Downstream tax contributions are mainly driven by our physical presence in countries where we have refineries, chemical plants and retail sites.

In addition to corporate income taxes, we pay import and export duties and other tariffs on our transport and trading activities. Our retail activities handle large volumes of sales transactions, which incur consumption taxes and fuel duties. These are collected and paid to the authorities.

Manufacturing and energy production require a significant number of employees working in plants and refineries, raising revenues for governments through employment taxes.

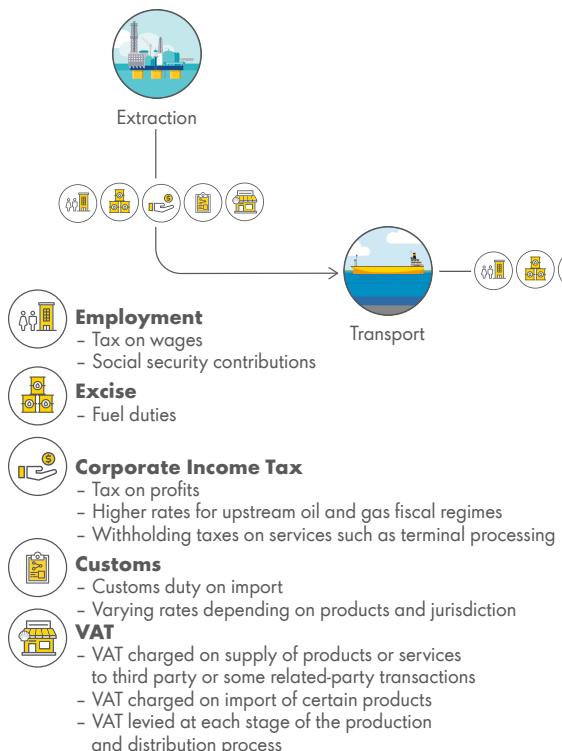
Companies in Projects & Technology pay taxes in the countries where they reside. The service fees they charge are typically tax deductible for the recipient as business costs, following local tax principles and rules.

Corporate covers the non-operating activities and central functions that support our businesses. The majority of the costs related to our headquarters and central functions are recovered from the business segments. Those costs that are not recovered are retained in Corporate.

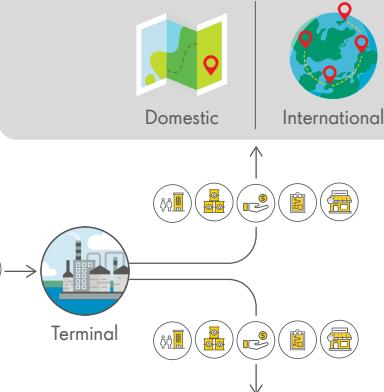


## TAX CONTRIBUTION ACROSS THE VALUE CHAIN

### SOURCING & PROCESSING



### TRADING

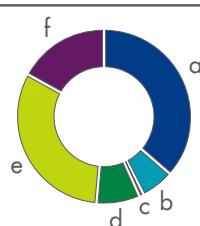


### CONSUMPTION



#### Example: what makes up the cost of fuel in the UK

**A litre of unleaded petrol**  
**164.94p**  
Average retail price



#### Tax as % of average retail price

|   | 49%                    |     |
|---|------------------------|-----|
| a | Wholesale petrol       | 37% |
| b | Bio content - E10      | 6%  |
| c | Delivery & oil company | 1%  |
| d | Retailer margin        | 8%  |
| e | Fuel duty              | 32% |
| f | VAT @ 20%              | 17% |

**A litre of diesel**  
**188.09p**  
Average retail price



#### Tax as % of average retail price

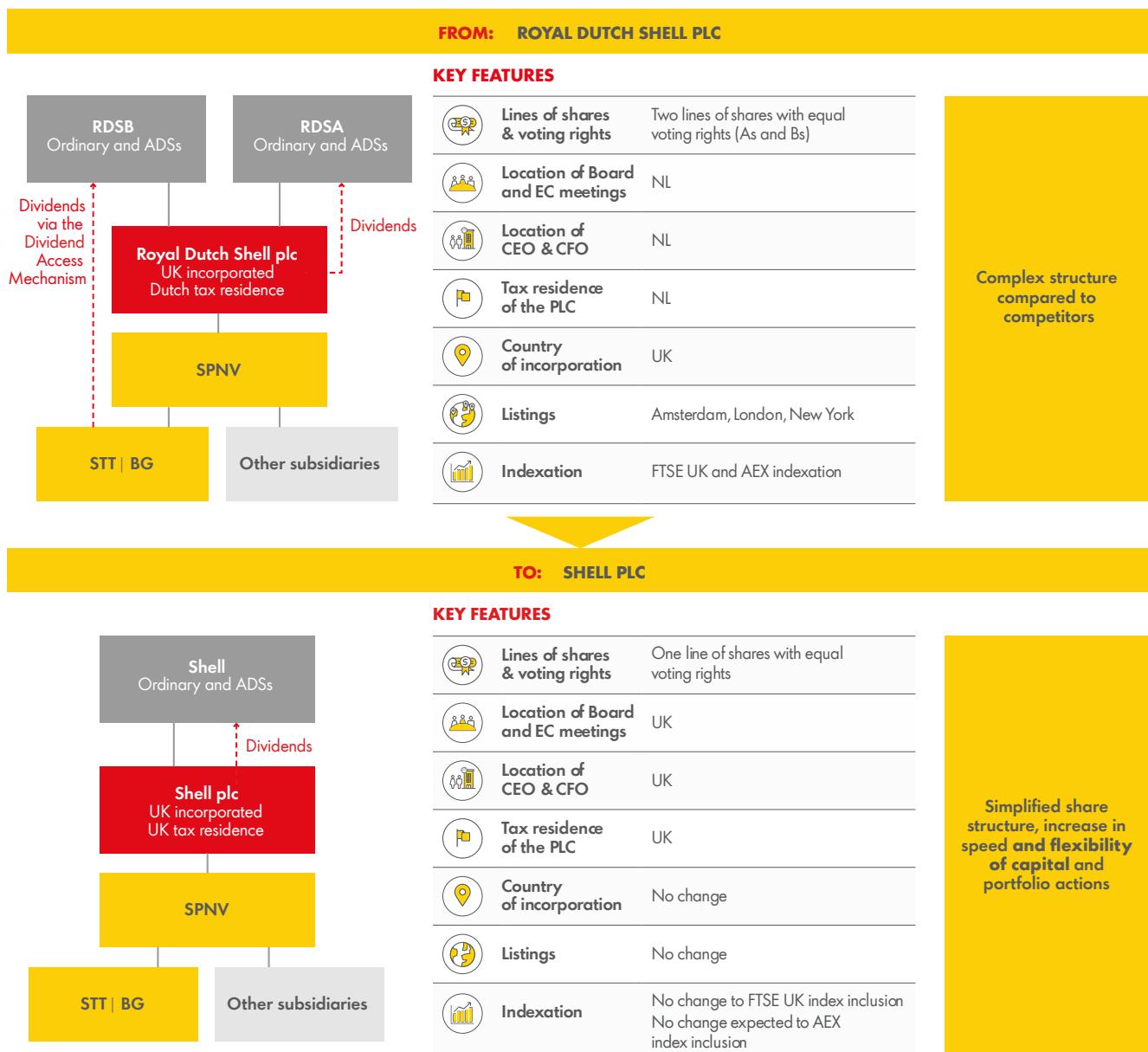
|   | 45%                    |     |
|---|------------------------|-----|
| a | Wholesale diesel       | 43% |
| b | Biofuel content - B7   | 9%  |
| c | Delivery & oil company | 1%  |
| d | Retailer margin        | 2%  |
| e | Fuel duty              | 28% |
| f | VAT @ 20%              | 17% |

Source: RAC Fuel Watch as per October 24, 2022



## SIMPLIFIED SHARE STRUCTURE

In November 2021, we announced plans to establish a single line of shares, and to align the tax residence of Royal Dutch Shell plc with its country of incorporation in the UK. Following overwhelming shareholder support, on December 31, 2021, the Board approved the key steps required to move the Company's tax residence to the UK and the Company's shares were assimilated on January 29, 2022, completing the simplification. The simplification entailed:



Further information, including a link to the shareholder circular released in 2021, can be found here [www.shell.com/simplification](http://www.shell.com/simplification).

Due to the timing of the tax residence move at the end of 2021 there was no impact on the tax information disclosed in this report. An overview of the applicable tax regime in 2021 can be found in the [Annual Report and Accounts 2021](#).



## IN FOCUS

## UK COUNTRY PROFILE

Shell has been present in the UK since 1897. During that time, we have played a major role in powering and fuelling the UK's industry, transport and homes. Our gas plants, pipeline systems and import terminals deliver more than 20% of the UK's gas supply, including substantial volumes piped from Norway. We also have a network of over 1,000 Shell-branded service stations and run the UK's largest public electric vehicle charging network, providing customers with access to a network of over 10,000 charging points.

### DECOMMISSIONING AND TAX

Some of our North Sea fields have reached the end of their life cycle and Shell's largest decommissioning project is the Brent oil and gas field, which lies in the North Sea between the UK and Norway. Preparation for decommissioning the four Brent platforms – Alpha, Bravo, Charlie and Delta – started in 2006.

We decommissioned Brent Delta in 2017 and Brent Bravo in 2019. In 2020, the Brent Alpha topside, the part of the platform that is visible above the sea, and the upper jacket, which supports the topside, were removed and sent for dismantling and recycling onshore. More than 97% of the Brent Delta topside has been recycled. Brent Charlie ceased production in 2021, and was the last of the four Brent platforms to produce.

Under UK tax law, the deduction for decommissioning costs is available only when the cash associated with decommissioning costs has actually been spent. If large sums of cash are spent on decommissioning in a year when insufficient income is generated by the business, this can result in a tax loss for that year. When this occurs, that loss is used to offset historical tax that has been paid in prior years and this results in a tax refund.

The total taxable profits over the field's lifetime will be the same as if deductions for decommissioning had been made during the production years. The refunds do not represent any additional subsidy or contribution towards decommissioning costs. The UK government has received more than £20 billion in tax revenues (in today's money) from the Brent oil and gas field since it started producing in 1976.

In 2021, Shell received a £42 million refund in respect of its Brent decommissioning activities. Decommissioning is due to be completed in 2024.



Shell's largest decommissioning project is the Brent oil and gas field, which lies in the North Sea between the UK and Norway



## CONTRIBUTING TO THE UK'S NET-ZERO GOAL

Shell is ready to play a significant role as the UK looks to bolster its energy security and move towards achieving net zero by 2050. In March 2022, Shell unveiled plans to invest £20-25 billion in the UK energy system over the next decade. More than 75% of this is intended for low- and zero-carbon products and services, including offshore wind, hydrogen, carbon capture, utilisation and storage (CCUS), and electric mobility. These investments are subject to Board approval and supporting policy.

Shell supplies electricity to around 1.4 million homes in the UK. At the beginning of 2022, Shell as part of a joint-venture, won bids to develop 5 gigawatts of floating wind power off the coast of Scotland, which could provide enough energy to power the annual equivalent of 6 million homes.

Shell also continues to invest in electric mobility infrastructure to support the UK's switch to electric vehicles.



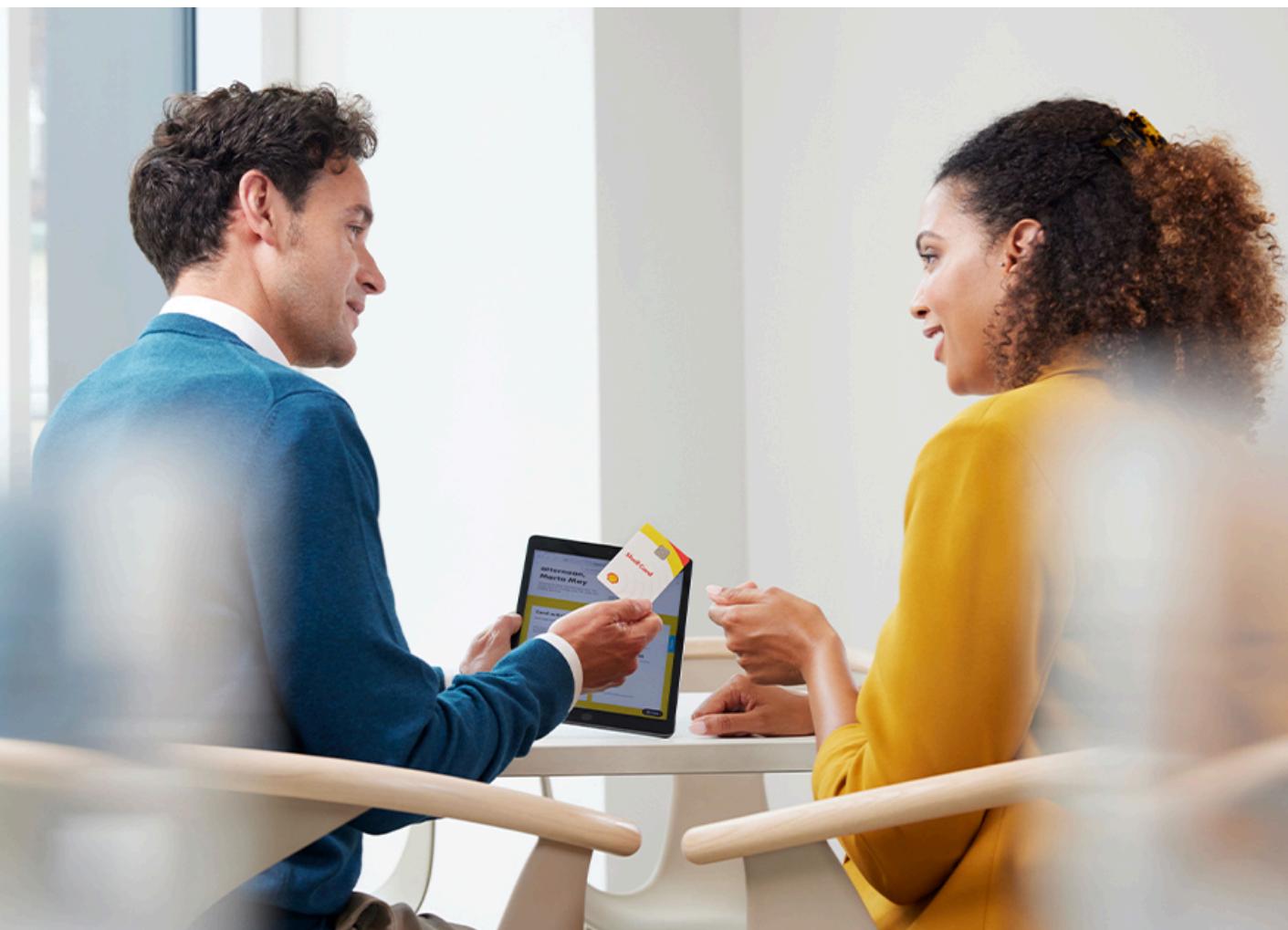
Shell supplies electricity to around 1.4 million homes in the UK.

Shell seeks to comply with existing UK tax legislation and any future taxes relating to the energy transition that the government may introduce.

## UK TAX OVERVIEW

There has been a significant change to the profile of taxes borne by the largest businesses in the UK over the last 15 years. UK revenues have moved away from being mostly dependent on profit-based taxes, such as corporate income tax. The UK increasingly earns revenues from business rates and taxes on property and people, primarily as a result of tax policy changes and economic conditions. The most significant include NIC employer contributions and irrecoverable VAT. Taxes not dependent on profit can provide a more stable source of revenue for governments.

Read more about Shell in the UK in [Total tax contribution](#), in [UK environmental taxes in Simplified share structure](#) and the [UK country page](#).



Our businesses are supported by many services, including information technology, finance, legal and human resources.

## INTRA-GROUP TRANSACTIONS

**Our businesses are supported by many services, including information technology, finance, legal and human resources. We organise most of these services centrally to share specialist expertise and make efficient use of resources.**

- 53** CENTRAL FUNCTIONS
- 53** ALLOCATION OF COSTS
- 54** INSURANCE
- 54** TREASURY
- 54** INTELLECTUAL PROPERTY
- 55** OUR APPROACH TO TRANSFER PRICING



## CENTRAL FUNCTIONS

Headquarters and central functions provide business support in communications, finance, health, human resources, information technology, legal services, real estate and security.

We centralise services to support our businesses and these services are located where the required skills and expertise are available. For example, central services could include a human resources team developing global training programmes or an information technology team purchasing software used across Shell.

Centralising services enables us to bring together and share specialised expertise and advice, while reducing costs. The costs of centralised services are incurred in direct support of business operations and need to be fairly charged to the Group entities benefiting from these activities. This is known as transfer pricing and is closely monitored by governments and tax authorities. They check that costs like these are charged appropriately and only once.

Read more in [Our approach to transfer pricing](#).

## ALLOCATION OF COSTS

Shell's centralised services and business service centres charge fees for services that provide a benefit for the receiving entities and which these entities would have been willing to pay a third party to provide. Shell's operating companies using centralised services pay a fee, which is based on the actual cost of providing the services.

The costs of these services need to be fairly charged to the entities benefiting from the services. All Group entities should bear their fair share of the costs. Costs are not excessively charged to entities in higher-tax jurisdictions where they could be deducted and used to manipulate taxable profit to a lower level.

In cases where there is just one recipient of a service, the entity pays a direct fee for the service it has received based on the actual cost of the service. However, if there are different entities receiving the same service, they share the cost. Their share is allocated proportionately based on an appropriate measure of the usage of the service, for example capital and operating expenditure, staff employed or orders processed. Shell's service cost allocation system, including the proportionate allocation of costs, is set up and operated in accordance with the guidance provided by the OECD.

### BUSINESS SERVICE CENTRES

Our businesses are supported by business service centres around the world. The choice of location for these centres is based on available expertise and costs which compare favourably with alternative outsourcing solutions. The centres provide significant employment opportunities with around 19,500 staff worldwide in 2021 (around 22,400 people employed, including contractors). Some of their activities benefit from local tax exemptions where, for example, certain employment levels are met.

### INFORMATION TECHNOLOGY

Information technology (IT) provides capabilities that improve the way we do business. IT services are centralised in India and Malaysia.

### HUMAN RESOURCES

Human resources focuses on reviewing, monitoring and guiding the business processes and systems that affect our employees, such as staff recruitment, on-boarding, retention and motivation. Human resources services are centralised in Poland, Malaysia and the Philippines.

### LEGAL

Legal provides expert advice on the activities of the businesses and functions. Legal services are centralised in Poland and Malaysia.

### FINANCE AND DATA OPERATIONS

Finance and Data Operations provides the businesses with access to reliable data and analysis of their financial profiles and performance, as well as accounting, tax return and billing services. Finance and Data Operations are centralised in Poland, the Philippines and India.



## INSURANCE

The oil and gas industry can face severe, low-frequency risks. Globally, there are few insurers who can insure appropriately against some of these risks. Shell – like other major oil and gas companies – self-insures most of its risk exposure.

Shell's principal insurance company, Solen Versicherungen AG (Solen), is based in Switzerland where we have qualified insurance specialists to manage our insurance activities. This includes underwriting, risk management, claims handling and balance sheet management. Solen does not outsource any of its critical business functions.

Solen offers a range of insurance products and services to Shell operating companies and joint-venture companies, including those that are not controlled by Shell. Solen's insurance policies are set with reference to policy terms, conditions and prices that are commercially available from external insurance companies operating in the energy sector.

Solen has a licence to conduct insurance business from the Swiss insurance regulator (the Swiss Financial Market Supervisory Authority, FINMA). FINMA's regulatory requirements for Solen are the same as for independent insurance companies.

Solen maintains the required level of capitalisation to comply with Swiss regulatory and rating agency requirements. Solen's capital is maintained at a level that ensures an 'A' rating from global credit rating agency AM Best. This is higher than the Swiss solvency requirements and allows Solen to enter into commercial arrangements with third-party insurance suppliers and joint-venture customers.

Solen uses robust methodologies and governance processes to assess, mitigate and manage the risk of its insurance, re-insurance and associated investment functions that provide a commercial benefit to Shell-controlled and some non-Shell-controlled operating companies.

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## TREASURY

Daily treasury operations include management of foreign exchange for the different currencies that are needed by Shell around the world. Treasury also advises on the financing of Group subsidiaries and joint ventures and manages the Group's surplus funds and external bank accounts. It is also responsible for issuing external and internal guarantees to ensure contractual and regulatory obligations are met and that Shell's licence to operate is maintained.

Oil, gas and renewables projects, which can take years to develop, need significant capital. Our operating companies require a balance between equity and long-term loan funding. We have capitalised Group lending entities in the Netherlands, the UK and Singapore to provide loan financing. We ended our Bermudan lending activities in mid-2020, after reviewing our presence in this low-tax jurisdiction.

Treasury reviews the funding needs of Shell's operating companies around the world on a case-by-case basis to ensure there is an appropriate mix of equity and debt. Treasury manages deposits from operating companies that generate cash. This cash, the returns from operating companies plus external debt, is used to provide long-and short-term funding including loans with interest due and paid as if these loans had been sourced from external financial markets or institutions.

Related-party lending, borrowing, guarantee offers and acceptance, and governance processes are decided by the boards of the Shell lending and borrowing companies respectively, independently and on a standalone basis.

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## INTELLECTUAL PROPERTY

Shell companies have access to specialist expertise in long-term brand building, consistent brand strategy and global marketing campaigns. Local operating companies focus on local execution and on shorter-term marketing strategies tailored to their markets.

Centralised services provide advice on all intellectual property including patents, industrial design, copyright and trademarks.



## OUR APPROACH TO TRANSFER PRICING

Transfer pricing (TP) refers to the setting of prices for goods and services sold between related entities within a group.

Shell applies the internationally recognised arm's length principle where profits from the sale of goods or services are allocated to the countries where the relevant economic activity takes place and cannot be artificially taken somewhere else. The arm's length principle ensures that individual group members are taxed on their transactions with each other just as if they were comparable independent enterprises operating in open markets.

Shell also follows the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (OECD TP guidelines), as incorporated in applicable local tax laws. The guidelines outline transfer pricing methods that can be used to apply the arm's length principle in practice. These methods are applied consistently across the Group.

Shell has a structured approach to transfer pricing accountabilities and responsibilities. The responsibility for transfer pricing matters lies with Shell's Global TP Team and Finance Operations (FO) TP Team. The Global TP Team provides support to Shell businesses, supports any engagement with tax authorities and provides guidance for projects. The FO TP Team focuses on compliance, including the preparation of documents according to OECD recommendations and country regulations.



Shell has a structured approach to transfer pricing.



We disclose tax data for countries and locations in which we have a taxable presence.

# OUR TAX DATA

**We disclose how much corporate income tax we pay in countries and locations where we have a taxable presence. This section provides a breakdown of our country-by-country reporting.**

- 57** INTRODUCTION TO CBCR
- 59** AFRICA
- 71** AMERICAS
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- 137** MIDDLE EAST
- 144** COUNTRIES WITH MINIMAL ACTIVITIES
- 145** OUR TAX DATA BY COUNTRY AND LOCATION



## INTRODUCTION TO CBCR

In this report, we disclose our country-by-country report (CbCR) data for countries and locations in which we have a taxable presence and where we report financial figures. Where CbCR report data are not available for this report, we have provided information from our Payments to Governments Report [A].

Our Payments to Governments Report also discloses other forms of payments. These include production entitlements, royalties, fees and bonus payments. Where made, these payments have been referenced under each applicable country.

We share more information about our presence and purpose in each country and location, as well as relevant financial data which help determine Shell's overall tax and economic contribution.

The OECD developed and implemented CbCR in 2017 and all large multinational enterprises are required to file reports with tax authorities.

The nature of our business varies and we can have more than one kind of activity wherever we are present. Under OECD rules, CbCR is prepared using aggregated financial data. It is therefore not always possible to draw conclusions about a single entity, business or venture.

This report shows aggregated country data for entities that are consolidated or proportionally consolidated in the Annual Report and Accounts 2021. We also include data for the Shell share of non-consolidated joint ventures and associates. These data are reported in the country where the entity holding the shares is based.

Shell uses International Financial Reporting Standards (IFRS) data and US dollars as the reporting currency in its CbCR. The main data source is the consolidated Group reporting system, but reliance is also placed on data from local accounting systems for specific items.

The financial information taken from our consolidated Group reporting system has been prepared under Shell's general financial controls. CbCR reports are not subject to an external audit, statement or opinion.

### CbCR DEFINITIONS

The OECD requires certain data to be included in CbCR. See below for definitions of the key country-by-country reporting terms.

#### Revenues

Revenues are disclosed as a split between those from related parties and those from third parties. For CbCR, third parties would include non-consolidated joint ventures and associates for the purposes of our Annual Report and Accounts 2021.

Third-party revenues include sales of products, interest income, dividend income and other income. Related-party revenues include transactions between consolidated Group entities. For example, related-party revenues arise if our Trading organisation buys oil or gas from our Upstream organisation and sells it to our Downstream organisation.

Within one country or location, many of these related-party transactions may occur, as Shell entities buy and sell goods, or provide and receive services, to or from each other. Shell includes all these transactions in its aggregated CbCR data. For example, feedstock could be sold to a refinery, refined and then processed further in a chemical plant before being traded by Shell. This can occur within one country or location. In this case, each of these sales between different entities would be counted as related-party revenues. These can represent large amounts.

#### Profit before tax

Profit or loss before tax is reported in Shell's Consolidated Statement of Income. Any share of profit or loss from non-consolidated joint ventures and associates is reported under the country where the entity holding the shares is based. This is the profit or loss calculated using Group accounting policies. Local statutory accounts may need to comply with local accounting standards which may be different. The local statutory accounting profit or loss is the basis for the calculation of taxable profits in individual countries or locations. Local tax laws are then applied to the profit or loss. Profit before tax shows the Group accounting result but not the profits subject to tax after compliance with local tax laws.

[A] Payments to Governments Report for 2021.



## Tax paid

This includes corporate income tax paid in 2021. In some cases, this may include payments made in relation to previous years or future years as tax payments are often made in arrears or in advance. It also includes accrued withholding taxes on dividend, interest and royalty payments to Shell entities. It does not include withholding taxes collected by Shell on dividends paid to shareholders.

## Tax accrued

This is the amount of corporate income tax for 2021 recorded as current-year tax in Shell's Consolidated Statement of Income. This also includes withholding tax accrued. It does not include prior-year adjustments, deferred tax or provisions for uncertain tax liabilities.

## Stated capital

This information is sourced from local statutory accounts and is the amount of money invested in return for shares.

The OECD rules require aggregated data, including for stated capital. This means that when a holding company invests in a subsidiary, which then invests in another subsidiary, all within the same country, each of those investments is counted and aggregated.

## Accumulated earnings

Accumulated earnings reflect the profits retained and not used for any other purpose, such as to pay dividends to shareholders.

## Number of employees

This is the average number of employees in the year, including permanent and temporary staff on long-term contracts. Some of our businesses are labour-intensive. Others, such as holding companies which hold shares in subsidiaries or joint ventures, are not.

## Tangible assets

The data reported in line with CbCR comprise property, plant and equipment and inventories as at the closing balance sheet date on December 31, 2021.



## AFRICA

## EGYPT

## 316 EMPLOYEES

|  |   |   |
|--|---|---|
| <b>Third-party revenues</b><br>\$1,615,494,135 | <b>Related-party revenues</b><br>\$62,548,970 | <b>Total revenues</b><br>\$1,678,043,106    |
| <b>Profit before tax</b><br>\$289,133,026      | <b>Tax paid</b><br>\$136,773,047              | <b>Tax accrued</b><br>\$133,760,519         |
| <b>Tangible assets</b><br>\$96,522,256         | <b>Stated capital</b><br>\$2,014,347          | <b>Accumulated earnings</b><br>\$84,515,473 |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Downstream
- Integrated Gas
- Trading and Supply

## SHELL'S FOOTPRINT

Shell has been present in Egypt since 1911 and is active in the exploration and production of oil and gas. Shell expanded its offshore activities in Egypt when it acquired BG Group in 2016. In 2021, Shell completed the sale of its upstream assets in Egypt's Western Desert for a base consideration of \$646 million and additional payments of up to \$280 million between 2021 and 2024, contingent on the oil price and the results of further exploration. The transaction was tax exempt under Egyptian law. After the divestment, Shell remains a contractor for 11 offshore production-sharing contracts (PSCs).

Shell's downstream activities in Egypt include the blending and marketing of lubricants.

## COUNTRY FINANCIAL ANALYSIS

Egypt's statutory corporate income tax rate was 22.5% in 2021 and the corporate income tax rate for the exploration and production of hydrocarbons was 40.55%. The taxable income of each concession and legal entity is determined separately under Egyptian law. Consequently, the Egyptian tax base differs from the consolidated profit before tax reported. Our [Payments to Governments Report for 2021](#) shows that Shell paid around \$34 million in bonuses.



## AFRICA

## KENYA

## 0 EMPLOYEES

| Third-party revenues<br>\$0     | Related-party revenues<br>\$0 | Total revenues<br>\$0       |
|---------------------------------|-------------------------------|-----------------------------|
| Profit before tax<br>\$(59,049) | Tax paid<br>\$0               | Tax accrued<br>\$17         |
| Tangible assets<br>\$0          | Stated capital<br>\$0         | Accumulated earnings<br>\$0 |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas

## SHELL'S FOOTPRINT

Shell inherited two UK-registered entities with Kenyan branches when it acquired BG Group in 2016. These branches explored two areas off the coast of Kenya through production-sharing contracts (PSCs). Exploration was unsuccessful and the PSCs lapsed on their expiry date, June 15, 2018. In 2021, the branches were in the process of deregistration.

## COUNTRY FINANCIAL ANALYSIS

Kenya's statutory corporate income tax rate was 30% in 2021. Shell's operations in Kenya in 2021 were limited and incurred losses, therefore no corporate income tax was due.



## AFRICA

## MAURITANIA

## 1 EMPLOYEE

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$0                  | \$739,602              | \$739,602            |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$(13,067,995)       | \$0                    | \$0                  |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$45,000,000         | \$0                    | \$0                  |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas

## SHELL'S FOOTPRINT

Shell established a presence in Mauritania in 2019 through Shell Exploration and Production Mauritania (C10) B.V. and Shell Exploration and Production Mauritania (C19) B.V. with registered branches in Mauritania. C19 was in the deregistration process in 2021. Shell has a 90% interest in two offshore blocks.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Mauritania is 25%, while the applicable tax rate for the branch activities is 27%. The loss figure in the table mainly decreased because of the completion of the C19 exploration activities. Both branches have incurred losses since inception and therefore do not yet pay corporate income tax.



## AFRICA

## MAURITIUS

## 0 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$0                  | \$0                    | \$0                  |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$(55,357)           | \$0                    | \$0                  |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$0                  | \$5,605,782            | \$81,258,473         |

## MAIN BUSINESS ACTIVITIES

- Holding investments

## SHELL'S FOOTPRINT

Shell has been active in Mauritius since the acquisition of Pennzoil in 2002. Shell has holding companies in Mauritius, which have investments in India and the Cayman Islands. The Indian oil and gas business was acquired as a result of the BG Group acquisition in 2016 and is run through BG Exploration and Production India Limited (BGEPIIL), an entity established in the Cayman Islands. BGEPIIL's production-sharing contract (PSC) with the Indian government ended in December 2019. Profits from the PSC are subject to tax in India. BGEPIIL is carrying out decommissioning activities in India.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Mauritius is 15%. The holding companies incurred a loss for 2021 and therefore no tax was paid.



## AFRICA

## MOROCCO

## 0 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$345                | \$0                    | \$345                |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$(994,914)          | \$0                    | \$0                  |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$0                  | \$0                    | \$0                  |

## MAIN BUSINESS ACTIVITIES

- Upstream

## SHELL'S FOOTPRINT

Shell Exploration et Production du Maroc GmbH (SEPM) operates through a local branch and was a non-operating partner in the Tanfit exploration concession (Shell interest 37.5%). In late 2020, SEPM exited the Tanfit concession.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Morocco is 10% to 37%, depending on type of activity and level of income. Shell in Morocco paid no taxes for the year 2021 because of a loss position as a result of the Tanfit exit. The company did not reach production stage, no revenue was obtained and only costs were incurred.



## AFRICA

## MOZAMBIQUE

## 0 EMPLOYEES

| Third-party revenues<br>\$0      | Related-party revenues<br>\$0 | Total revenues<br>\$0       |
|----------------------------------|-------------------------------|-----------------------------|
| Profit before tax<br>\$(408,888) | Tax paid<br>\$0               | Tax accrued<br>\$0          |
| Tangible assets<br>\$0           | Stated capital<br>\$0         | Accumulated earnings<br>\$0 |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas

## SHELL'S FOOTPRINT

Shell Mozambique B.V. (SMBV) established a representative office in Maputo in 2014 to support Shell's upstream and integrated gas activities in the country.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Mozambique is 32%. SMBV's representative office operations in the country are limited. SMBV has incurred feasibility and other related costs since inception and therefore does not yet pay corporate income tax.



## AFRICA

## NAMIBIA

## 4 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$451,813            | \$109,583              | \$561,396            |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$(2,274,917)        | \$6,724                | \$6,724              |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$106,379,530        | \$0                    | \$0                  |

## MAIN BUSINESS ACTIVITIES

- Upstream

## SHELL'S FOOTPRINT

Shell has an interest in an exploration licence in Namibia (Shell interest 45%) and is currently conducting exploration activities in its licence area with the objective of identifying commercial hydrocarbon resources.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Namibia for Shell is 35%. The loss figure in the table reflects exploration costs, for which there is no immediate tax relief. When the project starts production, these costs can be deducted against profits for tax purposes in compliance with local legislation.



## AFRICA

## NIGERIA

## 2,652 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$1,712,275,835 | <b>Related-party revenues</b><br>\$2,184,603,636 | <b>Total revenues</b><br>\$3,896,879,471       |
| <b>Profit before tax</b><br>\$1,437,120,707    | <b>Tax paid</b><br>\$488,979,948                 | <b>Tax accrued</b><br>\$726,148,679            |
| <b>Tangible assets</b><br>\$6,421,166,408      | <b>Stated capital</b><br>\$1,551,721,790         | <b>Accumulated earnings</b><br>\$2,341,273,158 |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas
- Supporting activities

## SHELL'S FOOTPRINT

Shell has been present in Nigeria for more than 60 years. Our activities include oil and gas exploration and production. Three businesses are wholly owned by Shell: The Shell Petroleum Development Company of Nigeria Limited (SPDC), which has a 30% participating interest in the SPDC joint venture (SPDC JV) and produces oil and gas in the Niger Delta and shallow offshore waters; Shell Nigeria Exploration and Production Company Limited (SNEPCo), which operates in the deep waters of the Gulf of Guinea; and Shell Nigeria Gas Limited (SNG), which provides gas to Nigerian industrial and commercial customers.

In addition, Shell Gas B.V. holds a 25.6% shareholding in Nigeria LNG Limited (NLNG), which produces and exports liquefied natural gas to Europe and other markets. All On Partnerships for Energy Access Limited (ALL ON) is wholly owned by SPDC and SNEPCo and was set up in 2016 as a company limited by guarantee for the purpose of closing the access to energy gap in Nigeria with a special focus on the Niger Delta area. In collaboration with its partners, ALL ON is increasing access to commercial energy products and services for off-grid communities in under-served and unserved areas of Nigeria.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Nigeria is 30%. The tax rate is 85% for onshore oil and gas operations and 50% for offshore operations. Shell has several oil and gas projects still in the exploration, development or construction phases. A recovery in global prices led to an improvement in 2021 figures compared with 2020. This is despite the negative impact on production caused by crude oil theft and OPEC quota reductions imposed in response to the global economic slowdown. Our [Payments to Governments Report for 2021](#) shows that Shell paid around \$4 billion in production entitlements, royalties and fees.

Read more in [Special topics](#) and [Our business](#).



## AFRICA

## SÃO TOMÉ AND PRÍNCIPE

## 0 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$1,056              | \$0                    | \$1,056              |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$(13,290,350)       | \$0                    | \$0                  |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$45,003,510         | \$0                    | \$0                  |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas

## SHELL'S FOOTPRINT

Shell has been active in São Tomé and Príncipe since 2019 when Shell São Tome and Príncipe B.V. acquired interests in two production-sharing contracts (PSCs) with the government for the offshore deep-water Blocks 6 and 11. Shell acquired the entity KE STP Company and with it additional interests in deep-water exploration Blocks 6 and 11 and interests in deep-water exploration Blocks 10 and 13. The acquisition was completed in December 2020 when KE STP Company, registered in the Cayman Islands, became a Group entity. KE STP Company is the operator of Block 11 and continues to explore for oil and gas in Blocks 6, 10 and 13. In November 2021, KE STP Company moved its domicile to Luxembourg and in December 2021, KE STP Company BV's domicile was moved to the Netherlands.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate for oil and gas companies in São Tomé and Príncipe is 30%. Losses reflect exploration costs, for which there is no immediate tax relief. When the project starts production, these costs can be deducted against profits for tax purposes in compliance with local legislation.



## AFRICA

## SOUTH AFRICA

## 484 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$3,565,252,920 | <b>Related-party revenues</b><br>\$246,516,370 | <b>Total revenues</b><br>\$3,811,769,290     |
| <b>Profit before tax</b><br>\$72,411,313       | <b>Tax paid</b><br>\$(5,947,072)               | <b>Tax accrued</b><br>\$585,288              |
| <b>Tangible assets</b><br>\$1,027,708,301      | <b>Stated capital</b><br>\$181,435,682         | <b>Accumulated earnings</b><br>\$607,693,812 |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Downstream

## SHELL'S FOOTPRINT

Shell has been present in South Africa since 1902. Shell has a wide network of retail sites and is active in commercial fuels, lubricants, aviation fuels, marine and upstream exploration. Shell also jointly owns the Shell & BP South African Petroleum Refineries (Pty) Limited refinery in Durban (Shell interest 50%). The refinery manufactures a variety of petroleum products including gasoline, diesel, paraffin, aviation fuel, liquid petroleum gas, base oil, solvents and marine fuel oil.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in South Africa is 28%.

In South Africa, corporate income taxes are paid in advance, based on estimated taxable income. The tax credit is mainly due to a disputed prior-year overpayment, which has since been refunded to Shell in 2022. Shell recorded profit before tax in 2021 as a result of increased economic activity following the lifting of COVID-19 restrictions and higher commodity prices.



## AFRICA

## TANZANIA

## 17 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$0                  | \$155,329              | \$155,329            |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$(15,190,061)       | \$65,445,902           | \$0                  |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$347,869,832        | \$26,859,684           | \$(37,462,797)       |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas

## SHELL'S FOOTPRINT

Shell has been active in Tanzania since 2010. Shell Exploration and Production Tanzania Limited (SEPTL) is a company incorporated in the UK with a branch registered in Tanzania. SEPTL is the operator of two offshore blocks (Blocks 1 and 4) and has a 60% interest in both. Shell Deepwater Tanzania B.V. (SDT) is a company incorporated in the Netherlands with a branch registered in Tanzania (SDT Tanzania) and a branch registered in Zanzibar (SDT-Zanzibar). SDT-Zanzibar began liquidation in 2021 and was closed in early 2022.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Tanzania is 30%. There was no corporate income tax due on regular business activities in the year. The tax paid in 2021 related to capital gains tax that resulted from restructuring activities. Our [Payments to Governments Report for 2021](#) shows that Shell paid \$245,000 in fees.



## AFRICA

## TUNISIA

## 308 EMPLOYEES

|  |   |  |
|--|---|--|
| <b>Third-party revenues</b><br>\$211,427,535 | <b>Related-party revenues</b><br>\$49,705,947 | <b>Total revenues</b><br>\$261,133,482       |
| <b>Profit before tax</b><br>\$89,207,527     | <b>Tax paid</b><br>\$28,074,332               | <b>Tax accrued</b><br>\$22,563,094           |
| <b>Tangible assets</b><br>\$9,184,466        | <b>Stated capital</b><br>\$195,727,025        | <b>Accumulated earnings</b><br>\$197,396,153 |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas

## SHELL'S FOOTPRINT

Shell has been present in Tunisia for almost 90 years. In 2011, Shell sold its downstream business but continued its upstream exploration. When Shell acquired BG Group in 2016, we became the owner of producing offshore gas fields and their supporting facilities, a liquefied petroleum gas extraction plant, pipelines, storage, and export terminals.

In 2022, we relinquished the Miskar concession to the government upon expiry.

## COUNTRY FINANCIAL ANALYSIS

In 2021, the statutory corporate income tax rate in Tunisia was 10% to 35%, with an additional 1% social solidarity contribution. A tax rate of 40% to 50% is applied to Shell's upstream operations. The taxable income of each concession and legal entity is determined separately under Tunisian law. The tax paid in 2021 includes payments for 2020. The taxable base in 2021 was similar to 2020 when an overall accounting loss resulted from the non-tax-deductible costs of impairments. Our [Payments to Governments Report for 2021](#) shows that Shell paid around \$17.9 million in royalties.



## AMERICAS

## ARGENTINA

## 176 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$367,926,973        | \$25,071,736           | \$392,998,710        |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$(161,446,860)      | \$386,037              | \$0                  |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$1,915,785,086      | \$1,555,218,663        | \$(938,665,599)      |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Trading and Supply
- Support activities

## SHELL'S FOOTPRINT

Shell has been present in Argentina since 1914. Shell performs upstream activities in the Neuquén basin, where it operates four blocks and participates in three blocks operated by other companies. Shell also has an interest in a block in the province of Salta. Additionally, Shell Argentina S.A. has exploration activities in three offshore blocks in the Cuenca Argentina Norte basin (South Atlantic): two are joint ventures with Qatar Petroleum, operated by Shell Argentina S.A., and a third is with Equinor and YPF, the National Oil Company of Argentina. In 2018, Shell sold its Argentinian downstream business to the Raízen Group, which is a joint venture between Shell and the Brazilian company Cosan. The Shell brand continues to be present in the country through a brand licence agreement with Raízen.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Argentina is 35%. Shell's upstream activities reported losses because of exploration and development costs incurred mainly in the Neuquén basin. The tax paid figure is related to social security payments.



## AMERICAS

## BAHAMAS

## 35 EMPLOYEES

|  |   |  |
|--|---|--|
| <b>Third-party revenues</b><br>\$7,033,174,262 | <b>Related-party revenues</b><br>\$14,517,154,542 | <b>Total revenues</b><br>\$21,550,328,803      |
| <b>Profit before tax</b><br>\$571,440,737      | <b>Tax paid</b><br>\$0                            | <b>Tax accrued</b><br>\$0                      |
| <b>Tangible assets</b><br>\$613,919,890        | <b>Stated capital</b><br>\$100,000                | <b>Accumulated earnings</b><br>\$1,477,479,773 |

## MAIN BUSINESS ACTIVITIES

- Trading and Supply

## SHELL'S FOOTPRINT

Shell has been present in the Bahamas since 2002, following the acquisition of Enterprise Oil. In 2019, Shell E&P Ireland Offshore Inc. was renamed Shell Bahamas Power Company Inc. (SBPC). SBPC is the designated company for the implementation of the proposed liquefied natural gas (LNG) regasification and power plant project in partnership with a Bahamas state-owned entity, Bahamas Power and Light Company Limited.

Since 2018, Shell also operates a crude oil business, Shell Western Supply and Trading Limited, which is registered in the Bahamas and serves West African and Latin American markets.

## COUNTRY FINANCIAL ANALYSIS

The Bahamas does not impose corporate income tax on international business companies operating in the country. However, international business companies pay indirect taxes and fees in the Bahamas.



## AMERICAS

## BARBADOS

## 0 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$139,018            | \$5,043                | \$144,060            |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$1,729,998          | \$0                    | \$0                  |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$0                  | \$775,771,000          | \$(303,513,732)      |

## MAIN BUSINESS ACTIVITIES

- Holding investments

## SHELL'S FOOTPRINT

Shell has had a presence in Barbados since 1982. In 2017, Shell acquired Chevron Trinidad and Tobago Resources SRL (a Barbados-incorporated entity, renamed Shell Trinidad and Tobago Resources SRL). Shell Trinidad and Tobago Resources SRL holds investments in LNG operations in Trinidad and Tobago. See [Trinidad and Tobago](#) for more details.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Barbados varies from 0% to 5.5%, depending on the type of business activity and level of income in the entity. Profits from the operations of Shell Trinidad and Tobago Resources SRL in Trinidad and Tobago are not taxable in Barbados. The main revenues of Shell in Barbados were associated with holding investments in LNG activities in Trinidad and Tobago. Barbados does not tax dividends and therefore Shell did not pay corporate income tax in Barbados. The increase in the profit before tax is primarily driven by a decrease in interest relating to outstanding loan balances and a reduction in currency exchange losses.



## AMERICAS

## BERMUDA

## 3 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$6,740,466          | \$6,766                | \$6,747,233          |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$(5,901,995)        | \$0                    | \$0                  |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$59,982             | \$3,292,555,894        | \$1,297,543,312      |

## MAIN BUSINESS ACTIVITIES

- Other support activities

## SHELL'S FOOTPRINT

Shell has been present in Bermuda for more than 70 years with reinsurance, lending and pension fund companies incorporated there. These companies manage activities, such as the filing of company accounts, collecting interest from loans and other administration.

We also have companies in Bermuda which have branches in the UAE, Brunei, Qatar, Malaysia, and Oman. This is because some countries do not allow foreign companies to establish corporate entities but do allow operations and activities through branches of entities registered or incorporated elsewhere.

## COUNTRY FINANCIAL ANALYSIS

Bermuda does not impose corporate income tax on companies which are resident there. Shell companies in Bermuda that have international activities through branches in other countries are subject to the applicable tax laws in the countries where those activities take place.

The decrease in 2021 revenues compared with 2020 is because Shell ended lending activities in Bermuda in 2021. Revenues were also lower because two entities that used to be based in Bermuda were liquidated in 2021, and a third was redomiciled to the UAE, where its core activities take place.



## AMERICAS

## BOLIVIA

## 42 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$126,492,449        | \$91,143               | \$126,583,592        |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$40,210,741         | \$0                    | \$0                  |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$316,239,184        | \$376,873,740          | \$(141,550)          |

## MAIN BUSINESS ACTIVITIES

- Integrated Gas

## SHELL'S FOOTPRINT

Shell has been present in Bolivia since 2016 when it acquired its Bolivian entities as part of the BG Group acquisition. Shell Bolivia Corporation, Sucursal Bolivia is a company whose main activity is the exploration, development and production of natural gas and associated liquids. Shell Bolivia Corporation is the sole shareholder of Shell Bolivia Corporation, Sucursal Bolivia. Shell Bolivia Corporation is incorporated in the Cayman Islands and is tax resident in the UK. Shell Bolivia Corporation's sole shareholder is BG Overseas Limited, a UK-registered entity. Shell Bolivia Corporation, Sucursal Bolivia is subject to tax in Bolivia and its tax is not reduced as a result of it being held through a Cayman Island company. Shell in Bolivia has stated it will not pursue further exploration in the Huacareta Block and in 2019 our contract for operating the La Vertiente Block expired. Shell also has a non-operator interest in the Caipipendi, Iñiguanu and Tarija XX West Blocks. Shell has stated it will not pursue further exploration in the Iñiguanu Block. Shell also has one legacy entity that is in the process of being liquidated: Pennzoil Bolivia S.A.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Bolivia is 25%. The revenues for 2021 were earned from sales to the Bolivian national oil company, Yacimientos Petrolíferos Fiscales Bolivianos. Shell in Bolivia made a profit during 2021 but paid no corporate income tax because it carried forward losses from previous years. Our [Payments to Governments Report for 2021](#) shows that Shell paid around \$1.03 million in fees.



## AMERICAS

## BRAZIL

## 832 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$658,470,281 | <b>Related-party revenues</b><br>\$8,269,292,793 | <b>Total revenues</b><br>\$8,927,763,074         |
| <b>Profit before tax</b><br>\$298,420,874    | <b>Tax paid</b><br>\$(33,080,971)                | <b>Tax accrued</b><br>\$38,063,157               |
| <b>Tangible assets</b><br>\$25,552,314,285   | <b>Stated capital</b><br>\$3,087,513,100         | <b>Accumulated earnings</b><br>\$(8,236,523,508) |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Downstream
- Renewables and Energy Solutions
- Trading and Supply

## SHELL'S FOOTPRINT

Shell has been active in Brazil since 1913 and has upstream, downstream and new energies activities. The acquisition of BG Group in 2016 made Shell one of the largest international investors in Brazil's conventional deep-water oil fields. In our Downstream business, we have a lubricants business and a 44% stake in Raízen, which manufactures sugar cane ethanol and supplies and distributes fuels. Raízen is one of the world's largest sugar cane ethanol producers, responsible for more than 2 billion litres per year.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Brazil is 34%. In 2021, the corporate income tax accrued by Shell Brasil Petroleo Ltda. ("SBPL") was reduced by the interest on capital paid to its shareholders. In 2021, SBPL also received a tax refund of more than \$30 million related to corporate income tax overpayments made in prior years. The increase in revenues is predominantly due to the higher oil price in 2021.

Our [Payments to Governments Report for 2021](#) also shows that SBPL paid \$2.3 billion in production entitlements, royalties, bonuses and fees.



## AMERICAS

## CANADA

## 3,361 EMPLOYEES

|   |   |  |
|---|---|--|
| <b>Third-party revenues</b><br>\$12,843,012,795 | <b>Related-party revenues</b><br>\$14,741,502,360 | <b>Total revenues</b><br>\$27,584,515,155        |
| <b>Profit before tax</b><br>\$1,773,404,160     | <b>Tax paid</b><br>\$(34,600,676)                 | <b>Tax accrued</b><br>\$33,356,590               |
| <b>Tangible assets</b><br>\$17,142,474,446      | <b>Stated capital</b><br>\$49,251,242,225         | <b>Accumulated earnings</b><br>\$(4,659,685,486) |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Downstream
- Integrated Gas
- Trading and Supply

## SHELL'S FOOTPRINT

Shell has been operating in Canada since 1911. Canada's downstream business is anchored in our Scotford Complex. With over 400,000 barrels per day in refining capacity (upgrader and refinery), Scotford is a large refining and petrochemical facility that includes a bitumen upgrader, an oil refinery, a chemicals facility and the Quest carbon capture and storage (CCS) facility. Shell's Sarnia Manufacturing Centre in Ontario includes a refinery and chemicals plant and has a daily production capacity of 85,000 barrels of crude oil. Shell also has trading and supply, aviation, sulphur, retail and lubricants businesses. In British Columbia, we produce natural gas at our Groundbirch asset, which has 479 producing wells and four gas plants. Our Alberta Light Tight Oil asset was divested in 2021. Shell also has a 40% interest in the LNG Canada joint venture, which is in the construction phase.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate for Shell in Canada was 24.16% in 2021. This is a combination of the federal tax rate of 15% and various provincial rates. The combined provincial rate is based on the annual allocation of salaries and revenue to each of the provinces in which Shell Canada conducts business. The difference between the statutory rate and actual taxes accrued or paid is because capital expenditures result in a deduction for tax depreciation several years in advance of the time at which revenue from production is earned. This means tax losses are generated early in a project, and would be used against the realisation of future revenues. The variation between the tax accrued and the tax paid is due primarily to the following: (i) a tax refund arising from the settlement of tax litigation relating to previous taxation years (on the tax paid side) and (ii) legal entities which were profitable in the year and for which no prior-year losses are available for offset (on the tax accrued side).

The revenue increase in 2021 is primarily due to higher realised oil and gas prices. In 2021, the profit before taxes compared to a net loss in 2020 was mainly driven by lower impairment charges, higher prices for oil, LNG and gas, and gains from the sale of assets.

Our [Payments to Governments Report for 2021](#) shows that Shell paid around \$4.7 million in royalties and fees.



## AMERICAS

## CAYMAN ISLANDS

## 0 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$0                  | \$0                    | \$0                  |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$(1,661,889)        | \$0                    | \$0                  |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$0                  | \$95,371,113           | \$(122,552,598)      |

## MAIN BUSINESS ACTIVITIES

- Holding investments

## SHELL'S FOOTPRINT

Shell has holding companies in the Cayman Islands. Shell acquired BG Exploration and Production India Limited (BGEPL) when it acquired BG Group in 2016. BGEPL is incorporated in the Cayman Islands and has a branch in India. Income earned by BGEPL is subject to tax in India. BGEPL's exploration and production activities in India ended in December 2019 and it is now carrying out decommissioning activities. Shell Bolivia Corporation is incorporated in the Cayman Islands and was also acquired from BG Group. It has investments in Bolivia that are subject to tax there. As part of a 2020 acquisition from Kosmos Energy, Shell acquired Portfolio Holdings in the Cayman Islands. Portfolio Holdings' three subsidiaries own interests in offshore blocks in São Tomé and Príncipe, Namibia and Suriname. KE Namibia Company is currently in liquidation. In 2021, Shell completed the moving of the domicile for KE STP Company (São Tomé and Príncipe) and KE Suriname from the Cayman Islands to the Netherlands.

## COUNTRY FINANCIAL ANALYSIS

The Cayman Islands does not apply a corporate income tax. The companies that remain incorporated in the Cayman Islands pay taxes where their activities take place.



## AMERICAS

## COLOMBIA

## 9 EMPLOYEES

|  |  |   |
|--|--|---|
| <b>Third-party revenues</b><br>\$11,036    | <b>Related-party revenues</b><br>\$931,466 | <b>Total revenues</b><br>\$942,502            |
| <b>Profit before tax</b><br>\$(24,543,288) | <b>Tax paid</b><br>\$1,278                 | <b>Tax accrued</b><br>\$0                     |
| <b>Tangible assets</b><br>\$16,994,272     | <b>Stated capital</b><br>\$22,411,236      | <b>Accumulated earnings</b><br>\$(81,649,744) |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas
- Other support activities

## SHELL'S FOOTPRINT

Shell has been active in Colombia since 1956. Today, Shell's upstream activities include six deep-water blocks. Five are active and one block is being liquidated.

Shell is also liquidating its trading and downstream businesses in Colombia. Trading ceased operations in March 2018 and the downstream business ceased operations in December 2019.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Colombia was 31% in 2021. The statutory corporate income tax rate was raised to 35% in January 2022.

We are investing in our upstream business in Colombia and therefore incurring costs. As a result, we have reported a loss and no corporate income tax is owed.



## AMERICAS

## MEXICO

## 163 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$1,308,078,460 | <b>Related-party revenues</b><br>\$525,164,901 | <b>Total revenues</b><br>\$1,833,243,361         |
| <b>Profit before tax</b><br>\$(302,316,313)    | <b>Tax paid</b><br>\$3,374,178                 | <b>Tax accrued</b><br>\$1,977,135                |
| <b>Tangible assets</b><br>\$541,778,496        | <b>Stated capital</b><br>\$1,453,163,370       | <b>Accumulated earnings</b><br>\$(1,014,199,935) |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas
- Downstream
- Trading and Supply

## SHELL'S FOOTPRINT

Shell has been active in Mexico since 1954 when it started as a chemicals business. In 2021, Shell's activities included nine deep-water blocks, one shallow-water block, 230 Shell retail sites and Shell-branded sites, the import and supply of gasoline/diesel, the sale of petrochemicals and lubricants through macro-distributors, a commercial fleet, a power trading business, and natural gas trading and supply.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Mexico is 30%. Losses in 2021 were predominantly a result of exploration costs and investment in downstream where margins were impacted by cost controls. In Mexico, tax is paid in instalments in advance during the year and any overpayments may be used to reduce the tax liability in future periods. Our [Payments to Governments Report for 2021](#) shows that Shell paid around \$38.8 million in fees.



## AMERICAS

## PERU

## 10 EMPLOYEES

|   |  |  |
|---|--|--|
| <b>Third-party revenues</b><br>\$23,490,618 | <b>Related-party revenues</b><br>\$3,312,427 | <b>Total revenues</b><br>\$26,803,046        |
| <b>Profit before tax</b><br>\$(338,481)     | <b>Tax paid</b><br>\$1,229,983               | <b>Tax accrued</b><br>\$0                    |
| <b>Tangible assets</b><br>\$12,605,604      | <b>Stated capital</b><br>\$5,992,308         | <b>Accumulated earnings</b><br>\$(1,493,613) |

## MAIN BUSINESS ACTIVITIES

- Downstream
- Other support services

## SHELL'S FOOTPRINT

Shell has had operations in Peru since 2014, selling liquefied natural gas (LNG) in the Peruvian market through Shell GNL Peru S.A.C. In addition, Shell Operaciones Peru S.A.C. provides advisory and support services to Shell's Peruvian activities.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Peru is 29.5%. The tax paid figure represents an estimated prepayment in respect of 2021 and also includes tax paid for 2020.



## AMERICAS

## PUERTO RICO

## 0 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$0                  | \$2,807                | \$2,807              |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$(426,725)          | \$0                    | \$1,000              |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$0                  | \$32,605,000           | \$(28,175,901)       |

## MAIN BUSINESS ACTIVITIES

- Support activities

## SHELL'S FOOTPRINT

Station Managers of Puerto Rico, Inc. (SMPR), wholly owned by The Shell Company (Puerto Rico) Limited, was sold to Shell Petroleum Company Limited in 2006. SMPR has no active operations but maintains a small reserve for potential residual financial obligations.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Puerto Rico is 37.5%. SMPR reported a small amount of revenue from interest earned. However, a loss before tax arose as a result of ongoing administrative and service costs, and no tax was paid.



## AMERICAS

## SAINT LUCIA

## 0 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$28,110,501         | \$0                    | \$28,110,501         |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$99,899,405         | \$0                    | \$0                  |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$0                  | \$1,286,523,848        | \$(993,928,544)      |

## MAIN BUSINESS ACTIVITIES

- Holding investments

## SHELL'S FOOTPRINT

Shell has been present in Saint Lucia since 2016 through investment holding companies inherited as part of its acquisition of BG Group, which began business there in 2002. These entities have interests in companies doing business in Trinidad and Tobago. See Trinidad and Tobago for more information. Our recent review of entities in low-tax jurisdictions included the holding companies in Saint Lucia for upstream and liquefied natural gas (LNG) operations in the Caribbean. Following the review, we consolidated the operations and simplified the holding structures. We identified four Saint Lucian entities for liquidation and completed these liquidations in 2021.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Saint Lucia is 30%. Shell does not pay corporate income tax in Saint Lucia because it earns dividend income from its investments. Saint Lucia does not tax dividends as they are paid from profits that have already been taxed in the country where the activities that generated the profits take place. Administrative activities relating to Saint Lucia are outsourced. Shell in Saint Lucia has no employees in the country. In the prior year, an overall loss before tax arose as a result of the asset impairments in Saint Lucia. In 2021, there was no impairment and the entity earned revenue in the form of dividend income and recorded its share of profit from its investment in LNG operations in Trinidad and Tobago.



## AMERICAS

## SURINAME

## 0 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$1,198              | \$0                    | \$1,198              |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$(3,546,907)        | \$0                    | \$0                  |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$77,288,815         | \$0                    | \$0                  |

## MAIN BUSINESS ACTIVITIES

- Upstream

## SHELL'S FOOTPRINT

Shell has been present in Suriname since December 2020 when it acquired a 33% stake in offshore Block 42 from Kosmos Energy. In December 2021, KE Suriname B.V. farmed into the Block 5 licence with Chevron Suriname Exploration Limited (the operator) and Paradise Oil Company N.V. KE Suriname BV has a 33.3% interest in the Block 5 licence during the exploration phase.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Suriname was 36% for 2021. We are investing in upstream operations and therefore we have reported a loss.



## AMERICAS

## TRINIDAD AND TOBAGO

## 458 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$509,662,793 | <b>Related-party revenues</b><br>\$618,354,013 | <b>Total revenues</b><br>\$1,128,016,806       |
| <b>Profit before tax</b><br>\$157,483,031    | <b>Tax paid</b><br>\$111,420,453               | <b>Tax accrued</b><br>\$111,696,759            |
| <b>Tangible assets</b><br>\$1,347,827,333    | <b>Stated capital</b><br>\$442,836,755         | <b>Accumulated earnings</b><br>\$(581,797,469) |

## MAIN BUSINESS ACTIVITIES

- Integrated Gas

## SHELL'S FOOTPRINT

Shell has been active in Trinidad and Tobago since 1913. Shell acquired Repsol's non-operated interest in Atlantic LNG in 2013 and the 2016 acquisition of BG Group further increased its footprint. Shell has exploration and production activities through operated and non-operated ventures, as well as gas and oil pipelines and LNG facilities.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Trinidad and Tobago is 30%. There is a separate tax regime for petroleum operations with a corporate income tax rate of 55%.

In Trinidad and Tobago, tax filings for companies operating under a production-sharing contract (PSC) are assessed according to the individual legal entity and asset block. In general, losses in one PSC may not be offset against profits arising elsewhere. Tax paid and accrued in 2021 is a result of profits made by the majority of our existing production assets. The increase in revenues is partly a result of the delivery of first gas in Block 5C in mid-July of 2021. Higher prices have also contributed to the rise in revenues.

Our [Payments to Governments Report for 2021](#) shows that Shell paid around \$234.9 million in production entitlements, royalties, bonuses and fees.



## AMERICAS

## UNITED STATES OF AMERICA

## 15,350 EMPLOYEES

|   |   |  |
|---|---|--|
| <b>Third-party revenues</b><br>\$83,312,781,992 | <b>Related-party revenues</b><br>\$86,193,840,345 | <b>Total revenues</b><br>\$169,506,622,337       |
| <b>Profit before tax</b><br>\$6,355,978,257     | <b>Tax paid</b><br>\$(35,602,042)                 | <b>Tax accrued</b><br>\$114,433,525              |
| <b>Tangible assets</b><br>\$55,729,679,451      | <b>Stated capital</b><br>\$322,572,012,669        | <b>Accumulated earnings</b><br>\$(3,816,354,371) |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Downstream
- Renewables and Energy Solutions
- Trading and Supply

## SHELL'S FOOTPRINT

Shell has been present in the USA for more than 100 years. Shell's primary exploration and production area is the Gulf of Mexico. We have a refinery in Louisiana, and chemical facilities in Pennsylvania, Louisiana and Texas. In 2022, Shell completed the sale of its refinery in Alabama. Our trading organisation buys and sells more than 5 million barrels of hydrocarbons and 10.5 billion cubic feet of natural gas every day. It also manages more than 10,000 gigawatts of power generation capacity, with a third coming from renewable sources. There are more than 13,000 Shell-branded retail sites in the USA and 2,100 Jiffy Lube locations. Shell is also investing in renewable and new energy solutions. We have eight light-duty hydrogen fuelling stations in California, with another under construction.

## COUNTRY FINANCIAL ANALYSIS

The federal statutory corporate income tax rate in the USA is 21%. The tax figure in 2021 includes the corporate income taxes paid to both the US federal and state governments which may relate to more than one tax-paying year. Operating losses incurred in previous years have been offset against earnings and this has resulted in a lower tax figure. These losses were the result of many factors, including investments in upstream, manufacturing and chemical businesses, which did not generate the profitability expected, as a result of low oil and gas prices. Our [Payments to Governments Report for 2021](#) shows that Shell paid around \$958.9 million in royalties and fees.

Read more in [Special topics](#) and [Our business](#).



## AMERICAS

## URUGUAY

## 1 EMPLOYEE

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$778,000            | \$2,104                | \$780,104            |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$337,845            | \$7,060                | \$7,060              |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$1,726              | \$16,701,984           | \$75,515,775         |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Downstream

## SHELL'S FOOTPRINT

Shell has been present in Uruguay since the acquisition of BG Group in 2016. BG (Uruguay) S.A. (BGU), a wholly owned Shell subsidiary, provides technical services and advice to Gasoducto Cruz del Sur S.A. under the concession agreement for the construction and operation of a pipeline between Punta Lara (Argentina) and Montevideo (Uruguay). In 2017, BGU agreed to relinquish three offshore exploration blocks to the Uruguayan government.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Uruguay is 25%. In 2021, BGU carried forward losses to offset 2021 profits. The offset resulted in no tax being due in 2021. However, Uruguayan law levies a minimum amount of corporate income tax which BGU paid.



## AMERICAS

## VENEZUELA

## 9 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$28,479    | <b>Related-party revenues</b><br>\$833,577 | <b>Total revenues</b><br>\$862,056             |
| <b>Profit before tax</b><br>\$(11,541,355) | <b>Tax paid</b><br>\$1,651,509             | <b>Tax accrued</b><br>\$1,593,013              |
| <b>Tangible assets</b><br>\$534,426        | <b>Stated capital</b><br>\$823,525,356     | <b>Accumulated earnings</b><br>\$(914,951,445) |

## MAIN BUSINESS ACTIVITIES

- Integrated Gas
- Support activities

## SHELL'S FOOTPRINT

Shell has been present in Venezuela for 109 years. In 2018, Shell divested its interest in the Petroregional del Lago non-operated venture and in 2019 sold its lubricants business. Shell has paused its business activities in Venezuela because of the strengthening of sanctions in 2019 and 2020.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate on our activities in Venezuela is between 15% and 34%. Tax paid in 2021 relates to withholding taxes on support services.



## ASIA-PACIFIC

## AUSTRALIA

## 2,510 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$6,296,763,211 | <b>Related-party revenues</b><br>\$8,346,634,121 | <b>Total revenues</b><br>\$14,643,397,332        |
| <b>Profit before tax</b><br>\$4,066,003,736    | <b>Tax paid</b><br>\$37,421,089                  | <b>Tax accrued</b><br>\$91,366,668               |
| <b>Tangible assets</b><br>\$28,514,967,881     | <b>Stated capital</b><br>\$58,067,925,946        | <b>Accumulated earnings</b><br>\$(5,248,364,644) |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas
- Renewables and Energy Solutions

## SHELL'S FOOTPRINT

Shell began operations in Australia in 1901. Shell has invested heavily in its Australian portfolio, which spans onshore and offshore natural gas and liquefied natural gas (LNG) exploration and development projects, power retailing, gas and solar power generation and trading, solar and onshore wind development, battery storage and carbon farming and abatement activities. Shell in Australia is comprised of two corporate income tax groups: Shell Energy Holdings Australia Limited and QGC Upstream Holdings Pty Ltd.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Australia is 30%. Shell's 2021 revenue rose largely because of higher prices and predominantly derived from sales of LNG, condensate, liquefied petroleum gas, domestic gas and power. The Shell Energy Holdings and QGC tax groups had lower taxable income than accounting profit after using capital allowances, carry-forward losses and incentive credits (for research and development, for example). The tax paid figure for 2021 includes payments relating to previous years. Our [Payments to Governments Report for 2021](#) shows that Shell also paid around \$276 million in royalties, fees and infrastructure improvements.



## ASIA-PACIFIC

## BRUNEI DARUSSALAM

## 5 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$205,511,550        | \$3,726,467            | \$209,238,017        |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$85,674,760         | \$35,949,831           | \$53,930,381         |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$332,924,780        | \$338,933,139          | \$7,711,871          |

## MAIN BUSINESS ACTIVITIES

- Upstream

## SHELL'S FOOTPRINT

Shell has been present in Brunei for more than 90 years and our activities are mainly carried out by non-Shell-operated joint-venture companies. The figures above are for Shell's wholly owned entities in Brunei that are active in exploration and production.

## COUNTRY FINANCIAL ANALYSIS

The statutory petroleum income tax rate in Brunei is 55%. Production-sharing contracts (PSCs) are assessed according to the individual legal entity or asset. This means that losses in one PSC may not be offset against profits arising elsewhere.

Our [Payments to Governments Report for 2021](#) shows that Shell paid around \$8.6 million in production entitlements and royalties.



## ASIA-PACIFIC

## CHINA

## 1,835 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$3,199,162,705 | <b>Related-party revenues</b><br>\$1,424,446,516 | <b>Total revenues</b><br>\$4,623,609,220       |
| <b>Profit before tax</b><br>\$430,106,824      | <b>Tax paid</b><br>\$117,929,125                 | <b>Tax accrued</b><br>\$89,077,673             |
| <b>Tangible assets</b><br>\$2,395,180,606      | <b>Stated capital</b><br>\$1,170,919,154         | <b>Accumulated earnings</b><br>\$1,338,225,293 |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas
- Downstream
- Trading and Supply
- Other support activities

## SHELL'S FOOTPRINT

Shell has been present in China for more than a century where it now has integrated gas, downstream and projects and technology activities. Downstream businesses in China, in particular retail, are highly regulated. In recent years the market has opened up as part of China's "open door" policy and our downstream business has experienced strong growth.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in China is 25% for both upstream and downstream businesses. Our corporate income tax in 2021 was mainly in relation to income from our growing downstream businesses. The accumulated earnings represent retained profits of downstream businesses, mainly lubricants and retail. The figures in the table reflect 21 companies, some of which are profit making and some of which have recorded losses. The tax paid figure is based on those companies which have made profits.



## ASIA-PACIFIC

## HONG KONG

## 163 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$1,229,136,872 | <b>Related-party revenues</b><br>\$150,211,375 | <b>Total revenues</b><br>\$1,379,348,247     |
| <b>Profit before tax</b><br>\$87,195,608       | <b>Tax paid</b><br>\$5,913,196                 | <b>Tax accrued</b><br>\$14,239,250           |
| <b>Tangible assets</b><br>\$704,893,771        | <b>Stated capital</b><br>\$258,310,829         | <b>Accumulated earnings</b><br>\$347,603,950 |

## MAIN BUSINESS ACTIVITIES

- Downstream
- Trading and Supply

## SHELL'S FOOTPRINT

Shell has been active in Hong Kong since 1913. Activities include the sale of fuels at more than 40 retail sites, the production of lubricants and the sale of aviation fuels and bitumen. Shell in Hong Kong does not carry out any activities outside of Hong Kong. Shell sold its liquefied petroleum gas (LPG) marketing business in Hong Kong to DCC Energy in 2017. Shell-branded LPG products will continue to be available in Hong Kong via a long-term brand licence agreement with DCC LPG.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Hong Kong is 16.5%. The tax paid figure reflects a payment for 2020 and a provisional payment for 2021.



## ASIA-PACIFIC

## INDIA

## 9,824 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$1,382,734,330 | <b>Related-party revenues</b><br>\$909,220,996 | <b>Total revenues</b><br>\$2,291,955,326     |
| <b>Profit before tax</b><br>\$109,387,646      | <b>Tax paid</b><br>\$4,002,405                 | <b>Tax accrued</b><br>\$48,115,759           |
| <b>Tangible assets</b><br>\$1,379,332,368      | <b>Stated capital</b><br>\$1,348,099,700       | <b>Accumulated earnings</b><br>\$211,953,717 |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas
- Renewables and Energy Solutions
- Downstream
- Trading and Supply
- Other support activities

## SHELL'S FOOTPRINT

Shell has been present in India for almost 29 years, mostly in downstream activities through Shell India Markets Private Limited. In 2008, Shell started its business operations and Projects & Technology activities. In 2019, Hazira Port Private Limited and Shell Energy India Private Limited (formerly known as Hazira LNG Private Limited) became 100% Shell-owned with integrated gas and trading and supply activities. Shell in India has interests in companies operating in downstream, solar power, electric vehicle charging and biofuels. In 2019, the 25-year production-sharing contract between Shell's BG Exploration and Production India Limited (BGEPIL) and the government of India ended. BGEPIL is carrying out decommissioning activities.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate for domestic entities in India is between 25% and 30%, depending on the type of business activity, profits and whether tax exemptions and deductions offered by India are claimed. The effective tax rate for foreign entities, such as BGEPIL, is 43.68%. Tax paid during the year relates to profits arising from business activities, including services rendered through Shell Business Operations and Projects & Technology. Shell claims tax exemption for its Shell Business Operations relating to information technology activities as they are located in a Special Economic Zone.

Read more in [Special topics](#) and [Our business](#).



## ASIA-PACIFIC

## INDONESIA

## 345 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$573,946,584 | <b>Related-party revenues</b><br>\$207,147,702 | <b>Total revenues</b><br>\$781,094,286         |
| <b>Profit before tax</b><br>\$(573,828,979)  | <b>Tax paid</b><br>\$(6,121,822)               | <b>Tax accrued</b><br>\$8,393,555              |
| <b>Tangible assets</b><br>\$596,855,617      | <b>Stated capital</b><br>\$972,235,620         | <b>Accumulated earnings</b><br>\$(212,400,869) |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas
- Downstream
- Trading and Supply
- Other support activities

## SHELL'S FOOTPRINT

Shell's presence in Indonesia goes back more than 100 years to when the discovery of crude oil in Sumatra led to the formation of Royal Dutch Petroleum Company.

Shell has upstream and downstream activities in Indonesia. Shell's downstream activities include the marketing of fuels, lubricants and bitumen. In its upstream activities, Shell is a partner of Inpex which operates the Masela production-sharing contract, including the Abadi gas fields. Shell has a 35% interest in the project.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Indonesia is 22%. In 2021, revenues rose as a result of higher prices and were mostly made in the Downstream business. Upstream activities are in the exploration phase and therefore did not make a profit. Shell in Indonesia reported a loss for 2021 as a result of an impairment in the value of Shell's interest in the Masela production-sharing contract.

The tax credit figure includes tax refunds for 2016 and 2019 received in 2021. The tax accrued figure represents a prepayment of corporate income tax for 2021. However, as taxable income will be offset by losses, any prepayment is expected to be refunded by the tax authority.



## ASIA-PACIFIC

## JAPAN

## 186 EMPLOYEES

|  |   |   |
|--|---|---|
| <b>Third-party revenues</b><br>\$679,754,405 | <b>Related-party revenues</b><br>\$96,205,814 | <b>Total revenues</b><br>\$775,960,218      |
| <b>Profit before tax</b><br>\$17,356,909     | <b>Tax paid</b><br>\$8,423,459                | <b>Tax accrued</b><br>\$3,422,088           |
| <b>Tangible assets</b><br>\$199,307,154      | <b>Stated capital</b><br>\$8,024,243          | <b>Accumulated earnings</b><br>\$21,754,636 |

## MAIN BUSINESS ACTIVITIES

- Downstream
- Integrated Gas
- Renewables and Energy Solutions
- Lubricants
- Other support activities

## SHELL'S FOOTPRINT

Shell has been an active player in Japan's energy industry for 120 years. We have been working with a range of Japanese partners and customers around the globe across our Upstream, Integrated Gas and Renewables Energy Solutions and Downstream businesses. Shell Japan started a power trading business in Japan in 2019. At the end of 2020, Shell acquired 100% of Shell Lubricants Japan (SLJ), including SLJ's activities at lubricants blending plants in Yokohama and Kobe, and research and development facilities in Atsugi.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Japan is 30.62%. The increase in revenues and profit in 2021 was mainly driven by the power trading business.



## ASIA-PACIFIC

## KAZAKHSTAN

## 312 EMPLOYEES

|   |  |  |
|---|--|--|
| <b>Third-party revenues</b><br>\$26,556,273 | <b>Related-party revenues</b><br>\$2,432,269,868 | <b>Total revenues</b><br>\$2,458,826,141 |
| <b>Profit before tax</b><br>\$1,169,061,315 | <b>Tax paid</b><br>\$200,134,312                 | <b>Tax accrued</b><br>\$200,965,054      |
| <b>Tangible assets</b><br>\$10,275,148,391  | <b>Stated capital</b><br>\$0                     | <b>Accumulated earnings</b><br>\$0       |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas
- Other support activities

## SHELL'S FOOTPRINT

Shell has been present in Kazakhstan since 1993. We have interests in the Karachaganak and Kashagan projects (Shell interest 29.25% and 16.81% respectively), which generate revenues from oil and gas sales. We also have a minority interest in the Caspian Pipeline Consortium, which transports oil to the coast of the Black Sea.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Kazakhstan is 20%. There are different tax rates for certain production-sharing agreements and subsoil use contracts. The tax rate is 30% for Kashagan and 33.5% for Karachaganak. The Kashagan project began production and started to generate revenues in November 2016 but continued to report taxable losses in 2021. Revenues from both projects fell in 2020 because of a significant drop in demand and prices as a result of the COVID-19 pandemic but recovered in 2021. The tax paid figure relates primarily to profit generated from the Karachaganak project which is also disclosed in our [Payments to Governments Report for 2021](#).



## ASIA-PACIFIC

## MACAO SAR

## 1 EMPLOYEE

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$44,941,110         | \$0                    | \$44,941,110         |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$11,759,753         | \$1,470,816            | \$1,411,170          |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$4,094,570          | \$375,756              | \$53,608,065         |

## MAIN BUSINESS ACTIVITIES

- Downstream

## SHELL'S FOOTPRINT

Shell has been present in Macao since 1989. Shell earns its revenues through business it conducts through locally appointed agents and dealers which operate retail sites and distribute lubricants and fuel products. The Shell company in Macao does not have activities or own any assets in Hong Kong. Shell in Macao has a small office and relies on administrative support from affiliate companies.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Macao is 12%. Profit is derived from downstream global marketing activities in Macao and tax on this is paid in Macao. Tax is paid in arrears. The tax paid in 2021 is on the taxable profits from previous years.

Tax accrued is the expected corporate income tax on profits arising in 2021 but is due and payable in 2022.



## ASIA-PACIFIC

## MALAYSIA

## 4,474 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$5,444,381,179 | <b>Related-party revenues</b><br>\$1,887,114,575 | <b>Total revenues</b><br>\$7,331,495,754       |
| <b>Profit before tax</b><br>\$1,015,246,528    | <b>Tax paid</b><br>\$306,408,067                 | <b>Tax accrued</b><br>\$300,046,131            |
| <b>Tangible assets</b><br>\$4,002,864,581      | <b>Stated capital</b><br>\$938,912,676           | <b>Accumulated earnings</b><br>\$2,146,581,567 |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas
- Downstream
- Trading and Supply
- Other support activities

## SHELL'S FOOTPRINT

Shell has been present in Malaysia since 1891 and is present in the upstream and downstream sectors. Shell has a number of production-sharing contracts (PSCs) for oil and gas production offshore Sarawak and Sabah. Downstream operates around 970 retail sites in the country. Shell MDS (Malaysia) Sendirian Berhad (Shell MDS) converts natural gas into gas-to-liquids products. Shell MDS produces a wide range of high-quality waxes, speciality chemicals and transport fuels, which are marketed to more than 50 countries.

## COUNTRY FINANCIAL ANALYSIS

Shell pays corporate income tax at the rate of 24% for downstream entities and petroleum income tax of 38% for upstream entities. Shell uses tax incentives offered by Malaysia. Some PSCs meet the criteria for the Investment Tax Allowance (ITA) incentive for qualifying capital expenditure incurred. In addition, the Marginal Field Tax Incentive (MFTI) provides accelerated capital allowances for expenditure incurred from years 2010 to 2024 and reduces the effective tax rate from 38% to 25% for qualifying fields. Revenues from third parties and profits for the year were higher due to the increase in the oil price, increase in volumes demand and higher demand for LNG. Our [Payments to Governments Report for 2021](#) shows that Shell paid around \$3 billion in production entitlements, royalties, bonuses and fees.



## ASIA-PACIFIC

## MYANMAR

## 0 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$0                  | \$126,704              | \$126,704            |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$(20,729,397)       | \$0                    | \$0                  |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$0                  | \$0                    | \$0                  |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas

## SHELL'S FOOTPRINT

Shell has been present in Myanmar since 2014. Since 2017, Shell and its partners have relinquished six of seven exploration permits and are in the process of relinquishing the permit for the remaining block which has no production or revenue.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Myanmar was 25% for most of 2021 and dropped to 22% with effect from October 1, 2021. Shell's Myanmar activities were in the exploration phase with no production to generate income and therefore no corporate income tax was owed.



## ASIA-PACIFIC

## NEW ZEALAND

## 0 EMPLOYEES

| Third-party revenues<br>\$0      | Related-party revenues<br>\$12,953 | Total revenues<br>\$12,953            |
|----------------------------------|------------------------------------|---------------------------------------|
| Profit before tax<br>\$(976,379) | Tax paid<br>\$(4)                  | Tax accrued<br>\$(0)                  |
| Tangible assets<br>\$13          | Stated capital<br>\$3,891,969,872  | Accumulated earnings<br>\$454,979,642 |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas

## SHELL'S FOOTPRINT

Shell had been present in New Zealand for more than 100 years but divested its downstream retail business in 2010 and its upstream assets in 2017 and 2018. A small number of dormant entities remain in New Zealand, as well as a head office of an entity which operates through a branch in Malaysia.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in New Zealand is 28%. Losses predominantly represent functional support charges and there are no business activities in New Zealand. In compliance with New Zealand law, taxes are calculated and paid to the relevant tax authorities for entities retained after the divestment in 2018.



## ASIA-PACIFIC

## PAKISTAN

## 398 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$1,409,894,389 | <b>Related-party revenues</b><br>\$954,469 | <b>Total revenues</b><br>\$1,410,848,857   |
| <b>Profit before tax</b><br>\$43,242,444       | <b>Tax paid</b><br>\$11,264,908            | <b>Tax accrued</b><br>\$12,704,524         |
| <b>Tangible assets</b><br>\$350,734,005        | <b>Stated capital</b><br>\$16,157,245      | <b>Accumulated earnings</b><br>\$9,160,932 |

## MAIN BUSINESS ACTIVITIES

- Downstream
- Trading and Supply

## SHELL'S FOOTPRINT

Shell has been present in Pakistan since 1947. Shell Petroleum Company Limited has a 76.11% interest in Shell Pakistan Limited. Shell Pakistan Limited has a wide retail network and sells petroleum products and compressed natural gas. It also blends and markets various kinds of lubricating oils.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Pakistan is 29%. The increase in revenue was primarily because of rising demand in 2021 compared with 2020. The overall sales volume jumped by 25%. The increase in the regulated prices of fuel also contributed to higher revenues.



## ASIA-PACIFIC

## PHILIPPINES

## 4,724 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$2,808,069,641      | \$274,856,313          | \$3,082,925,954      |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$345,636,238        | \$82,438,339           | \$56,819,567         |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$1,133,143,296      | \$596,298,826          | \$(314,473,004)      |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas
- Downstream
- Trading and Supply
- Other support activities

## SHELL'S FOOTPRINT

Shell has been present in the Philippines for more than 100 years. Shell has a 55% interest in Pilipinas Shell Petroleum Corporation (PSPC), which is engaged in the importation and marketing of gasoline, commercial fuels, and other petroleum products. PSPC is listed on the Philippine Stock Exchange. It has three import facilities and more than 1,100 retail sites.

In May 2021, Shell agreed to sell the company that operates and holds a 45% interest in the Malampaya gas project. The transaction was completed in November 2022.

Shell has a Business Operations Centre in the Philippines, which provides support services to other Shell companies, and Shell Energy Philippines supplies electricity.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in the Philippines is 25%. The total tax paid in 2021 has decreased compared with 2020, mainly because of tax credits for the upstream business from 2020. The credits resulted from the retroactive application of a reduced income tax rate. This was partly offset by an increase in advance tax payments for the downstream business where higher profits are expected because of the increase in oil prices and cost savings from the conversion of the refinery into the Shell Tabangao Import Facility. Our [Payments to Governments Report for 2021](#) shows that Shell paid around \$466.4 million in production entitlements.



## ASIA-PACIFIC

## RUSSIA

## 539 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$2,500,005,795 | <b>Related-party revenues</b><br>\$1,708,444,535 | <b>Total revenues</b><br>\$4,208,450,330     |
| <b>Profit before tax</b><br>\$246,048,426      | <b>Tax paid</b><br>\$68,265,466                  | <b>Tax accrued</b><br>\$53,452,774           |
| <b>Tangible assets</b><br>\$1,247,344,540      | <b>Stated capital</b><br>\$296,346,221           | <b>Accumulated earnings</b><br>\$326,298,656 |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas
- Downstream
- Trading and Supply
- Other support activities

## SHELL'S FOOTPRINT

Shell has been present in Russia since 1892 but left in 1918 when activities were nationalised, returning in 1983 to open a representative office. Shell started a lubricants business in Russia in 1992 and has been active in exploration and production, oil and gas transportation and marketing. In 2021, there were more than 400 Shell-branded retail sites in Russia and Shell has previously provided technical and advisory services to Russian companies. In March 2022, Shell plc announced its intent to withdraw from its involvement in all Russian hydrocarbons, including crude oil, petroleum products, gas and liquefied natural gas (LNG) in a phased manner, aligned with new government guidance.

Read more about Shell's actions in support of global economic measures against Russia.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Russia is 20%. The tax paid figure represents corporate income tax paid primarily by wholly owned Shell companies involved in downstream and trading activities. All the numbers provided are as at December 31, 2021 and therefore reflect the period before the decisions taken by Shell in 2022 with regard to its Russian businesses.



## ASIA-PACIFIC

## SINGAPORE

## 3,617 EMPLOYEES

|   |   |  |
|---|---|--|
| <b>Third-party revenues</b><br>\$38,135,992,987 | <b>Related-party revenues</b><br>\$46,546,223,669 | <b>Total revenues</b><br>\$84,682,216,656      |
| <b>Profit before tax</b><br>\$937,089,191       | <b>Tax paid</b><br>\$30,962,038                   | <b>Tax accrued</b><br>\$20,505,871             |
| <b>Tangible assets</b><br>\$10,139,101,251      | <b>Stated capital</b><br>\$11,363,033,039         | <b>Accumulated earnings</b><br>\$1,344,125,806 |

## MAIN BUSINESS ACTIVITIES

- Downstream
- Manufacturing
- Trading and Supply
- Support activities

## SHELL'S FOOTPRINT

Shell has been present in Singapore since 1891. Shell's activities include refining and manufacturing of petroleum and petrochemical products, lubricants and greases. Shell in Singapore also undertakes trading and supply of a range of energy products. Shell operates a network of retail sites in Singapore, including charging for electric vehicles; owns and operates ships, tankers and cargo carriers; and acts as an LNG marketing and trading business. There are also treasury operations, pension fund management and pension trustee services for Shell in Asia-Pacific.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Singapore is 17%. Shell in Singapore generates significant revenue but also incurs substantial operational costs. In 2021, profit continued to fall due to changes in market dynamics. Shell's manufacturing and chemical businesses in Singapore continued to make capital investments. Singapore allows current-year capital allowances on such investments and losses to be offset against the taxable profits of most entities. Tax accrued in one year is typically paid in the following year.

Singapore has granted some Shell companies tax incentives based on our contribution to the local economy, including local employment, local business expenditure and strategic partnerships with local industry participants.



## ASIA-PACIFIC

## SOUTH KOREA

## 130 EMPLOYEES

|  |   |   |
|--|---|---|
| <b>Third-party revenues</b><br>\$223,206,925 | <b>Related-party revenues</b><br>\$50,296,760 | <b>Total revenues</b><br>\$273,503,685      |
| <b>Profit before tax</b><br>\$22,935,036     | <b>Tax paid</b><br>\$7,577,247                | <b>Tax accrued</b><br>\$8,545,761           |
| <b>Tangible assets</b><br>\$52,989,279       | <b>Stated capital</b><br>\$17,946,809         | <b>Accumulated earnings</b><br>\$73,718,608 |

## MAIN BUSINESS ACTIVITIES

- Downstream
- Support activities

## SHELL'S FOOTPRINT

Shell has been active in the Republic of Korea since the early 1960s. Shell has various business activities in Korea including liquefied natural gas (LNG), lubricants and chemicals. We also provide technology licensing services to Korean refineries and the power sector. We have recently expanded our activities into offshore wind and environmental products trading.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Korea is progressive. The rates are 10% on the first 200 million Korean won (KRW), 20% for a tax base between KRW 200 million and KRW 20 billion, 22% for a tax base between KRW 20 billion and KRW 300 billion, and 25% for a base beyond KRW 300 billion. Profit is made predominantly from the downstream marketing business. The tax reflects the Korean tax payable on the profits. The revenue figure rose, while the profit figure dropped because the new entity, Shell Renewable Korea, is still in a loss-making stage of its business cycle.



## ASIA-PACIFIC

## TAIWAN

## 5 EMPLOYEES

|                                       |  |   |
|---------------------------------------|--|---|
| <b>Third-party revenues</b><br>\$0    | <b>Related-party revenues</b><br>\$1,549,185 | <b>Total revenues</b><br>\$1,549,185          |
| <b>Profit before tax</b><br>\$119,824 | <b>Tax paid</b><br>\$24,922                  | <b>Tax accrued</b><br>\$18,308                |
| <b>Tangible assets</b><br>\$0         | <b>Stated capital</b><br>\$889,743           | <b>Accumulated earnings</b><br>\$(73,969,737) |

## MAIN BUSINESS ACTIVITIES

- Other support activities

## SHELL'S FOOTPRINT

Shell's activities in Taiwan provide support services to Shell overseas companies. Shell owns no tangible assets in Taiwan.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Taiwan is 20%.



## ASIA-PACIFIC

## THAILAND

## 445 EMPLOYEES

|  |   |   |
|--|---|---|
| <b>Third-party revenues</b><br>\$2,367,224,464 | <b>Related-party revenues</b><br>\$87,620,909 | <b>Total revenues</b><br>\$2,454,845,372    |
| <b>Profit before tax</b><br>\$171,961,284      | <b>Tax paid</b><br>\$34,852,500               | <b>Tax accrued</b><br>\$35,697,348          |
| <b>Tangible assets</b><br>\$874,424,375        | <b>Stated capital</b><br>\$15,759,106         | <b>Accumulated earnings</b><br>\$29,103,747 |

## MAIN BUSINESS ACTIVITIES

- Integrated Gas
- Downstream
- Trading and Supply

## SHELL'S FOOTPRINT

The Shell Company of Thailand Ltd was established 130 years ago and its activities include downstream and integrated gas. Shell is strengthening its non-fuel retail businesses in Thailand and expanding retail sites across the country. In addition, the current focus area is also entry into LNG supply and cleaner energy.

## COUNTRY FINANCIAL ANALYSIS

Thailand has three different types of taxes: 20% corporate income tax on taxable profits, 10% branch profit remittance tax and a 50% petroleum income tax for integrated gas entities. Profit arising in 2021 is mostly from the Downstream business.



## ASIA-PACIFIC

## VIETNAM

## 79 EMPLOYEES

|   |  |   |
|---|--|---|
| <b>Third-party revenues</b><br>\$71,794,103 | <b>Related-party revenues</b><br>\$331,449 | <b>Total revenues</b><br>\$72,125,552       |
| <b>Profit before tax</b><br>\$13,827,641    | <b>Tax paid</b><br>\$1,760,663             | <b>Tax accrued</b><br>\$2,254,899           |
| <b>Tangible assets</b><br>\$22,629,783      | <b>Stated capital</b><br>\$14,322,034      | <b>Accumulated earnings</b><br>\$33,193,274 |

## MAIN BUSINESS ACTIVITIES

- Downstream

## SHELL'S FOOTPRINT

Shell Vietnam Ltd was established in 1995 and has sales and marketing operations, and lubricants production activities. Shell in Vietnam also has a network of third parties that distribute its products.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Vietnam is 20%. Tax is paid on a quarterly basis and during the finalisation of the financial year the taxes paid are reconciled. The tax accrued figure of \$2.2 million relates to provisional tax for 2021 payable in 2022. The tax paid comprises three instalments for 2021, and the fourth instalment and final payments for 2020.



## EUROPE

## ALBANIA

## 58 EMPLOYEES

| Third-party revenues<br>\$91,554    | Related-party revenues<br>\$(85,825) | Total revenues<br>\$5,729   |
|-------------------------------------|--------------------------------------|-----------------------------|
| Profit before tax<br>\$(41,791,391) | Tax paid<br>\$0                      | Tax accrued<br>\$0          |
| Tangible assets<br>\$289,868,454    | Stated capital<br>\$0                | Accumulated earnings<br>\$0 |

## MAIN BUSINESS ACTIVITIES

- Upstream

## SHELL'S FOOTPRINT

Shell has been present in Albania since 2012 and is exploring for oil and gas there through an Albanian branch of a Dutch company, Shell Upstream Albania B.V. In 2019, a new branch, Shell Albania Block 4 B.V., was set up to manage a new production-sharing contract.

## COUNTRY FINANCIAL ANALYSIS

The corporate income tax rate for oil and gas production in Albania is 50% and is determined by the production-sharing contract agreed with the Albanian government. The loss before tax is a result of exploration costs. As the fields have not been developed or started production there are no profits to tax. Our [Payments to Governments Report for 2021](#) shows that Shell paid around \$160,000 in fees.



## EUROPE

## AUSTRIA

## 78 EMPLOYEES

|  |   |  |
|--|---|--|
| <b>Third-party revenues</b><br>\$930,271,476 | <b>Related-party revenues</b><br>\$27,807,788 | <b>Total revenues</b><br>\$958,079,263       |
| <b>Profit before tax</b><br>\$36,224,907     | <b>Tax paid</b><br>\$3,154,727                | <b>Tax accrued</b><br>\$1,098,782            |
| <b>Tangible assets</b><br>\$177,953,640      | <b>Stated capital</b><br>\$210,439,851        | <b>Accumulated earnings</b><br>\$288,901,311 |

## MAIN BUSINESS ACTIVITIES

- Downstream
- Trading and Supply
- Upstream
- Integrated Gas

## SHELL'S FOOTPRINT

Shell has been present in Austria since 1923. Our downstream activities include around 270 retail sites and around half of these are owned and operated by Shell. Our activities also include a lubricants distribution network, aviation fuel supply and fleet solutions. Shell's upstream activities include the processing and distribution of petroleum products. Shell Austria Gesellschaft mbH held rights for exploration and production concessions in Egypt. These concession rights were divested in 2021.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Austria is 25%. Profits in 2021 were offset by carrying forward losses that arose from an impairment of a financial asset in 2012. Austrian tax law allows companies to offset 75% of annual tax profits by carrying forward losses and paying tax on the remaining 25%, in compliance with the minimum corporate income tax regime. The tax accrued and paid in 2021 relates to profits arising in 2020 and 2021 as corporate income tax in Austria is partly paid in arrears.



## EUROPE

## BELGIUM

## 301 EMPLOYEES

|  |  |   |
|--|--|---|
| <b>Third-party revenues</b><br>\$941,107,822 | <b>Related-party revenues</b><br>\$374,109,548 | <b>Total revenues</b><br>\$1,315,217,370    |
| <b>Profit before tax</b><br>\$55,852,817     | <b>Tax paid</b><br>\$18,090,885                | <b>Tax accrued</b><br>\$16,857,323          |
| <b>Tangible assets</b><br>\$304,867,044      | <b>Stated capital</b><br>\$120,908,175         | <b>Accumulated earnings</b><br>\$43,573,515 |

## MAIN BUSINESS ACTIVITIES

- Downstream
- Trading and Supply
- Projects & Technology

## SHELL'S FOOTPRINT

Shell has been present in Belgium since 1919 and operates a network of close to 270 retail sites across the country, serving around 55,000 customers every day. Shell in Belgium also has a network of six liquefied natural gas stations and offers its customers a wide range of lubricants and electric vehicle charging points. Shell's trading and supply activities include the supply of fuels to our downstream business and the purchase of products for sale to industrial and retail customers. Shell has two manufacturing units in Ghent, one for greases and one for catalysts. Shell also supplies jet fuel to aviation customers in Belgium.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Belgium is 25%. Corporate income taxes paid in 2021 were reduced by advance tax payments made in 2020.



## EUROPE

## BULGARIA

## 55 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$199,033,104 | <b>Related-party revenues</b><br>\$5,411,450 | <b>Total revenues</b><br>\$204,444,554       |
| <b>Profit before tax</b><br>\$1,528,838      | <b>Tax paid</b><br>\$603,409                 | <b>Tax accrued</b><br>\$242,928              |
| <b>Tangible assets</b><br>\$90,973,856       | <b>Stated capital</b><br>\$46,160,231        | <b>Accumulated earnings</b><br>\$(8,413,783) |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Downstream

## SHELL'S FOOTPRINT

Shell has been present in Bulgaria since 1991 and is mostly active in the downstream sector with a network of 107 retail sites across the country.

In 2016, Shell signed a licence agreement with the Ministry of Energy to explore for oil and natural gas in the Bulgarian continental shelf of the Black Sea.

In 2019, Shell International Exploration and Development Italia S.p.A., which has a Bulgarian branch, signed an agreement with two partners and began drilling its first oil and gas exploration well. However, results from the well were not satisfactory. In July 2021, the initial five-year period of the licence agreement expired. Shell International Exploration and Development Italia S.p.A. decided not to apply for extension of the licence and is in the process of deregistering the branch. Up to December 2021, Shell had directly invested almost \$74 million in oil and gas exploration in Bulgaria.

## COUNTRY FINANCIAL ANALYSIS

Bulgaria's statutory corporate income tax rate is 10%. Shell reported a 2021 loss as a result of upstream exploration costs. However, tax was paid on the profitable downstream activities.



## EUROPE

## CYPRUS

## 0 EMPLOYEES

| Third-party revenues<br>\$21,253,999 | Related-party revenues<br>\$0 | Total revenues<br>\$21,253,999 |
|--------------------------------------|-------------------------------|--------------------------------|
| Profit before tax<br>\$11,885,494    | Tax paid<br>\$3,188,100       | Tax accrued<br>\$3,188,107     |
| Tangible assets<br>\$180,749,492     | Stated capital<br>\$0         | Accumulated earnings<br>\$0    |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas
- Other support services

## SHELL'S FOOTPRINT

Oryx Caspian Pipeline, L.L.C., a Shell entity incorporated in the USA, has an interest in the Caspian Pipeline Consortium (CPC). CPC is a project to transport crude oil with the participation of public entities from Russia, Kazakhstan and other international oil companies. Oryx has a branch registered in Cyprus. In 2016, through its acquisition of BG Group, Shell acquired a UK-incorporated entity, BG Cyprus Limited, which has a branch in Cyprus. The entity holds an exploration and production licence in Cyprus but production has not yet commenced.

## COUNTRY FINANCIAL ANALYSIS

Cyprus has a statutory corporate income tax rate of 12.5%. In 2021, Oryx received its first dividend payment of around \$21.3 million.



## EUROPE

## CZECH REPUBLIC

## 72 EMPLOYEES

|  |  |   |
|--|--|---|
| <b>Third-party revenues</b><br>\$539,083,587 | <b>Related-party revenues</b><br>\$9,755,902 | <b>Total revenues</b><br>\$548,839,489      |
| <b>Profit before tax</b><br>\$7,058,079      | <b>Tax paid</b><br>\$586,722                 | <b>Tax accrued</b><br>\$1,341,035           |
| <b>Tangible assets</b><br>\$155,016,353      | <b>Stated capital</b><br>\$115,548,473       | <b>Accumulated earnings</b><br>\$21,001,876 |

## MAIN BUSINESS ACTIVITIES

- Downstream

## SHELL'S FOOTPRINT

Shell has been active in the Czech Republic since 1991 and has downstream activities. Shell Czech Republic a.s. has a network of 181 retail sites, provides mobility solutions for corporate clients through its fleet solutions division, supplies airports with aviation fuel and sells motor oils to corporate clients. Shell also sells natural gas to commercial customers.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in the Czech Republic is 19%. Tax paid includes corporate income tax on profits arising in 2020, as well as a prepayment of tax for 2021.



## EUROPE

## DENMARK

## 120 EMPLOYEES

|  |  |   |
|--|--|---|
| <b>Third-party revenues</b><br>\$726,789,781 | <b>Related-party revenues</b><br>\$231,125,105 | <b>Total revenues</b><br>\$957,914,886      |
| <b>Profit before tax</b><br>\$(189,583,894)  | <b>Tax paid</b><br>\$1,321,579                 | <b>Tax accrued</b><br>\$1,321,556           |
| <b>Tangible assets</b><br>\$0                | <b>Stated capital</b><br>\$173,811,145         | <b>Accumulated earnings</b><br>\$98,822,817 |

## MAIN BUSINESS ACTIVITIES

- Downstream

## SHELL'S FOOTPRINT

Shell has been active in Denmark since 1913. In 2021, the sale of A/S Dansk Shell, including the refining business and local trading activities, to PL ESG Denmark Co APS (Postlane Partners) was completed. Shell EP Holdingselskab Danmark ApS holds 100% of the shares in Shell Egypt NV. In 2022, Shell transferred all remaining investments, including the Shell Egypt NV shares, to other Shell entities and Shell EP Holdingselskab Danmark ApS is in the process of being liquidated.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Denmark is 22%. Margins in 2021 were not as high as they were prior to COVID-19. There were tax losses brought forward from earlier years but these could only be partially offset under limitations specified in Danish legislation hence a small tax liability remained.



## EUROPE

## FINLAND

## 22 EMPLOYEES

|   |  |  |
|---|--|--|
| <b>Third-party revenues</b><br>\$88,845,102 | <b>Related-party revenues</b><br>\$153,758 | <b>Total revenues</b><br>\$88,998,861      |
| <b>Profit before tax</b><br>\$229,873       | <b>Tax paid</b><br>\$0                     | <b>Tax accrued</b><br>\$45,973             |
| <b>Tangible assets</b><br>\$10,920,076      | <b>Stated capital</b><br>\$13,539,975      | <b>Accumulated earnings</b><br>\$7,066,025 |

## MAIN BUSINESS ACTIVITIES

- Downstream

## SHELL'S FOOTPRINT

Shell Aviation Finland Oy's activities include the purchase, sale, storage, transport and marketing of aviation fuels. The company has long-term sales contracts with customers.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Finland is 20%. The aviation sector was hit particularly hard by the COVID-19 pandemic and the numbers for 2021 show the beginning of recovery. No tax was paid due to a loss carried forward from previous years.



## EUROPE

## FRANCE

## 461 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$1,585,314,259 | <b>Related-party revenues</b><br>\$381,291,908 | <b>Total revenues</b><br>\$1,966,606,167     |
| <b>Profit before tax</b><br>\$30,893,132       | <b>Tax paid</b><br>\$262,872                   | <b>Tax accrued</b><br>\$847,234              |
| <b>Tangible assets</b><br>\$561,252,940        | <b>Stated capital</b><br>\$666,963,637         | <b>Accumulated earnings</b><br>\$422,534,905 |

## MAIN BUSINESS ACTIVITIES

- Downstream
- Renewables and Energy Solutions

## SHELL'S FOOTPRINT

Shell has been present in France since 1919. Our main operations involve the supply and marketing of petroleum products and services. Shell has 85 retail sites in France, a lubricants blending plant in Nanterre and a research centre for bitumen close to Strasbourg. In 2017, a new energies team was created to develop activities in renewable energy. Shell also has a number of interests in joint ventures and subsidiaries. In 2019, Société des Pétroles Shell SAS acquired EOLFI SAS (Eolfi), a leading international offshore floating wind developer. The main objective of the acquisition is to build up and reinforce Shell's new energy capabilities in floating offshore wind projects in France and other countries.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in France is 28.41% (including social contribution payments). Losses carried forward from the previous tax years are used to offset part of the current year's profit. Tax accrued includes local taxes which are based on turnover.



## EUROPE

## GERMANY

## 4,049 EMPLOYEES

|   |   |  |
|---|---|--|
| <b>Third-party revenues</b><br>\$20,223,131,787 | <b>Related-party revenues</b><br>\$11,950,276,580 | <b>Total revenues</b><br>\$32,173,408,368        |
| <b>Profit before tax</b><br>\$(54,604,370)      | <b>Tax paid</b><br>\$38,273,425                   | <b>Tax accrued</b><br>\$31,214,842               |
| <b>Tangible assets</b><br>\$4,620,560,115       | <b>Stated capital</b><br>\$1,541,724,501          | <b>Accumulated earnings</b><br>\$(5,583,649,281) |

## MAIN BUSINESS ACTIVITIES

- Downstream
- Trading and Supply
- Renewables and Energy Solutions
- Upstream
- Integrated Gas
- Other support activities

## SHELL'S FOOTPRINT

Shell has been present in Germany since 1902. We operate an extensive retail network; refine and supply transport and heating fuels, aviation fuels, petrochemicals and bitumen; and supply lubricants, power and natural gas. Shell is transitioning its oil and gas business towards more and cleaner energy solutions. The business is grouped together as Deutsche Shell Holding GmbH. Research and development are also undertaken by the Shell Technology Centre in Hamburg.

## COUNTRY FINANCIAL ANALYSIS

Shell companies in Germany are subject to a corporate income tax rate of 32%. Shell made a loss in 2019, 2020 and 2021. This was due to a number of reasons, including the transformation of existing businesses and a surplus of fuel supply in Europe which negatively impacted the refinery results. Demand and price levels are still below those seen before COVID-19. German tax law allows Shell to offset 60% of its yearly tax profits with a loss carry-forward and to pay a minimum tax on the remaining 40%. Shell in Germany continues with an overall loss carry-forward position.



## EUROPE

## GIBRALTAR

## 0 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$1,412,511          | \$0                    | \$1,412,511          |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$51,413             | \$8,109                | \$5,749              |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$0                  | \$0                    | \$0                  |

## MAIN BUSINESS ACTIVITIES

- Integrated Gas

## SHELL'S FOOTPRINT

Shell LNG Gibraltar Limited is an incorporated joint venture between Shell (Shell interest 51%) and the government of Gibraltar. It was set up for the purpose of constructing and operating the first liquefied natural gas (LNG) regasification terminal in Gibraltar, replacing diesel with LNG for power generation. The construction and operation of the terminal were managed by Gasnor AS, a former Shell company registered in Norway that was divested in 2021.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Gibraltar is 10%. The figures in the table represent Gasnor's branch activity in Gibraltar for the operation of the terminal.



## EUROPE

## GREENLAND

## 0 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$0                  | \$2                    | \$2                  |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$218,674            | \$0                    | \$0                  |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$0                  | \$595,130              | \$(158,671,344)      |

## MAIN BUSINESS ACTIVITIES

- Upstream

## SHELL'S FOOTPRINT

Shell Greenland A/S relinquished all offshore exploration licences held in the north-west and north-east of Greenland in 2016 and 2019, respectively. Plans for the liquidation of the company were put in place in 2021. Shell has no other activities or assets in Greenland.

## COUNTRY FINANCIAL ANALYSIS

Greenland's statutory corporate income tax rate is 25%. The profit before tax figure in the table relates to currency exchange earnings.



## EUROPE

## HUNGARY

## 81 EMPLOYEES

|  |   |   |
|--|---|---|
| <b>Third-party revenues</b><br>\$684,494,466 | <b>Related-party revenues</b><br>\$16,826,013 | <b>Total revenues</b><br>\$701,320,480        |
| <b>Profit before tax</b><br>\$(1,832,465)    | <b>Tax paid</b><br>\$1,941,205                | <b>Tax accrued</b><br>\$1,204,480             |
| <b>Tangible assets</b><br>\$122,610,937      | <b>Stated capital</b><br>\$43,578,430         | <b>Accumulated earnings</b><br>\$(21,937,983) |

## MAIN BUSINESS ACTIVITIES

- Downstream

## SHELL'S FOOTPRINT

Shell has been present in Hungary since 1925. Shell Hungary Zrt operates a network of 190 retail sites. Shell Hungary Zrt also provides mobility services through its commercial road transport division for corporate clients in Hungary and Romania. Shell Energy Europe BV has a licence to sell natural gas to commercial customers in Hungary.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Hungary is 9%. Tax paid relates to the taxable profits arising from the downstream business and the final settlement of 2020 tax liabilities, as well as prepayments for 2021.



## EUROPE

## IRELAND

## 0 EMPLOYEES

| Third-party revenues<br>\$0    | Related-party revenues<br>\$0 | Total revenues<br>\$0                 |
|--------------------------------|-------------------------------|---------------------------------------|
| Profit before tax<br>\$455,255 | Tax paid<br>\$0               | Tax accrued<br>\$0                    |
| Tangible assets<br>\$0         | Stated capital<br>\$1,380,977 | Accumulated earnings<br>\$(3,456,466) |

## MAIN BUSINESS ACTIVITIES

- Downstream

## SHELL'S FOOTPRINT

Shell is present in Ireland through its participation in Shell and Topaz Aviation Ireland Limited (Shell interest 50%). The principal activity of the company is the marketing and distribution of aviation fuels. Asiatic Petroleum Company (Dublin) Limited (APCDL) owns the remaining 50% of Shell and Topaz Aviation Ireland Limited.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Ireland is 12.5%. Profit before tax reflects the Shell share of Topaz profit booked in APCDL books. Taxes on this profit are already paid by Topaz.



## EUROPE

## ITALY

## 262 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$1,691,216,872 | <b>Related-party revenues</b><br>\$737,313,468 | <b>Total revenues</b><br>\$2,428,530,341         |
| <b>Profit before tax</b><br>\$30,257,209       | <b>Tax paid</b><br>\$826,987                   | <b>Tax accrued</b><br>\$21,040,918               |
| <b>Tangible assets</b><br>\$1,327,106,289      | <b>Stated capital</b><br>\$1,165,200,326       | <b>Accumulated earnings</b><br>\$(1,764,114,230) |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas
- Downstream
- Trading and Supply
- Other support activities

## SHELL'S FOOTPRINT

Shell has been present in Italy since 1912. In 2021, Shell's upstream activities include interests in the Val d'Agri and Tempa Rossa oil fields located in Basilicata. Shell's downstream operations include the production and sale of lubricants and the sale of natural gas and electricity.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Italy is 28%. Profit before tax was hit by impairments which are non-deductible for local tax purposes. Most of the tax on 2021 profits was paid in 2022. Arrears due to be paid in 2021 – calculated on previous year's tax charge – were limited as a result of the loss made by Shell in 2020. Our [Payments to Governments Report for 2021](#) shows that Shell paid around \$55.8 million in royalties and fees.



## EUROPE

## LUXEMBOURG

## 9 EMPLOYEES

|  |  |   |
|--|--|---|
| <b>Third-party revenues</b><br>\$300,528,470 | <b>Related-party revenues</b><br>\$1,040,151 | <b>Total revenues</b><br>\$301,568,621      |
| <b>Profit before tax</b><br>\$75,588,254     | <b>Tax paid</b><br>\$56,118                  | <b>Tax accrued</b><br>\$113,549             |
| <b>Tangible assets</b><br>\$159,747,735      | <b>Stated capital</b><br>\$31,280,848        | <b>Accumulated earnings</b><br>\$42,723,421 |

## MAIN BUSINESS ACTIVITIES

- Downstream
- Other support activities

## SHELL'S FOOTPRINT

Shell has been present in Luxembourg since 1920. Shell has 36 retail sites and a petroleum terminal in Luxembourg. Shell also supplies Luxembourg airport with aviation fuel. Shell is in the process of liquidating its Luxembourg entities which previously provided financing and hedging services to other companies within Shell.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Luxembourg is 17% (18.19% including an unemployment fund contribution). Companies also pay a municipal business tax rate of between 6.75% and 10.5%. Shell companies in Luxembourg reported a loss before tax in 2021 and the taxes paid are advance payments of the municipal taxes and the unemployment fund contribution.



## EUROPE

## NETHERLANDS

## 8,103 EMPLOYEES

|   |   |  |
|---|---|--|
| <b>Third-party revenues</b><br>\$28,341,141,944 | <b>Related-party revenues</b><br>\$60,400,262,872 | <b>Total revenues</b><br>\$88,741,404,816        |
| <b>Profit before tax</b><br>\$2,200,418,515     | <b>Tax paid</b><br>\$165,023,107                  | <b>Tax accrued</b><br>\$179,622,487              |
| <b>Tangible assets</b><br>\$8,650,840,152       | <b>Stated capital</b><br>\$202,265,563,387        | <b>Accumulated earnings</b><br>\$152,580,543,456 |

## MAIN BUSINESS ACTIVITIES

- Downstream
- Integrated Gas
- Renewables and Energy Solutions
- Upstream
- Trading and Supply
- Other support activities

## SHELL'S FOOTPRINT

Shell has been present in the Netherlands for more than 100 years. Our activities include retail sites, fast-charging sites for electric vehicles, a chemical complex, a technology centre and a refinery. Shell is also involved in the development of solar parks, wind farms and geothermal heat. In September 2021, Shell announced a final investment decision to build a biofuels facility at the Shell Energy and Chemicals Park Rotterdam. The facility will produce sustainable aviation fuel and renewable diesel made from waste. Shell has a 50% interest in Nederlandse Aardolie Maatschappij B.V. (NAM), which produces oil and gas. In the table, income relating to Shell's share of NAM is included in the profit before tax and accumulated earnings numbers.

In December 2021, Shell decided to move its tax residence to the UK, aligning it with its country of incorporation. The Hague still houses the headquarters of three of Shell's business divisions and many support services are also performed including trading, holding and treasury activities.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in the Netherlands is 25%. In 2021, Shell reported a loss before tax in the Netherlands of \$300 million. The profit before tax figure in the table includes the share of profit from certain joint ventures and associates held by Shell as required for country-by-country reporting. The tax paid of \$165 million and the tax accrued of \$179 million relate mainly to foreign withholding taxes. These are taxes incurred on dividends, interest and service fees received by Shell companies in the Netherlands. These taxes are mainly paid to foreign governments. Shell paid \$47 million in corporate income taxes and royalties in the Netherlands, of which \$33 million was paid through our 50% participation in NAM.

Read more in [Special topics](#) and [Our business](#).



## EUROPE

## NORWAY

## 451 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$828,777,636 | <b>Related-party revenues</b><br>\$2,791,710,237 | <b>Total revenues</b><br>\$3,620,487,872       |
| <b>Profit before tax</b><br>\$1,134,399,416  | <b>Tax paid</b><br>\$605,435,834                 | <b>Tax accrued</b><br>\$933,142,696            |
| <b>Tangible assets</b><br>\$974,365,935      | <b>Stated capital</b><br>\$95,282,713            | <b>Accumulated earnings</b><br>\$1,044,120,578 |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas

## SHELL'S FOOTPRINT

Shell has been present in Norway since 1912. The main activity of A/S Norske Shell is the exploration and production of oil and gas on the Norwegian continental shelf. The company is a partner in 20 production licences and operates nine of them. There are two Shell-operated fields which are producing: Ormen Lange (Shell interest 17.8%) and Knarr (Shell interest 45%). A/S Norske Shell plans to increase production from the Ormen Lange field through installing subsea compression. Production at Knarr will cease in 2022 and decommissioning will begin. The company also has an interest in the producing field Troll (Shell interest 8.1%), which is operated by Equinor. A/S Norske Shell is a partner in the Northern Lights carbon capture and storage (CCS) project. In 2021, Shell sold Gasnor AS.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Norway is 22%. There is an additional tax of 56% (2021) on the production and transportation of petroleum from the Norwegian continental shelf. Taxes are paid in instalments, with half due within the year in which income arises and the other half and final assessment in the year thereafter. The tax paid figure includes payments for 2020 and 2021. Our [Payments to Governments Report for 2021](#) shows that Shell paid around \$4 billion in production entitlements and fees.



## EUROPE

## POLAND

## 4,894 EMPLOYEES

|  |  |   |
|--|--|---|
| <b>Third-party revenues</b><br>\$1,495,145,261 | <b>Related-party revenues</b><br>\$359,716,197 | <b>Total revenues</b><br>\$1,854,861,458    |
| <b>Profit before tax</b><br>\$46,902,561       | <b>Tax paid</b><br>\$13,870,157                | <b>Tax accrued</b><br>\$9,986,878           |
| <b>Tangible assets</b><br>\$587,059,938        | <b>Stated capital</b><br>\$492,479,209         | <b>Accumulated earnings</b><br>\$48,333,646 |

## MAIN BUSINESS ACTIVITIES

- Downstream
- Other support activities

## SHELL'S FOOTPRINT

Shell Polska Sp. z o.o. was established in 1992 and operates around 440 retail sites in Poland, offers a wide range of oil products for transport and industry, as well as fleet solutions and services for transport. The company also runs Shell Business Operations (SBO) at its branch in Krakow. SBO employees provide Group companies with support, including financial, logistic, procurement, human resources and customer services. Between 2012 and 2020, Shell Polska invested more than \$515 million in Poland. In 2020, a new legal entity was established called Shell Mobility Polska Sp. z o.o. to sell convenience products at Shell retail sites. Shell Energy Retail Poland Sp. z o.o. provides customer service and IT support for Shell's energy operating companies in the UK.

In 2021, Shell acquired Next Kraftwerke, a virtual power plant operator. In Poland, Next Kraftwerke Sp. z o.o. is active in trading renewable electricity.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Poland is 19%. The tax paid figure includes corporate income tax paid on profits from 2020 and a prepayment of income tax for taxable profits arising in 2021. The SBO centre operates in a special economic zone which provides a partial tax exemption from corporate income taxes. The tax paid figure in the table excludes tax-deductible-loss provisions that we were able to use in our local tax return.

In 2021, the Ministry of Finance confirmed that Shell Polska Sp. z o.o. can apply unilateral advance pricing agreements for tax deductions on certain costs in line with the country's Cost Contribution Agreement.



## EUROPE

## ROMANIA

## 0 EMPLOYEES

| Third-party revenues<br>\$0      | Related-party revenues<br>\$4,154,231 | Total revenues<br>\$4,154,231       |
|----------------------------------|---------------------------------------|-------------------------------------|
| Profit before tax<br>\$(144,024) | Tax paid<br>\$33,023                  | Tax accrued<br>\$146,214            |
| Tangible assets<br>\$15,733      | Stated capital<br>\$2,071,963         | Accumulated earnings<br>\$(290,238) |

## MAIN BUSINESS ACTIVITIES

- Downstream

## SHELL'S FOOTPRINT

Shell has been in Romania since February 2021 and Shell Romania srl is active in promoting Shell fuel cards. The entity acts as an agent for Shell's Hungarian fuel cards business. Shell Romania srl also performs sales, customer support and debt collection activities in Romania through contract staff.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Romania is 16%. In its first operational year, Shell Romania registered an accounting loss. After performing corporate income tax adjustments, Shell Romania was in a taxable profit position caused by non-deductible expenses. As a general rule, the corporate income tax is calculated quarterly. The amount of tax paid reflects the corporate income tax paid for the third quarter. The amount of tax accrued reflects the income tax for the fourth quarter.



## EUROPE

## SLOVAKIA

## 33 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$331,372,706 | <b>Related-party revenues</b><br>\$518,761 | <b>Total revenues</b><br>\$331,891,467     |
| <b>Profit before tax</b><br>\$12,655,332     | <b>Tax paid</b><br>\$3,495,930             | <b>Tax accrued</b><br>\$2,670,154          |
| <b>Tangible assets</b><br>\$100,145,310      | <b>Stated capital</b><br>\$22,151,410      | <b>Accumulated earnings</b><br>\$(330,926) |

## MAIN BUSINESS ACTIVITIES

- Downstream

## SHELL'S FOOTPRINT

Shell has been active in Slovakia since 1991. Shell Slovakia s.r.o. was incorporated in 1993. Shell has a network of 88 retail sites across the country. Shell Slovakia also provides mobility solutions for corporate clients through its fleet solutions division, and supplies aviation fuel to the international airport in Bratislava. Shell Energy Europe Limited holds a licence to trade natural gas.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Slovakia is 21%. Profits are predominantly earned from retail operations. Tax paid in the table above includes corporate income tax on profits made in 2020 which was due in 2021, as well as a prepayment of tax in relation to 2021.



## EUROPE

## SLOVENIA

## 16 EMPLOYEES

|   |  |   |
|---|--|---|
| <b>Third-party revenues</b><br>\$81,054,618 | <b>Related-party revenues</b><br>\$6,468,070 | <b>Total revenues</b><br>\$87,522,688       |
| <b>Profit before tax</b><br>\$6,294,934     | <b>Tax paid</b><br>\$490,318                 | <b>Tax accrued</b><br>\$1,196,037           |
| <b>Tangible assets</b><br>\$12,450,561      | <b>Stated capital</b><br>\$2,902,050         | <b>Accumulated earnings</b><br>\$24,515,990 |

## MAIN BUSINESS ACTIVITIES

- Downstream

## SHELL'S FOOTPRINT

Shell has been present in Slovenia since 1994 and operates through Shell Adria d.o.o., a wholly owned subsidiary of the UK entity Shell Overseas Holdings Limited. Shell Adria's primary business activity is the sale of fuel via a network of nine retail sites. The company also provides Shell fleet solutions services in Croatia, Serbia, North Macedonia, Bosnia, Italy and Greece.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Slovenia is 19%. The 2021 tax paid figure includes final tax payments for 2020 as well as some tax refunds for previous years.



## EUROPE

## SPAIN

## 139 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$675,539,810 | <b>Related-party revenues</b><br>\$293,957,419 | <b>Total revenues</b><br>\$969,497,228           |
| <b>Profit before tax</b><br>\$8,660,213      | <b>Tax paid</b><br>\$1,032,525                 | <b>Tax accrued</b><br>\$755,394                  |
| <b>Tangible assets</b><br>\$54,979,470       | <b>Stated capital</b><br>\$54,379,467          | <b>Accumulated earnings</b><br>\$(1,244,408,382) |

## MAIN BUSINESS ACTIVITIES

- Downstream
- Trading and Supply

## SHELL'S FOOTPRINT

Shell has been active in Spain since 1920 and was the first foreign energy company established there. A network of Shell-branded retail sites operates across the country. These are owned and operated by third parties. Shell owns and operates a lubricants blending plant located in Tarragona. The plant supplies the Iberian market, North Africa and several Mediterranean countries.

## COUNTRY FINANCIAL ANALYSIS

The general statutory corporate income tax rate in Spain is 25%. Shell entities in Spain form a tax group where the dominant entity is Shell España, S.A. The tax paid figure reflects losses carried forward from prior years and we have used tax credits to reduce the tax liability. No tax was paid or accrued during 2020 as a result of a tax deduction claimed for costs that had been accounted for in previous years.



## EUROPE

## SWEDEN

## 6 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$71,245,388         | \$649,900              | \$71,895,288         |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$2,169,272          | \$0                    | \$442,901            |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$6,606,327          | \$28,122,901           | \$(5,464,066)        |

## MAIN BUSINESS ACTIVITIES

- Downstream

## SHELL'S FOOTPRINT

Shell Aviation Sweden AB performs activities such as the purchase, sale, storage, transport and marketing of aviation fuels. The company serves several airports in Sweden with most activity taking place in Stockholm and Gothenburg.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Sweden is 20.6%. The aviation sector was hit particularly hard by the COVID-19 pandemic. No tax was paid due to a loss carried forward from previous years.



## EUROPE

## SWITZERLAND

## 111 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$915,849,899 | <b>Related-party revenues</b><br>\$1,218,822,524 | <b>Total revenues</b><br>\$2,134,672,423       |
| <b>Profit before tax</b><br>\$1,145,042,331  | <b>Tax paid</b><br>\$175,616,683                 | <b>Tax accrued</b><br>\$59,551,296             |
| <b>Tangible assets</b><br>\$298,501,351      | <b>Stated capital</b><br>\$77,170,702            | <b>Accumulated earnings</b><br>\$4,358,032,534 |

## MAIN BUSINESS ACTIVITIES

- Downstream
- Trading and Supply
- Other support activities

## SHELL'S FOOTPRINT

Shell has been active in Switzerland for more than 100 years. Shell markets fuels and operates a large network of retail sites. Shell's activities also include the production of lubricants and the sale of bitumen and aviation fuels. Shell conducts financial and insurance activities, and trademark management and licensing services.

## COUNTRY FINANCIAL ANALYSIS

In the Canton of Zug, where Shell is based, the combined regional and federal tax rate was around 12% for 2021. The reduced related-party revenues in 2021 compared with 2020 were mainly due to lower income from insurance premiums and trademark royalty payments.



## EUROPE

## TURKEY

## 627 EMPLOYEES

|  |  |  |
|--|--|--|
| <b>Third-party revenues</b><br>\$5,588,495,120 | <b>Related-party revenues</b><br>\$516,443,091 | <b>Total revenues</b><br>\$6,104,938,211     |
| <b>Profit before tax</b><br>\$69,743,442       | <b>Tax paid</b><br>\$26,602,032                | <b>Tax accrued</b><br>\$36,356,068           |
| <b>Tangible assets</b><br>\$559,742,745        | <b>Stated capital</b><br>\$296,214,223         | <b>Accumulated earnings</b><br>\$342,344,795 |

## MAIN BUSINESS ACTIVITIES

- Downstream
- Trading and Supply
- Upstream

## SHELL'S FOOTPRINT

Shell has been present in Turkey since 1923. In 2006, Shell established Shell & Turcas Petrol A.S. (Shell interest 70%) with local distribution company Turcas to expand Shell's branded retail network. Shell & Turcas Petrol A.S. has a network of over 1,000 retail sites and is active in lubricants, fleet solutions and commercial fuels. Shell also has a lubricants and grease production plant in Derince. Shell's activities in Turkey also include chemicals, aviation, marine, gas and power. In 2011, Shell started upstream activities in partnership with the national oil company Turkish Petroleum.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Turkey is 25%.

In 2021, Shell in Turkey recorded an overall profit. While some entities reported losses, these are not offset against overall profits. Tax is paid on entities showing profit in their local financial statements. These include entities active in mobility, trading and supply, lubricants and chemicals.



## EUROPE

## UKRAINE

## 0 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$6,205              | \$0                    | \$6,205              |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$(15,763)           | \$(1,932)              | \$0                  |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$0                  | \$21,586,776           | \$1,181,995          |

## MAIN BUSINESS ACTIVITIES

- Downstream
- Upstream
- Integrated Gas

## SHELL'S FOOTPRINT

Shell has been present in Ukraine since 2006. In 2015, Shell ceased its exploration activities in Ukraine and in 2021 ended all upstream activities. Shell has downstream activities through the Cicerone Holding B.V. joint venture (Shell interest 51%). The joint venture operates 132 retail sites in Ukraine. This downstream retail joint venture pays taxes locally and has around 1,500 employees. Joint venture staff are not included in the table under CbCR rules.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Ukraine is 18%. The profit and the tax on the downstream activities of the joint venture companies are not included in our country-by-country (CbCR) report for Ukraine because the accounting principles of the joint ventures are based on equity accounting. In line with CbCR reporting requirements, these numbers are reported in the shareholder locations. The numbers reflected in the table are for companies that are in the process of being liquidated.



## EUROPE

## UNITED KINGDOM

## 6,716 EMPLOYEES

|   |   |   |
|---|---|---|
| <b>Third-party revenues</b><br>\$22,943,610,641 | <b>Related-party revenues</b><br>\$60,164,414,315 | <b>Total revenues</b><br>\$83,108,024,956       |
| <b>Profit before tax</b><br>\$(937,666,490)     | <b>Tax paid</b><br>\$(54,150,455)                 | <b>Tax accrued</b><br>\$21,791,801              |
| <b>Tangible assets</b><br>\$13,385,887,778      | <b>Stated capital</b><br>\$149,870,428,420        | <b>Accumulated earnings</b><br>\$15,888,569,951 |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas
- Downstream
- Renewables and Energy Solutions
- Trading and Supply
- Other support activities

## SHELL'S FOOTPRINT

Shell has been present in the UK since 1897. In 2022, Shell moved its headquarters and tax residence to the UK. Our gas plants, pipeline systems and import terminals deliver more than 20% of the UK's gas supply. Through Shell Energy, we provide electricity to around 1.4 million customers in the UK. We continue to invest in electric mobility infrastructure to support the UK's switch to electric vehicles. We also have projects and technology teams in Aberdeen and London. They support the delivery of major projects around the world, from developing gas-to-liquids plants to deep-water exploration. Every year, Shell spends more than £200 million on research and development in the UK. There is also a Group treasury team in London that provides central cash management and other financial services.

## COUNTRY FINANCIAL ANALYSIS

The corporate income tax rate in the UK is 40% for Upstream UK continental shelf activities and 19% for all other activities. Shell did not pay net corporate income tax in 2021 because of tax losses arising in the current and previous years. In the Upstream business, losses arose due to significant investment in the UK continental shelf. Shell also received tax refunds related to decommissioning costs incurred. Decommissioning is a cost incurred as part of the life cycle of the field and is tax deductible. For late-life assets, decommissioning costs can generate net tax losses that offset profits made and taxes paid in previous years. As a result, tax that has effectively been overpaid is refunded. Our [Payments to Governments Report for 2021](#) shows that Shell paid around \$10.7 million in fees.

Read more in [Special topics](#) and [Our business](#).



## MIDDLE EAST

## IRAQ

## 194 EMPLOYEES

| Third-party revenues<br>\$0      | Related-party revenues<br>\$0 | Total revenues<br>\$0       |
|----------------------------------|-------------------------------|-----------------------------|
| Profit before tax<br>\$(212,986) | Tax paid<br>\$0               | Tax accrued<br>\$0          |
| Tangible assets<br>\$(187)       | Stated capital<br>\$0         | Accumulated earnings<br>\$0 |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas

## SHELL'S FOOTPRINT

In 2013, Shell entered into the Basrah Gas Company (BGC), a joint venture with Iraq's South Gas Company and Mitsubishi. BGC focuses on processing gas that would otherwise have been flared, supplying this to the government of Iraq for power generation. The Shell entity which is a shareholder in BGC is based in the Netherlands. Shell's share of results from BGC, which is an equity-accounted investment, is included in the country report for the Netherlands.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Iraq is 15%. Taxes are paid in arrears.



## MIDDLE EAST

## JORDAN

## 2 EMPLOYEES

| Third-party revenues<br>\$(404)  | Related-party revenues<br>\$10,065 | Total revenues<br>\$9,661   |
|----------------------------------|------------------------------------|-----------------------------|
| Profit before tax<br>\$(640,070) | Tax paid<br>\$0                    | Tax accrued<br>\$0          |
| Tangible assets<br>\$9,335       | Stated capital<br>\$0              | Accumulated earnings<br>\$0 |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas

## SHELL'S FOOTPRINT

Shell has been active in Jordan since 2009. Shell has two entities with activities in Jordan: Jordan Oil Shale Company B.V. (JOSCo), incorporated in the Netherlands, and Shell Business Development Middle East Limited (SBDME), incorporated in the UK. SBDME was established to provide technical and management services to projects and businesses in Jordan, mainly to exploration and production businesses. In May 2009, JOSCo was awarded an oil shale concession to explore for, assess and develop oil shale, as well as produce and sell products derived from the oil shale. In 2020, JOSCo communicated its decision to end the concession agreement. The termination of this agreement is still pending.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Jordan varies from 20% to 35%, depending on business activities. JOSCo is subject to petroleum taxes calculated on cumulative revenues and costs. As production has not commenced, petroleum taxes are not applicable.



## MIDDLE EAST

## KUWAIT

## 114 EMPLOYEES

|  |   |  |
|--|---|--|
| <b>Third-party revenues</b><br>\$254,802,188 | <b>Related-party revenues</b><br>\$26,321,340 | <b>Total revenues</b><br>\$281,123,528 |
| <b>Profit before tax</b><br>\$159,822,597    | <b>Tax paid</b><br>\$40,699,304               | <b>Tax accrued</b><br>\$23,012,718     |
| <b>Tangible assets</b><br>\$0                | <b>Stated capital</b><br>\$0                  | <b>Accumulated earnings</b><br>\$0     |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas

## SHELL'S FOOTPRINT

Shell has been active in Kuwait since 1948. In 2010, Shell Kuwait Exploration and Production B.V. and Kuwait Oil Company (KOC) signed an enhanced technical services agreement (ETSA) to jointly develop the Jurassic gas fields in the north of Kuwait. In 2016, Shell Kuwait Exploration and Production B.V. signed two additional ETASAs to provide services to KOC for the North Kuwait Heavy Oil Field and North Kuwait Conventional Oil Field. Shell provides technical and other support services to KOC.

In 2018, Shell Global Solutions International B.V. signed an agreement with KOC to support enhanced oil recovery activities in the west of Kuwait.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Kuwait is 15%. Tax is paid in arrears and relates to the tax liability for 2020 profits. The tax accrued amount is in respect of the profits for the year 2021.



## MIDDLE EAST

## OMAN

## 466 EMPLOYEES

|  |  |   |
|--|--|---|
| <b>Third-party revenues</b><br>\$994,189,515 | <b>Related-party revenues</b><br>\$7,085,520,440 | <b>Total revenues</b><br>\$8,079,709,955    |
| <b>Profit before tax</b><br>\$3,090,415,050  | <b>Tax paid</b><br>\$2,221,988,356               | <b>Tax accrued</b><br>\$2,436,036,133       |
| <b>Tangible assets</b><br>\$266,798,264      | <b>Stated capital</b><br>\$101,944,408           | <b>Accumulated earnings</b><br>\$44,357,901 |

## MAIN BUSINESS ACTIVITIES

- Downstream
- Upstream
- Integrated Gas
- Trading and Supply
- Other support activities

## SHELL'S FOOTPRINT

Shell has been present in Oman since the 1930s and is active in exploration, production, trading and retail. Shell has a 34% interest in the Block 6 concession which accounts for 65% of the country's crude oil production. Shell also has a 50% interest in an onshore exploration licence and a 100% interest in a concession area to undertake the exploration and production of oil and gas. Shell has a 49% interest in Shell Oman Marketing Company SAOG (SOM), which provides services and sells a wide range of Shell automotive, aviation and marine products, including fuels, lubricants and greases. SOM has more than 200 Shell retail sites in Oman. Sohar Solar Qabas (FZC) LLC represents Shell's investment in the solar energy sector in Oman. In addition, Shell holds a 30% interest in Oman Liquefied Natural Gas LLC (OLNG), which operates two LNG trains and processes natural gas into LNG.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Oman is 15% unless individual concession arrangements with the government set higher tax rates for upstream projects. Profit is made predominantly from the upstream business and the effective tax rate for Shell is 83.75%, reflecting the concession arrangements with the government. Our [Payments to Governments Report for 2021](#) shows that Shell paid \$400,000 in fees.

**MIDDLE EAST****QATAR****MAIN BUSINESS ACTIVITIES**

- Upstream
- Integrated Gas

**SHELL'S FOOTPRINT**

Qatar Shell GTL Limited acts as contractor and operator for the State of Qatar (represented by QatarEnergy) with regard to the Pearl gas-to-liquids (GTL) project. In return, Qatar Shell GTL receives a share of production. Shell has a development and production-sharing agreement with the State of Qatar. Qatar Shell Service Company W.L.L. provides technical services to QatarEnergy in exploration and production. Qatar Shell Research & Technology Centre QSTP-LLC carries out research and development for Shell and supports Qatar's national research strategy. Shell Global Solutions International B.V. provides technology licensing and technical services in Qatar.

Separately, Shell holds a 30% interest in Qatar Liquefied Gas Company Limited (4), a liquefied natural gas project which is 70%-owned by QatarEnergy.

**COUNTRY FINANCIAL ANALYSIS**

Country-by-country report data for Qatar are not available for this report. The minimal statutory corporate income tax rate on gas and oil revenues in Qatar is 35%. Our [Payments to Governments Report for 2021](#) shows that Shell paid \$1.578 billion in corporate income tax, production entitlements and licence fees to the state of Qatar in 2021. Of this, \$859 million was for corporate income tax.



## MIDDLE EAST

## SAUDI ARABIA

## 15 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$0                  | \$1,605,682            | \$1,605,682          |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$0                  | \$53,865               | \$0                  |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$45,979             | \$399,829              | \$0                  |

## MAIN BUSINESS ACTIVITIES

- Downstream

## SHELL'S FOOTPRINT

Shell has been present in Saudi Arabia for more than 70 years. Our current activities include the marketing of lubricants through Al Jomaih and Shell Lubricating Oil Co. Ltd. (JOSLOC) and new business development activities through Shell Overseas Services Limited.

## COUNTRY FINANCIAL ANALYSIS

The statutory corporate income tax rate in Saudi Arabia is 20%. In 2019, Shell sold its 50% interest in Saudi Aramco Shell Refinery Company to Saudi Aramco. Tax paid in 2021 relates to 2021 only.



## MIDDLE EAST

## UNITED ARAB EMIRATES

## 351 EMPLOYEES

| Third-party revenues | Related-party revenues | Total revenues       |
|----------------------|------------------------|----------------------|
| \$7,950,458,701      | \$14,137,634,897       | \$22,088,093,597     |
| Profit before tax    | Tax paid               | Tax accrued          |
| \$442,320,134        | \$168,760,848          | \$305,895,463        |
| Tangible assets      | Stated capital         | Accumulated earnings |
| \$1,859,141,568      | \$0                    | \$0                  |

## MAIN BUSINESS ACTIVITIES

- Upstream
- Integrated Gas
- Downstream
- Trading and Supply
- Other support activities

## SHELL'S FOOTPRINT

Shell has been active in the UAE since 1939. Shell businesses are set up as branches of foreign entities. Upstream is represented by Shell Abu Dhabi B.V. (SAD BV) and Shell EP International Limited (SEPIL). SAD BV holds an interest in a non-operated venture and its revenues are taxed on the basis of a concession agreement with the government of UAE. SEPIL is a regional hub for the business and provides specialised services to Shell entities in the Middle East. Trading is represented by Shell International Trading Middle East Limited (SITME). In 2009, SITME commenced LNG trading activities which expanded further following the acquisition of Repsol's LNG business in 2014. Downstream is represented by Shell Markets (Middle East) Limited (SMME) and Shell Trading (M.E.) Private Limited (STME). SMME performs sales, marketing and distribution of aviation and marine fuels, and lubricants through third-party distributors. STME's main activity is the marketing and distribution of chemicals and related products. In 2021, SEPIL and STME merged with SMME and now form separate business lines of SMME.

## COUNTRY FINANCIAL ANALYSIS

The UAE taxes revenues from certain activities, including those from petroleum operations which are subject to corporate income tax, at 55%. Additional taxes, such as royalties or gas tax, may also be due and are based on individual agreements with the government. The tax paid by Shell in the UAE mainly relates to upstream activities. Revenues are taxed in line with the agreement with the government. In 2021, a greater proportion of revenues arose from downstream activities that are not subject to income tax.



## COUNTRIES WITH MINIMAL ACTIVITIES

|                      | Revenues                  |                             |                     |                        |               |                  |                      |                     |                           |                     |  |
|----------------------|---------------------------|-----------------------------|---------------------|------------------------|---------------|------------------|----------------------|---------------------|---------------------------|---------------------|--|
|                      | Third-party revenues (\$) | Related-party revenues (\$) | Total revenues (\$) | Profit before tax (\$) | Tax paid (\$) | Tax accrued (\$) | Tangible assets (\$) | Stated capital (\$) | Accumulated earnings (\$) | Number of employees |  |
| Algeria              | 122                       | 114,618                     | 114,739             | (686,342)              | 0             | 0                | 0                    | 0                   | 0                         | 0                   |  |
| Cambodia             | 0                         | 0                           | 0                   | 0                      | 0             | 0                | 0                    | 34,050,000          | (16,481,674)              | 0                   |  |
| Chile                | 1,420                     | 0                           | 1,420               | (275,735)              | 0             | 0                | 0                    | 2,010,000           | 1,365,880                 | 0                   |  |
| Cook Islands         | 0                         | 0                           | 0                   | (19,910)               | 0             | 0                | 0                    | 2,256,810           | 0                         | 0                   |  |
| Dominican Republic   | 602                       | 9                           | 611                 | (275,675)              | 0             | 0                | 0                    | 0                   | 0                         | 0                   |  |
| El Salvador          | 0                         | 0                           | 0                   | 0                      | 0             | 0                | 0                    | 53,000              | (53,000)                  | 0                   |  |
| Ghana                | 6,112                     | 4,576,285                   | 4,582,397           | 0                      | 414,390       | 0                | 0                    | 1,050,000           | 0                         | 5                   |  |
| Guam                 | 0                         | 5,842                       | 5,842               | (184,740)              | 0             | 0                | 0                    | 53,568,298          | (15,119,772)              | 0                   |  |
| Iran                 | 0                         | 0                           | 0                   | (123,775)              | 0             | 0                | 0                    | 0                   | 0                         | 0                   |  |
| Isle of Man          | 0                         | 0                           | 0                   | (43,145)               | 0             | 0                | 0                    | 13,139,821          | (8,533,100)               | 0                   |  |
| Libya                | 121                       | 0                           | 121                 | (523,416)              | 0             | 0                | 0                    | 0                   | 0                         | 1                   |  |
| Panama               | 0                         | 0                           | 0                   | 200,000                | 0             | 0                | 0                    | 0                   | 0                         | 0                   |  |
| Portugal             | 0                         | 0                           | 0                   | 243,785                | 0             | 0                | 0                    | 0                   | 0                         | 0                   |  |
| Syrian Arab Republic | 0                         | 0                           | 0                   | (4,700,236)            | 0             | 0                | 0                    | 0                   | 0                         | 0                   |  |

# OUR TAX DATA BY COUNTRY AND LOCATION

|                   | Revenue                 |                           |                   | Profit<br>before tax | Tax<br>paid  | Tax<br>accrued | Tangible<br>assets | Stated<br>capital | Accumulated<br>earnings | Number of<br>employees |
|-------------------|-------------------------|---------------------------|-------------------|----------------------|--------------|----------------|--------------------|-------------------|-------------------------|------------------------|
|                   | Third-party<br>revenues | Related-party<br>revenues | Total<br>revenues |                      |              |                |                    |                   |                         |                        |
|                   | (\\$)                   | (\\$)                     | (\\$)             | (\\$)                | (\\$)        | (\\$)          | (\\$)              | (\\$)             | (\\$)                   |                        |
| Albania           | 91,554                  | (85,825)                  | 5,729             | (41,791,391)         | 0            | 0              | 289,868,454        | 0                 | 0                       | 58                     |
| Argentina         | 367,926,973             | 25,071,736                | 392,998,710       | (161,446,860)        | 386,037      | 0              | 1,915,785,086      | 1,555,218,663     | (938,665,599)           | 176                    |
| Australia         | 6,296,763,211           | 8,346,634,121             | 14,643,397,332    | 4,066,003,736        | 37,421,089   | 91,366,668     | 28,514,967,881     | 58,067,925,946    | (5,248,364,644)         | 2,510                  |
| Austria           | 930,271,476             | 27,807,788                | 958,079,263       | 36,224,907           | 3,154,727    | 1,098,782      | 177,953,640        | 210,439,851       | 288,901,311             | 78                     |
| Bahamas           | 7,033,174,262           | 14,517,154,542            | 21,550,328,803    | 571,440,737          | 0            | 0              | 613,919,890        | 100,000           | 1,477,479,773           | 35                     |
| Barbados          | 139,018                 | 5,043                     | 144,060           | 1,729,998            | 0            | 0              | 0                  | 775,771,000       | (303,513,732)           | 0                      |
| Belgium           | 941,107,822             | 374,109,548               | 1,315,217,370     | 55,852,817           | 18,090,885   | 16,857,323     | 304,867,044        | 120,908,175       | 43,573,515              | 301                    |
| Bermuda           | 6,740,466               | 6,766                     | 6,747,233         | (5,901,995)          | 0            | 0              | 59,982             | 3,292,555,894     | 1,297,543,312           | 3                      |
| Bolivia           | 126,492,449             | 91,143                    | 126,583,592       | 40,210,741           | 0            | 0              | 316,239,184        | 376,873,740       | (141,550)               | 42                     |
| Brazil            | 658,470,281             | 8,269,292,793             | 8,927,763,074     | 298,420,874          | (33,080,971) | 38,063,157     | 25,552,314,285     | 3,087,513,100     | (8,236,523,508)         | 832                    |
| Brunei Darussalam | 205,511,550             | 3,726,467                 | 209,238,017       | 85,674,760           | 35,949,831   | 53,930,381     | 332,924,780        | 338,933,139       | 7,711,871               | 5                      |
| Bulgaria          | 199,033,104             | 5,411,450                 | 204,444,554       | 1,528,838            | 603,409      | 242,928        | 90,973,856         | 46,160,231        | (8,413,783)             | 55                     |
| Canada            | 12,843,012,795          | 14,741,502,360            | 27,584,515,155    | 1,773,404,160        | (34,600,676) | 33,356,590     | 17,142,474,446     | 49,251,242,225    | (4,659,685,486)         | 3,361                  |
| Cayman Islands    | 0                       | 0                         | 0                 | (1,661,889)          | 0            | 0              | 0                  | 95,371,113        | (122,552,598)           | 0                      |
| China             | 3,199,162,705           | 1,424,446,516             | 4,623,609,220     | 430,106,824          | 117,929,125  | 89,077,673     | 2,395,180,606      | 1,170,919,154     | 1,338,225,293           | 1,835                  |
| Colombia          | 11,036                  | 931,466                   | 942,502           | (24,543,288)         | 1,278        | 0              | 16,994,272         | 22,411,236        | (81,649,744)            | 9                      |
| Cyprus            | 21,253,999              | 0                         | 21,253,999        | 11,885,494           | 3,188,100    | 3,188,107      | 180,749,492        | 0                 | 0                       | 0                      |
| Czech Republic    | 539,083,587             | 9,755,902                 | 548,839,489       | 7,058,079            | 586,722      | 1,341,035      | 155,016,353        | 115,548,473       | 21,001,876              | 72                     |
| Denmark           | 726,789,781             | 231,125,105               | 957,914,886       | (189,583,894)        | 1,321,579    | 1,321,556      | 0                  | 173,811,145       | 98,822,817              | 120                    |
| Egypt             | 1,615,494,135           | 62,548,970                | 1,678,043,106     | 289,133,026          | 136,773,047  | 133,760,519    | 96,522,256         | 2,014,347         | 84,515,473              | 316                    |
| Finland           | 88,845,102              | 153,758                   | 88,998,861        | 229,873              | 0            | 45,973         | 10,920,076         | 13,539,975        | 7,066,025               | 22                     |
| France            | 1,585,314,259           | 381,291,908               | 1,966,606,167     | 30,893,132           | 262,872      | 847,234        | 561,252,940        | 666,963,637       | 433,534,905             | 461                    |
| Germany           | 20,223,131,787          | 11,950,276,580            | 32,173,408,368    | (54,604,370)         | 38,273,425   | 31,214,842     | 4,620,560,115      | 1,541,724,501     | (5,583,649,281)         | 4,049                  |
| Gibraltar         | 1,412,511               | 0                         | 1,412,511         | 51,413               | 8,109        | 5,749          | 0                  | 0                 | 0                       | 0                      |
| Greenland         | 0                       | 2                         | 2                 | 218,674              | 0            | 0              | 0                  | 595,130           | (158,671,344)           | 0                      |
| Hong Kong         | 1,229,136,872           | 150,211,375               | 1,379,348,247     | 87,195,608           | 5,913,196    | 14,239,250     | 704,893,771        | 258,310,829       | 347,603,950             | 163                    |
| Hungary           | 684,494,466             | 16,826,013                | 701,320,480       | (1,832,465)          | 1,941,205    | 1,204,480      | 122,610,937        | 43,578,430        | (21,937,983)            | 81                     |
| India             | 1,382,734,330           | 909,220,996               | 2,291,955,326     | 109,387,646          | 4,002,405    | 48,115,759     | 1,379,332,368      | 1,348,099,700     | 211,953,717             | 9,824                  |

# OUR TAX DATA BY COUNTRY AND LOCATION

|             | Revenue                 |                           |                   | Profit<br>before tax | Tax<br>paid   | Tax<br>accrued | Tangible<br>assets | Stated<br>capital | Accumulated<br>earnings | Number of<br>employees |
|-------------|-------------------------|---------------------------|-------------------|----------------------|---------------|----------------|--------------------|-------------------|-------------------------|------------------------|
|             | Third-party<br>revenues | Related-party<br>revenues | Total<br>revenues |                      |               |                |                    |                   |                         |                        |
|             | (\$)                    | (\$)                      | (\$)              | (\$)                 | (\$)          | (\$)           | (\$)               | (\$)              | (\$)                    |                        |
| Indonesia   | 573,946,584             | 207,147,702               | 781,094,286       | (573,828,979)        | (6,121,822)   | 8,393,555      | 596,855,617        | 972,235,620       | (212,400,869)           | 345                    |
| Iraq        | 0                       | 0                         | 0                 | (212,986)            | 0             | 0              | (187)              | 0                 | 0                       | 194                    |
| Ireland     | 0                       | 0                         | 0                 | 455,255              | 0             | 0              | 0                  | 1,380,977         | (3,456,466)             | 0                      |
| Italy       | 1,691,216,872           | 737,313,468               | 2,428,530,341     | 30,257,209           | 826,987       | 21,040,918     | 1,327,106,289      | 1,165,200,326     | (1,764,114,230)         | 262                    |
| Japan       | 679,754,405             | 96,205,814                | 775,960,218       | 17,356,909           | 8,423,459     | 3,422,088      | 199,307,154        | 8,024,243         | 21,754,636              | 186                    |
| Jordan      | (404)                   | 10,065                    | 9,661             | (640,070)            | 0             | 0              | 9,335              | 0                 | 0                       | 2                      |
| Kazakhstan  | 26,556,273              | 2,432,269,868             | 2,458,826,141     | 1,169,061,315        | 200,134,312   | 200,965,054    | 10,275,148,391     | 0                 | 0                       | 312                    |
| Kenya       | 0                       | 0                         | 0                 | (59,049)             | 0             | 17             | 0                  | 0                 | 0                       | 0                      |
| Kuwait      | 254,802,188             | 26,321,340                | 281,123,528       | 159,822,597          | 40,699,304    | 23,012,718     | 0                  | 0                 | 0                       | 114                    |
| Luxembourg  | 300,528,470             | 1,040,151                 | 301,568,621       | 75,588,254           | 56,118        | 113,549        | 159,747,735        | 31,280,848        | 42,723,421              | 9                      |
| Macao SAR   | 44,941,110              | 0                         | 44,941,110        | 11,759,753           | 1,470,816     | 1,411,170      | 4,094,570          | 375,756           | 53,608,065              | 1                      |
| Malaysia    | 5,444,381,179           | 1,887,114,575             | 7,331,495,754     | 1,015,246,528        | 306,408,067   | 300,046,131    | 4,002,864,581      | 938,912,676       | 2,146,581,567           | 4,474                  |
| Mauritania  | 0                       | 739,602                   | 739,602           | (13,067,995)         | 0             | 0              | 45,000,000         | 0                 | 0                       | 1                      |
| Mauritius   | 0                       | 0                         | 0                 | (55,357)             | 0             | 0              | 0                  | 5,605,782         | 81,258,473              | 0                      |
| Mexico      | 1,308,078,460           | 525,164,901               | 1,833,243,361     | (302,316,313)        | 3,374,178     | 1,977,135      | 541,778,496        | 1,453,163,370     | (1,014,199,935)         | 163                    |
| Morocco     | 345                     | 0                         | 345               | (994,914)            | 0             | 0              | 0                  | 0                 | 0                       | 0                      |
| Mozambique  | 0                       | 0                         | 0                 | (408,888)            | 0             | 0              | 0                  | 0                 | 0                       | 0                      |
| Myanmar     | 0                       | 126,704                   | 126,704           | (20,729,397)         | 0             | 0              | 0                  | 0                 | 0                       | 0                      |
| Namibia     | 451,813                 | 109,583                   | 561,396           | (2,274,917)          | 6,724         | 6,724          | 106,379,530        | 0                 | 0                       | 4                      |
| Netherlands | 28,341,141,944          | 60,400,262,872            | 88,741,404,816    | 2,200,418,515        | 165,023,107   | 179,622,487    | 8,650,840,152      | 202,265,563,387   | 152,580,543,456         | 8,103                  |
| New Zealand | 0                       | 12,953                    | 12,953            | (976,379)            | (4)           | (0)            | 13                 | 3,891,969,872     | 454,979,642             | 0                      |
| Nigeria     | 1,712,275,835           | 2,184,603,636             | 3,896,879,471     | 1,437,120,707        | 488,979,948   | 726,148,679    | 6,421,166,408      | 1,551,721,790     | 2,341,273,158           | 2,652                  |
| Norway      | 828,777,636             | 2,791,710,237             | 3,620,487,872     | 1,134,399,416        | 605,435,834   | 933,142,696    | 974,365,935        | 95,282,713        | 1,044,120,578           | 451                    |
| Oman        | 994,189,515             | 7,085,520,440             | 8,079,709,955     | 3,090,415,050        | 2,221,988,356 | 2,436,036,133  | 266,798,264        | 101,944,408       | 44,357,901              | 466                    |
| Pakistan    | 1,409,894,389           | 954,469                   | 1,410,848,857     | 43,242,444           | 11,264,908    | 12,704,524     | 350,734,005        | 16,157,245        | 9,160,932               | 398                    |
| Peru        | 23,490,618              | 3,312,427                 | 26,803,046        | (338,481)            | 1,229,983     | 0              | 12,605,604         | 5,992,308         | (1,493,613)             | 10                     |
| Philippines | 2,808,069,641           | 274,856,313               | 3,082,925,954     | 345,636,238          | 82,438,339    | 56,819,567     | 1,133,143,296      | 596,298,826       | (314,473,004)           | 4,724                  |
| Poland      | 1,495,145,261           | 359,716,197               | 1,854,861,458     | 46,902,561           | 13,870,157    | 9,986,878      | 587,059,938        | 492,479,209       | 48,333,646              | 4,894                  |

# OUR TAX DATA BY COUNTRY AND LOCATION

|                          | Revenue                 |                           |                   |                      |              |                |                    |                   |                         |                        |  |
|--------------------------|-------------------------|---------------------------|-------------------|----------------------|--------------|----------------|--------------------|-------------------|-------------------------|------------------------|--|
|                          | Third-party<br>revenues | Related-party<br>revenues | Total<br>revenues | Profit<br>before tax | Tax<br>paid  | Tax<br>accrued | Tangible<br>assets | Stated<br>capital | Accumulated<br>earnings | Number of<br>employees |  |
|                          | (\$)                    | (\$)                      | (\$)              | (\$)                 | (\$)         | (\$)           | (\$)               | (\$)              | (\$)                    |                        |  |
| Puerto Rico              | 0                       | 2,807                     | 2,807             | (426,725)            | 0            | 1,000          | 0                  | 32,605,000        | (28,175,901)            | 0                      |  |
| Romania                  | 0                       | 4,154,231                 | 4,154,231         | (144,024)            | 33,023       | 146,214        | 15,733             | 2,071,963         | (290,238)               | 0                      |  |
| Russia                   | 2,500,005,795           | 1,708,444,535             | 4,208,450,330     | 246,048,426          | 68,265,466   | 53,452,774     | 1,247,344,540      | 296,346,221       | 326,298,656             | 539                    |  |
| Saint Lucia              | 28,110,501              | 0                         | 28,110,501        | 99,899,405           | 0            | 0              | 0                  | 1,286,523,848     | (993,928,544)           | 0                      |  |
| São Tomé and Príncipe    | 1,056                   | 0                         | 1,056             | (13,290,350)         | 0            | 0              | 45,003,510         | 0                 | 0                       | 0                      |  |
| Saudi Arabia             | 0                       | 1,605,682                 | 1,605,682         | 0                    | 53,865       |                | 45,979             | 399,829           | 0                       | 15                     |  |
| Singapore                | 38,135,992,987          | 46,546,223,669            | 84,682,216,656    | 937,089,191          | 30,962,038   | 20,505,871     | 10,139,101,251     | 11,363,033,039    | 1,344,125,806           | 3,617                  |  |
| Slovakia                 | 331,372,706             | 518,761                   | 331,891,467       | 12,655,332           | 3,495,930    | 2,670,154      | 100,145,310        | 22,151,410        | (330,926)               | 33                     |  |
| Slovenia                 | 81,054,618              | 6,468,070                 | 87,522,688        | 6,294,934            | 490,318      | 1,196,037      | 12,450,561         | 2,902,050         | 24,515,990              | 16                     |  |
| South Africa             | 3,565,252,920           | 246,516,370               | 3,811,769,290     | 72,411,313           | (5,947,072)  | 585,288        | 1,027,708,301      | 181,435,682       | 607,693,812             | 484                    |  |
| South Korea              | 223,206,925             | 50,296,760                | 273,503,685       | 22,935,036           | 7,577,247    | 8,545,761      | 52,989,279         | 17,946,809        | 73,718,608              | 130                    |  |
| Spain                    | 675,539,810             | 293,957,419               | 969,497,228       | 8,660,213            | 1,032,525    | 755,394        | 54,979,470         | 54,379,467        | (1,244,408,382)         | 139                    |  |
| Suriname                 | 1,198                   | 0                         | 1,198             | (3,546,907)          | 0            | 0              | 77,288,815         | 0                 | 0                       | 0                      |  |
| Sweden                   | 71,245,388              | 649,900                   | 71,895,288        | 2,169,272            | 0            | 442,901        | 6,606,327          | 28,122,901        | (5,464,066)             | 6                      |  |
| Switzerland              | 915,849,899             | 1,218,822,524             | 2,134,672,423     | 1,145,042,331        | 175,616,683  | 59,551,296     | 298,501,351        | 77,170,702        | 4,358,032,534           | 111                    |  |
| Taiwan                   | 0                       | 1,549,185                 | 1,549,185         | 119,824              | 24,922       | 18,308         | 0                  | 889,743           | (73,969,737)            | 5                      |  |
| Tanzania                 | 0                       | 155,329                   | 155,329           | (15,190,061)         | 65,445,902   | 0              | 347,869,832        | 26,859,684        | (37,462,797)            | 17                     |  |
| Thailand                 | 2,367,224,464           | 87,620,909                | 2,454,845,372     | 171,961,284          | 34,852,500   | 35,697,348     | 874,424,375        | 15,759,106        | 29,103,747              | 445                    |  |
| Trinidad and Tobago      | 509,662,793             | 618,354,013               | 1,128,016,806     | 157,483,031          | 111,420,453  | 111,696,759    | 1,347,827,333      | 442,836,755       | (581,797,469)           | 458                    |  |
| Tunisia                  | 211,427,535             | 49,705,947                | 261,133,482       | 89,207,527           | 28,074,332   | 22,563,094     | 9,184,466          | 195,727,025       | 197,396,153             | 308                    |  |
| Turkey                   | 5,588,495,120           | 516,443,091               | 6,104,938,211     | 69,743,442           | 26,602,032   | 36,356,068     | 559,742,745        | 296,214,223       | 342,344,795             | 627                    |  |
| Ukraine                  | 6,205                   | 0                         | 6,205             | (15,763)             | (1,932)      | 0              | 0                  | 21,586,776        | 1,181,995               | 0                      |  |
| United Arab Emirates     | 7,950,458,701           | 14,137,634,897            | 22,088,093,597    | 442,320,134          | 168,760,848  | 305,895,463    | 1,859,141,568      | 0                 | 0                       | 351                    |  |
| United Kingdom           | 22,943,610,641          | 60,164,414,315            | 83,108,024,956    | (937,666,490)        | (54,150,455) | 21,791,801     | 13,385,887,778     | 149,870,428,420   | 15,888,569,951          | 6,716                  |  |
| United States of America | 83,312,781,992          | 86,193,840,345            | 169,506,622,337   | 6,355,978,257        | (35,602,042) | 114,433,525    | 55,729,679,451     | 322,572,012,669   | (3,816,354,371)         | 15,350                 |  |
| Uruguay                  | 778,000                 | 2,104                     | 780,104           | 337,845              | 7,060        | 7,060          | 1,726              | 16,701,984        | 75,515,775              | 1                      |  |
| Venezuela                | 28,479                  | 833,577                   | 862,056           | (11,541,355)         | 1,651,509    | 1,593,013      | 534,426            | 823,525,356       | (914,951,445)           | 9                      |  |
| Vietnam                  | 71,794,103              | 331,449                   | 72,125,552        | 13,827,641           | 1,760,663    | 2,254,899      | 22,629,783         | 14,322,034        | 33,193,274              | 79                     |  |



# DEFINITIONS

## ADVANCE TAX AGREEMENTS

These are formal or informal rulings and clearances which tax authorities provide when there are complex transactions, unclear regulations or substantial values involved. These agreements reduce uncertainty and should always be in line with the letter and spirit of the law.

## APPROPRIATE SUBSTANCE

Appropriate substance means that there should be an adequate number of employees, with suitable qualifications to perform their jobs, and appropriate physical presence in the relevant jurisdiction. Many businesses will for good reason outsource some of their activities to third-party service providers but the core income-generating activities would not.

## ARM'S LENGTH PRINCIPLE

This valuation principle is commonly applied to commercial and financial transactions between related companies. It says that transactions should be valued as if they had been carried out between unrelated parties, each acting in their own best interests.

## ARTIFICIAL ARRANGEMENTS

These are transactions or activities which are undertaken without a core commercial purpose.

## BASE EROSION

A country's tax base, which is the amount the government can raise in taxes, may be eroded by some companies engaging in profit shifting. As a result of perceived abuses by some, the OECD launched the BEPS project to protect members against base erosion.

## BEPS

The OECD project to tackle artificial base erosion and profit shifting (BEPS). The guidance and legislation introduced to support the BEPS project means that companies are taxed "where their economic activities take place and value is created".

## BOE

BOE stands for barrel of oil equivalent which is used by energy companies as a way of combining oil and gas and refined products into a single measure.

## BONUSES

Payments for bonuses usually paid upon signing an agreement or a contract, or when a commercial discovery is declared, or production has commenced or production has reached a milestone.

## BRANCH

A branch is an office or business presence in a location other than where the corporate entity is established.

## CAPITAL PROJECTS

These are long-term, capital-intensive investment projects with a purpose to build upon, add to, or improve a capital asset. Capital projects are defined by their relatively large scale and cost, and require considerable planning and resources.

## COMMERCIAL REASONS OR COMMERCIAL CONSIDERATIONS

Commercial reasons or commercial considerations refer to activities undertaken with a view to making a profit. An entity's presence in a country should be the result of commercial activities and it should have the appropriate substance to perform those activities. The management and directorships of the operating company should be in the country of operation.



## CONSUMPTION TAXES

A tax due on the purchase of goods and services. Typically, this is a percentage of the sales price of the item or service. It is an indirect tax as it is levied and administered by the retailers or service providers but it is borne or paid by the individual purchasing the item. The companies that charge the tax have to administer the collection and payment on behalf of the government.

## CO-OPERATIVE COMPLIANCE

This can vary between countries but at its essence means that taxpayers and tax authorities have open and proactive discussions on matters that may impact a taxpayer's tax return and seek to resolve any areas of interpretation.

## CORPORATE INCOME TAX

This is a direct tax imposed on companies' profits. It is sometimes levied at a national level but can also be levied on a state or local basis.

## COUNTRY

Throughout this report, "country" is used as the primary descriptor for a geographical area because that is the word used by the OECD/G20 Base Erosion and Profit Shifting (BEPS) project in their proposal for country-by-country reporting (CbCR). This is one of the four minimum reporting standards to which over 100 countries have committed, covering the tax residence jurisdictions of nearly all large multinational enterprises (MNEs). In this report "country" may also refer to locations, jurisdictions or territories which have their own tax regimes or discrete rules.

## COUNTRY-BY-COUNTRY REPORTING

Country-by-country reporting (CbCR) was introduced for all large multinational enterprises (MNEs) as part of the OECD BEPS project. The report should disclose aggregate data on income, profit, taxes paid and economic activity among tax jurisdictions in which the MNE operates. The report is filed with the main tax authority (typically the tax authority in the country in which the MNE has its head office) which can share it with tax authorities in other countries.

## CUSTOMS DUTIES

A tax imposed on goods as they either leave or enter a country. Customs duties are also in addition to other indirect taxes such as excise, VAT or GST. It is therefore possible to have goods which are subject to excise duties, customs duties and VAT.

## DIVIDEND

After payment of costs and taxes, a company may choose to make a dividend payment to its shareholders as a return on their investment in the company. After payments of dividends, any remaining surplus is termed 'retained earnings' and is available for reinvestment into the business.

## DOUBLE TAXATION

This arises where the same income is taxed twice by two or more different tax jurisdictions.

## EFFECTIVE TAX RATE (ETR)

This is the ratio of tax compared with the profits in the financial statements. See [Businesses and tax](#) for an illustration.

## EITI

EITI stands for the Extractive Industries Transparency Initiative. This is a global standard for the good governance of resources like oil and gas. EITI requires disclosure of information such as publication of data showing how much money governments receive from resource extraction.

## EMPLOYMENT TAXES

These are wage taxes and may include social security contributions.



## ENVIRONMENTAL TAXES

Environmental taxes are taxes and duties levied on energy products (including vehicle fuels): motor vehicles and transport services; and on the supply, use or consumption of goods and services that are considered to be harmful to the environment, as well as management of waste, noise, water, land, soil, forests, biodiversity, wildlife and fish stocks.

## EXCISE DUTIES

This is a tax on manufacturers and is due at the point of production rather than sale. Companies which manufacture products that are subject to excise duties are responsible for reporting and paying these taxes. Excise taxes are in addition to other forms of indirect tax, such as customs duties, VAT or GST, and typically form part of the cost of the product.

## FEES

Fees and other sums paid as consideration for acquiring a licence for gaining access to an area where extractive activities are performed. Administrative government fees that are not specifically related to the extractive sector, or to access to extractive resources, are excluded. Also excluded are payments made in return for services provided by a government.

## FID

Final investment decision

## FISCAL POLICY

A government's approach to taxes and spending. The policy will vary depending on different electoral parties, governing systems and between countries.

## GST

A goods and services tax (GST) is a value-added tax levied on most goods and services sold for domestic consumption. GST is paid by consumers, but it is remitted to the government by the businesses selling the goods and services.

## HOLDING COMPANY

The principal purpose of this type of company is to hold and manage investments in other companies or joint ventures. Holding companies differ from operating companies, for example they will need less staff but they still have commercial value as a way to manage and administer all the different investments within a group.

## INDIRECT TAXES

Taxes raised on goods and services rather than income and profits. Examples include VAT, GST, sales tax, customs duties, excise duties, stamp duty, services tax, registration duty and transaction tax.

## INTELLECTUAL PROPERTY

Intangible property that is the result of creativity. This can include patents, trademarks, and copyrights.

## INTERNATIONAL COMPLIANCE ASSURANCE PROGRAMME

The International Compliance Assurance Programme (ICAP) is a voluntary programme for a multilateral co-operative risk assessment and assurance process. It is designed to be an efficient, effective and coordinated approach to provide multinational groups willing to engage actively, openly and in a fully transparent manner with increased tax certainty with respect to certain of their activities and transactions.

## LOW-TAX OR ZERO-TAX RATE JURISDICTION

See Tax Haven.

## MULTINATIONAL ENTERPRISE OR CORPORATION

A multinational enterprise (MNE) or multinational corporation is a company or group of companies with business establishments in two or more countries.



## NON-RECOVERABLE VAT

A business can typically reclaim the VAT charged on its purchases against the VAT it charges others on sales that it makes. The government therefore should receive VAT from the end consumer and not at each stage of the supply chain. However, a business may have non-recoverable VAT costs, where offset is not available or permitted.

## OECD

OECD stands for the Organisation for Economic Co-operation and Development which is an intergovernmental economic organisation with 38 member countries, founded in 1961 to stimulate economic progress and world trade.

## PERMANENT ESTABLISHMENT

This describes the activities that take place in a country that requires the filing of a tax return and possibly the payment of taxes in that country. This is another name for a taxable presence.

## PREPAYMENT

Corporate income tax payment regimes differ. Many tax regimes require payments to be made in instalments. These may be due before the final tax liability is known or agreed.

## PRODUCTION ENTITLEMENTS

This is the host government's share of production. It includes the government's share as a sovereign entity or through its participation as an equity or interest holder in projects within its home country.

## PRODUCTION-SHARING CONTRACTS OR CONCESSIONS

A production-sharing contract (PSC) is a contractual arrangement between the holders of a resource, typically a country's government, and a resource extraction company concerning how much oil or gas each party would receive. The company bears the mineral and financial risk of the initiative. It explores, develops and, if successful, manages production. Costs are recovered through the sales of oil or gas and what is left over is split depending on the terms of the contract.

## PROFIT BEFORE TAX

These are profits after the deduction of operating costs but before the deduction of tax. This number forms the basis on which we apply local tax laws and then pay corporate income tax.

## PROFIT SHIFTING

This is the term used to describe artificial arrangements whereby companies move profits from one jurisdiction to another jurisdiction in order to minimise tax payments.

## REVENUE

This represents the total income earned by a company. It includes income from customers or other group companies and income received as royalties and interest income.

## REVENUE AGENCY

See [Tax authority](#).

## ROYALTIES

Royalties are generally payment due for the use of an asset. Mineral royalties are payments to governments or other owners for the rights to extract oil and gas resources, typically at a set percentage of revenue less any deductions that may be taken. See [Trademark royalties](#).

## SALES TAXES

See [Consumption taxes](#).



## STATUTORY TAX RATE

This is the tax rate imposed by law in a country.

## TANGIBLE ASSETS

A tangible asset is an asset that has a physical form, for example plant and equipment.

## TAXABLE PRESENCE

See Permanent establishment.

## TAX AUTHORITY

Also known as a revenue agency. This is the body responsible for administering the tax laws of a particular country or regional or local authority.

## TAX BORNE

Tax that represents a cost to Shell and impacts upon its financial results. This includes Tax Paid (see [Introduction to country-by-country reporting](#)) as well as non-corporate taxes, such as employer social security contributions.

## TAX CHARGE

The aggregate of current tax and deferred tax included in the determination of profit or loss for the period in our Annual Report and Accounts.

## TAX COLLECTED

Tax that Shell does not directly incur but instead collects from its customers and employees on behalf of governments. This includes indirect taxes such as VAT and GST, as well as employee income tax and social security contributions.

## TAX HAVEN

There are different definitions of the term tax haven but typically this is considered to mean one country offering significantly lower tax rates or other tax features compared with the average rates or features offered by other countries.

## TAX INCENTIVES

There is no common definition of a tax incentive. Shell defines tax incentives as fiscal measures designed by governments to stimulate investment and encourage growth, or a change of behaviour, by providing more favourable tax treatment to some activities or sectors. Incentives can include accelerated tax relief for capital expenditure on infrastructure, exemptions from certain taxes where government economic targets (for example employment targets) are met, or a favourable tax treatment of costs related to research and development activities for certain technologies.

## THE B TEAM

The B Team is a not-for-profit initiative aimed at ensuring that business becomes a driving force for social, environmental and economic benefit. Shell is a founding member of The B Team Responsible Tax Working Group but is not a member of the overall B Team initiative. Through The B Team, Shell and other companies have been able to give a voice to the companies' views in the debate on fair taxation. The B Team Responsible Tax Principles, which Shell has helped to develop, reflect the views of leading companies and civil-society organisations on a responsible approach to tax.

## TOTAL EMPLOYEE COSTS

Total employee costs include remuneration, pensions and share costs.

## TRADEMARK ROYALTIES

Payments for the right to use trademarks. Trademarks are a legally registered name, word, symbol or design which identifies the goods or services of a particular business or company.



## TRADE TARIFFS

A tax on imports or exports between sovereign states. See [Customs duties](#).

## TRANSFER PRICING

This refers to the setting of the price for goods and services sold between related entities within a group. Transfer pricing should be based on the arm's length principle. This means that profits are allocated to the countries where the relevant economic activity takes place and cannot be artificially taken somewhere else.

## VAT

Value-added tax (VAT) is a specific type of turnover tax levied at each stage in the production and distribution process. Although VAT is ultimately levied on the consumer when they purchase goods or services, liability for VAT is on the supplier of goods or services. VAT normally utilises a system of tax credits to place the ultimate and real burden of the tax on the final consumer and to relieve the intermediaries of any final tax cost. See [Non-recoverable VAT](#).

In certain jurisdictions it is often referred to as a Goods and Services Tax (GST) or equivalent. See [GST](#).

## WITHHOLDING TAXES

A withholding tax is an income tax to be paid to the government by the payer of the income rather than by the recipient of the income. The tax is thus withheld or deducted from the income due to the recipient. Withholding taxes usually apply to royalties, interest or dividends.



## 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, 2021 (available at [www.shell.com/investor](http://www.shell.com/investor) and [www.sec.gov](http://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, November 24, 2022. 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 FOOTPRINT

Also, in this report we may refer to Shell's "Net Carbon Footprint" or "Net Carbon Intensity", which include 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" or "Net Carbon Intensity" 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 Net Carbon Footprint (NCF) targets over the next ten years. However, Shell's operating plans cannot reflect our 2050 net-zero emissions target and 2035 NCF 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 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](http://www.sec.gov).

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- Comprehensive financial information on our activities throughout 2021
- Detailed information on Shell's taxes
- Report on our progress in contributing to sustainable development