Tax Contribution

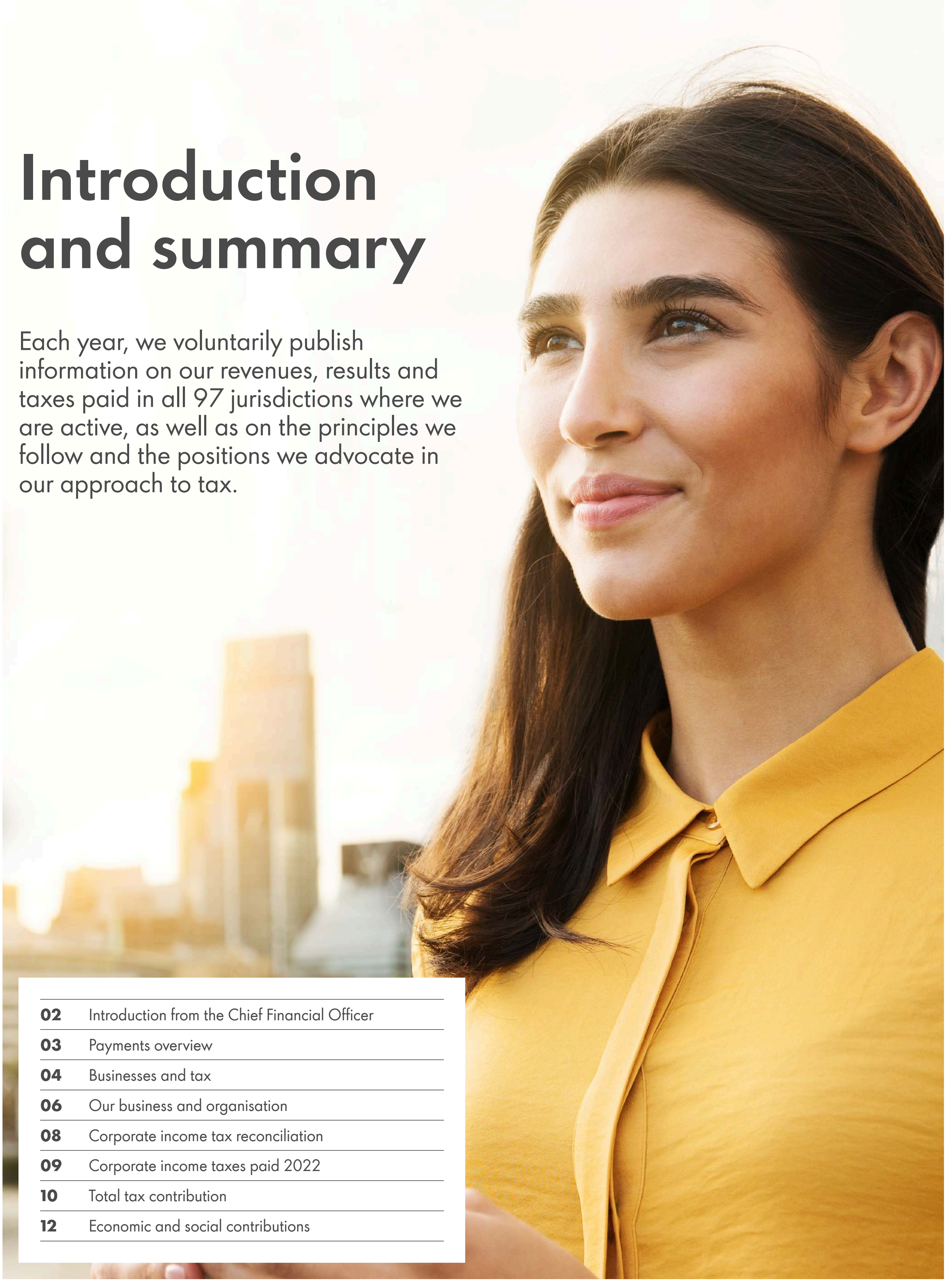
Shell plc
Tax
Contribution
Report 2022

Contents

Design and production: Friend www.friendstudio.com
Implementation: nexxar 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 2022. 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 shell.com/tax-contribution-report. 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.



Introduction and summary

Each year, we voluntarily publish information on our revenues, results and taxes paid in all 97 jurisdictions where we are active, as well as on the principles we follow and the positions we advocate in our approach to tax.

Introduction from the Chief Financial Officer

Sinead Gorman
Chief Financial Officer

In 2022, we achieved strong results as we continued to provide the energy our customers need. In a volatile geopolitical environment and against a backdrop of high energy prices, we reported a profit before tax of $64.8 billion and paid $13.1 billion in corporate income tax. By paying taxes, we help provide governments with revenues to invest in essential public services, such as health care and education, for the benefit of their economies and people.

In this, our fifth annual Tax Contribution Report, we provide details of the corporate income tax we pay in 97 countries and locations, and disclose our total tax contribution for 48 of these. We also give details of the tax incentives we benefit from in India, Malaysia, the Netherlands, the Philippines and Turkey. Tax incentives encourage investment, employment and economic development, and are a key element of fiscal policy.

In this report, we set out how we believe governments should shape their policies to advance the energy transition by, for instance, encouraging investment in low-carbon energy, while meeting the economic and social needs of their countries and communities.

Some governments imposed windfall taxes on energy companies in light of higher revenues in 2022 after Russia's invasion of Ukraine. Shell expects to pay windfall taxes on profits made in 2022 of more than $1 billion, some of which we have paid in 2022 and 2023. The rest is due in coming years. In this report, we give details of the windfall taxes in Belgium, Germany, Italy, the Netherlands and the UK, and how they affect Shell.

Our annual review of our presence in low-tax jurisdictions continues to help us identify opportunities for restructuring and liquidation. In line with our Responsible Tax Principles, we aim to be in low-tax jurisdictions only when there is a commercial reason for being there. As of October 2023, we have liquidated 24 legal entities in low-tax jurisdictions since 2019, and we are in the process of liquidating 11 others.

Shell strongly supports a transparent and co-ordinated approach to improving the global tax system rather than unilateral, unco-ordinated legislative actions. That is why we welcome the OECD's framework for the global taxation of multinational enterprises. We give our views through public consultations to address, among other things, the risk of double taxation, and we support rules to resolve cross-border tax disputes.

Part of this framework would require large multinationals like Shell to pay at least 15% tax on the profits they make in each jurisdiction where they operate. This may result in us paying additional taxes each year on our activities in low-tax jurisdictions.

Fair taxation enables economies to grow. This report demonstrates how, by paying taxes, Shell works to support the many countries in which we operate.

Payments overview

Key figures in 2022

Total revenue and other income
$386.2 billion

Profit before corporate income tax
$64.8 billion

Corporate income tax paid [A]
$13.4 billion

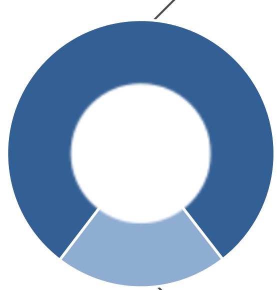
Effective tax rate
33.8%

OECD average corporate income tax rate
23.6%

Total expenditure
$321.4 billion

Taxation charge
$21.9 billion

Overview of tax and other payments to governments



Taxes paid and collected
$68.2 billion

Corporate income taxes [A]
$13.4 billion

Royalties [B]
$8.2 billion

Excise duties, sales taxes and similar levies [C]
$46.6 billion

Other payments to governments [D]
$17.9 billion

Production entitlements
$15.1 billion

Bonuses
$221 million

Fees
$2.6 billion

[A] We paid $13.1 billion in corporate income taxes and accrued $0.3 billion of withholding taxes. For more details, see the chapter on Our tax data. Withholding tax is part of 'Other' of $3.0 billion in the Cash Flow Statement.
[B] Royalties is part of Purchases of $258.5 billion as included in the Income Statement.
[C] This amount has been derived from regulatory filings submitted to the relevant governments.
[D] Read more in Payments to Governments Report.

Businesses and tax

Governments use tax to raise revenues to enable them to carry out their activities. 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 including:

- **Corporate income tax:** 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.
- **Value-added tax (VAT):** An 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.
- **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 borne by the consumer.
- **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, and other government expenses. Governments periodically set their fiscal policies and the rules for individual and business taxes.

According to a 2022 report from the OECD [A], social security contributions amounted to the largest share of tax revenues in the OECD countries, 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 customs duties.

Most businesses pay corporate income tax where profits are made

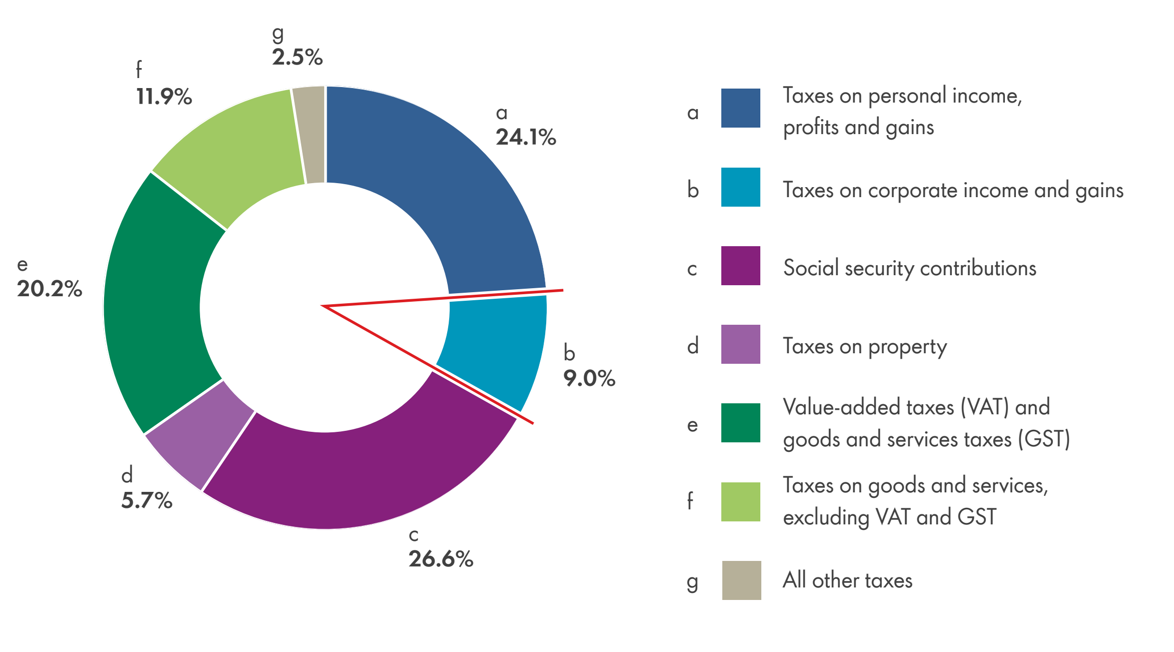
Corporate income tax is typically due by law in countries where profits are made. This should correspond to where the business activity occurred. The tax due is determined by the tax system of the country or location where that activity took place. Governments design and apply tax rules to the profits generated in their countries and assess what is owed by businesses. Corporate income tax is payable on profits, not revenues. 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.

[A] OECD (2022), Revenue Statistics 2022: The Impact of COVID-19 on OECD Tax Revenues, OECD Publishing, Paris.

Governments collect different types of taxes

Companies operating in the oil and gas industry also contribute to public finances by paying, for example, royalties, bonuses, fees and a host government's production entitlements. In 2022, we paid around $15.1 billion in production entitlements. This is more than we paid in corporate income tax.

Sources of government revenue



Source: OECD (2022), Revenue Statistics 2022: The Impact of COVID-19 on OECD Tax Revenues, OECD Publishing, Paris.

Our Payments to Governments Report shows how we directly contributed to public finances in 2022 as a result of our exploration and production activities.

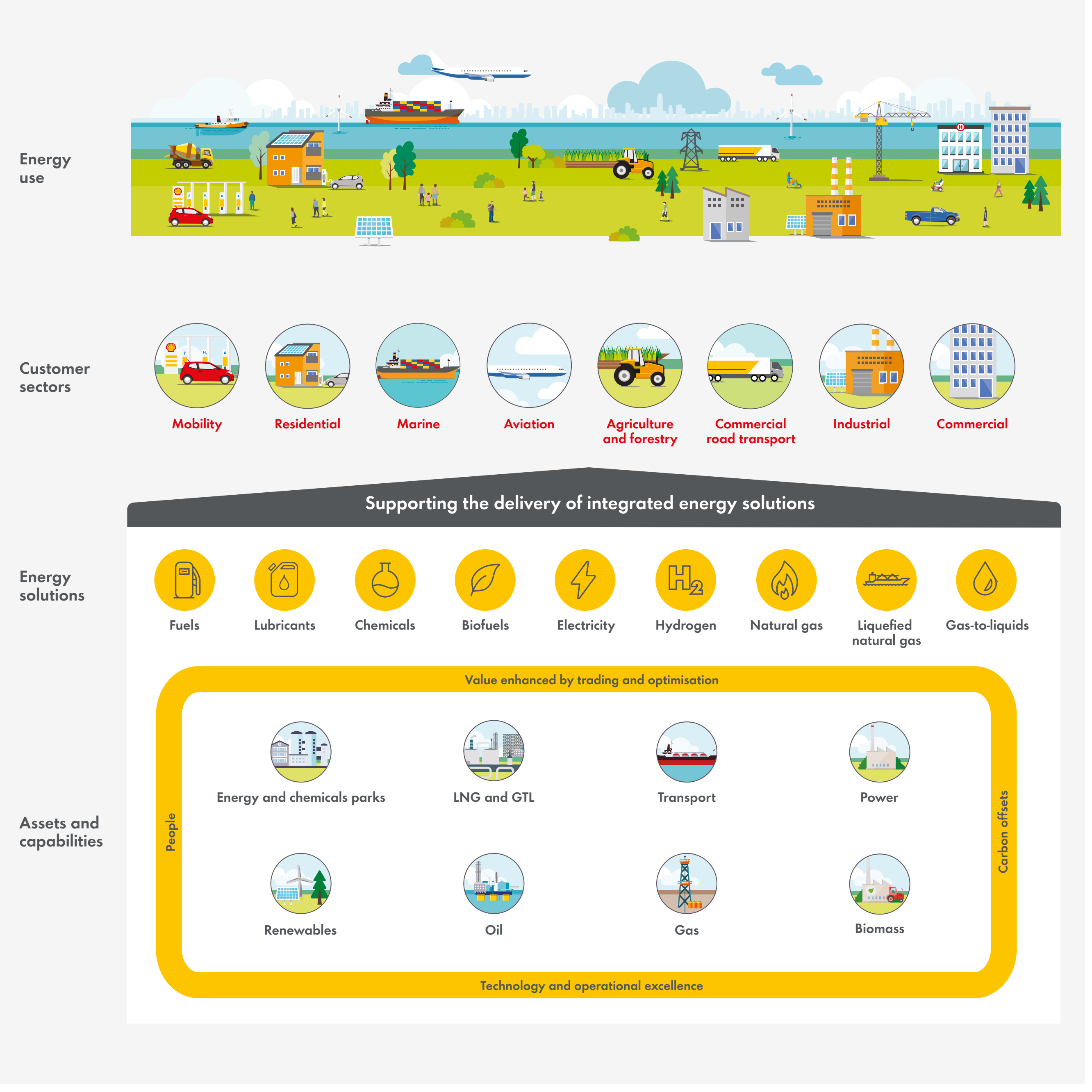
Read more in Payments to Governments Report.

Our business and organisation

Shell is a global group of energy and petrochemical companies, employing 93,000 [A] people and with operations in more than 70 countries.

We use advanced technologies and take an innovative approach as we seek to help the world build a sustainable energy future. Shell is a customer-focused organisation, serving more than 1 million commercial and industrial customers, and around 32 million customers daily at more than 46,000 Shell-branded retail service stations.

[A] At December 31, 2022.



Our organisation in 2022

In 2022, our operations were divided into our businesses: Integrated Gas, Renewables and Energy Solutions; Upstream and Downstream. Our Projects & Technology organisation manages the delivery of Shell's major projects and drives our research and innovation.

Integrated Gas, Renewables and Energy Solutions

Integrated Gas 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, as well as the operation of the upstream and midstream infrastructure necessary to deliver gas and liquids to market. The marketing, trading and optimisation of LNG are included within Integrated Gas.

Renewables and Energy Solutions (R&ES) manages Shell's integrated power activities. These comprise electricity generation, marketing and trading of power and pipeline gas, as well as digitally enabled customer solutions. The R&ES business also includes the production and marketing of hydrogen, development of commercial carbon capture and storage hubs, trading of carbon credits, and investment in nature-based projects that avoid or reduce carbon.

Upstream

Upstream explores for and extracts crude oil, natural gas and natural gas liquids. It also markets and transports oil and gas, and operates the infrastructure necessary to deliver them to the market. The Upstream business delivers reliable energy from conventional oil and gas operations, as well as deep-water exploration and production activities.

We are focusing our Upstream portfolio to become more resilient, prioritising value over volume to provide the energy the world needs today while funding the energy system of tomorrow. Upstream will play a fundamental role in supporting Shell's transformation to a net-zero emissions energy business by 2050. Upstream's oil and gas supplies help maintain the world'senergy security. The business is working to provide these supplies with lower emissions.

Downstream

Marketing manages the Mobility, Lubricants, and Sectors & Decarbonisation activities. Mobility operates Shell's retail network, including electric vehicle charging services. Lubricants produces, markets and sells lubricants for road transport and machinery. Sectors & Decarbonisation sells fuels, speciality products and services including low-carbon energy solutions to a broad range of commercial customers.

Chemicals and Products manages chemical manufacturing plants with their own marketing network and refineries, which turn crude oil and other feedstocks into a range of oil products. These products are moved and marketed around the world for domestic, industrial and transport use. Downstream also includes the pipeline activities, and trading of crude oil, oil products and petrochemicals.

Projects & Technology

Projects & Technology manages the delivery of our major projects and drives research and innovation. It provides technical services for our businesses. It is also responsible for providing functional leadership across Shell in safety and environment, contracting and procurement, wells activities and greenhouse gas management.

Technology and innovation are essential to our efforts to meet the world's energy needs in a competitive way. Our main technology centres are in India, the Netherlands and the USA, with other centres in Brazil, China, Germany, Oman and Qatar.

From July 1, 2023, Shell simplified its organisation by combining the Integrated Gas and Upstream businesses into a single Integrated Gas and Upstream Directorate, and the Downstream and Renewables and Energy Solutions businesses into a new Downstream, Renewables and Energy Solutions Directorate.

Read more in Annual Report and Accounts 2022.

Corporate income tax

In 2022, Shell reported pre-tax income of $64.8 billion, compared with $30 billion in 2021, and paid $13.1 billion [A] in corporate income taxes. We reported a corporate income tax charge of $21.9 billion for 2022.

Our effective tax rate (ETR) is calculated by dividing the corporate income tax charge of $21.9 billion by the total income before taxation of $64.8 billion, resulting in an ETR of 33.8% for 2022. For comparison, in 2022 the average corporate income tax rate levied by the 38 countries that were members of the OECD was 23.6% [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 corporate income tax rate can be more than 80%. Our ETR is a blend of the different statutory tax rates and the different corporate income tax laws applied to our various businesses.

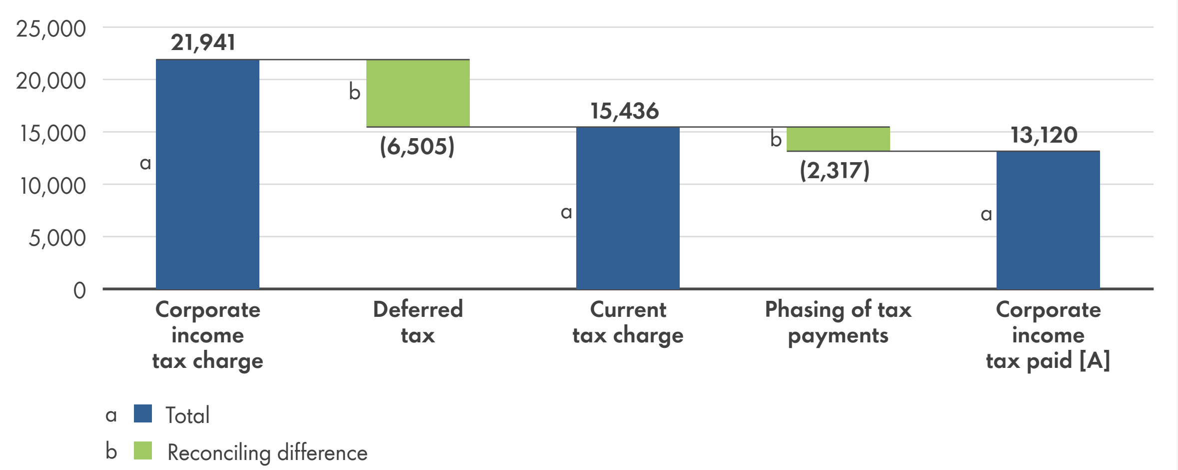
[A] In 2022, we paid $13.1 billion in corporate income taxes and accrued $0.3 billion of withholding taxes. This gives a total of $13.4 billion in corporate income taxes and withholding taxes reported as corporate income tax paid in our country-by-country report.
[B] OECD (2023), Corporate Income Tax: Corporate income tax rates (Edition 2022), OECD Tax Statistics (database).

Corporate income tax reconciliation

The chart below provides a reconciliation between our 2022 corporate income tax charge of $21.9 billion and the corporate income tax we paid of $13.1 billion as per our Annual Report and Accounts 2022.

2022 corporate income tax reconciliation

$ million



[A] We also accrued $0.3 billion of withholding taxes. This amounts to $13.4 billion, which is reported as corporate income tax paid in our Payments overview.

The corporate income tax charge consists of the current tax charge plus the deferred tax charge. Deferred tax arises when there is a timing difference between the tax and accounting treatment of an asset or liability shown on the balance sheet. For example, decommissioning costs are accrued for accounting purposes over several years; however, they may not be tax deductible until the decommissioning costs have been paid. Deferred tax can, therefore, smooth out large differences in the tax charge over a number of years.

The current tax charge consists of the corporate income tax accrued on our 2022 taxable profits, as well as adjustments to the current tax charge accrued in previous years. The current tax charge for a given year is on an accruals basis for accounting purposes, whereas corporate income taxes are paid in accordance with the relevant tax legislation, resulting in some taxes being paid in-year, and some after year end. For example, in Nigeria, petroleum profit taxes need to be paid in monthly instalments on the basis of estimates, starting in March of the current year and ending in February of the following year, followed by a final payment (or refund) when the tax return is filed in May.

The difference between the current tax charge and corporate income taxes paid is therefore a result of the phasing of tax payments across several years.

Read more in Our tax data and in Annual Report and Accounts 2022.

Corporate income taxes paid 2022

The world map shows corporate income taxes paid and withholding taxes accrued in line with our country-by-country reporting data.

Europe	
Norway	$2,122,755,297
Germany	$354,629,398
Netherlands	$258,949,662
Switzerland	$63,585,238
Others	$251,037,455

Middle East	
Oman	$4,561,156,101
Qatar [A]	$1,903,929,972
UAE	$266,393,062
Kuwait	$20,997,187

Asia-Pacific	
Malaysia	$454,906,691
Kazakhstan	$276,361,876
Philippines	$98,679,882
Australia	$84,001,917
Others	$250,300,809

Americas	
Trinidad and Tobago	$577,476,863
Brazil	$478,763,833
USA	$171,446,962
Canada	$38,878,011
Others	$4,204,570

Africa	
Nigeria	$831,995,199
Egypt	$265,168,504
Tunisia	$83,807,370
South Africa	$20,017,839
Others	$506,134

[A] Source: Payments to Governments Report 2022

Read more in Annual Report and Account 2022.

Total tax contribution

Calculating total tax contribution

Total tax contribution comprises the sum of taxes borne and taxes collected.

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 report data.
- **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.

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.

The table below presents our total tax contribution for 2022 in 48 jurisdictions. This builds on the information we disclosed for 21 countries in our 2021 Tax Contribution Report.

Our total tax contribution for 2022 in these 48 jurisdictions was $56.60 billion. The figure includes $6.86 billion in taxes borne by Shell and $49.74 billion in taxes collected by Shell in relation to its economic and employment activities. These data have been compiled from other published Shell sources and our financial reporting systems. Where centrally held data are unavailable, we have gathered figures from in-country tax teams and our Human Resources function. When numbers in the table are in brackets, Shell received tax refunds.

Our total tax contribution for 2022 in 48 jurisdictions

	Taxes borne ($ million)		Taxes collected ($ million)		
Jurisdiction	Corporate income taxes	Employer taxes	Indirect taxes paid and collected	Employee taxes	Total ($ million)
Albania	–	0.35	–	2.76	3.11
Argentina	0.29	4.14	–	5.32	9.75
Australia	84.00	40.94	61.73	181.90	368.57
Austria	1.80	2.35	1,098.53	5.35	1,108.03
Belgium	9.23	10.77	270.53	22.00	312.52
Bolivia	–	1.07	–	1.19	2.26
Brazil	478.76	30.56	–	25.50	534.82
Bulgaria	0.33	0.24	178.58	0.51	179.65
Canada	38.88	15.97	4,142.29	237.50	4,434.64
China	53.39	44.82	579.25	55.06	732.52
Czech Republic	(0.04)	2.02	497.60	1.98	501.55
Finland	–	0.02	7.16	0.36	7.54
France	5.23	21.84	627.45	15.27	669.78
Germany	354.63	50.34	14,736.40	177.23	15,318.61
Hong Kong	7.92	–	89.32	–	97.25
Hungary	1.25	0.79	523.12	1.54	526.69
India	24.79	8.83	159.13	120.06	312.81

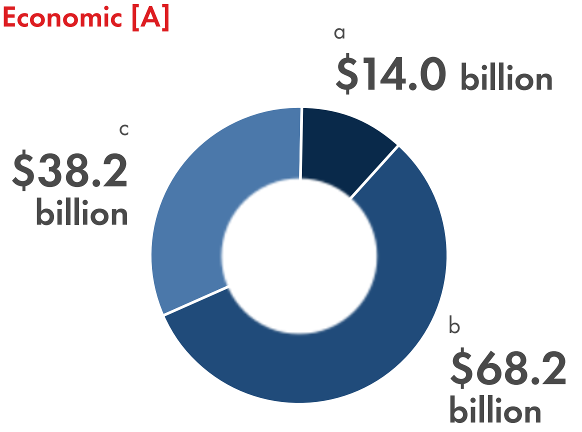
	Taxes borne ($ million)		Taxes collected ($ million)		
Jurisdiction	Corporate income taxes	Employer taxes	Indirect taxes paid and collected	Employee taxes	Total ($ million)
Indonesia	1.69	1.12	42.23	0.56	45.60
Iraq	–	0.08	–	6.08	6.15
Italy	114.07	6.51	345.53	14.85	480.97
Japan	1.43	2.36	–	7.34	11.13
Luxembourg	0.09	–	67.46	–	67.55
Malaysia	454.91	3.97	40.77	56.73	556.38
Mexico	(1.72)	1.74	33.87	6.34	40.24
Netherlands	258.95	92.21	4,485.52	629.54	5,466.21
Nigeria	832.00	49.61	–	80.07	961.68
Norway	2,122.76	14.98	134.43	35.92	2,308.09
Pakistan	11.18	0.01	23.82	2.57	37.58
Peru	1.85	0.09	–	0.42	2.36
Philippines	98.68	4.75	1,164.30	25.64	1,293.37
Poland	13.09	28.97	796.09	64.11	902.26
Singapore	26.57	13.92	303.80	1.74	346.03
Slovakia	2.31	0.65	299.48	0.60	303.03
Slovenia	0.40	–	90.91	–	91.32
South Africa	20.02	1.56	1,875.57	9.80	1,906.94
South Korea	9.85	0.91	–	3.17	13.94
Spain	0.27	2.50	84.83	4.80	92.40
Sweden	0.19	0.13	2.41	0.15	2.88
Switzerland	63.59	3.09	499.63	4.03	570.33
Tanzania	–	0.36	–	0.92	1.28
Thailand	21.65	0.67	328.63	7.00	357.95
Trinidad and Tobago	577.48	0.89	–	17.28	595.65
Tunisia	83.81	6.37	–	8.23	98.41
Turkey	59.17	3.41	2,909.73	8.76	2,981.07
United Kingdom	40.52	159.44	6,266.95	444.80	6,911.71
United States of America	171.45	178.78	3,853.24	823.20	5,026.67
Venezuela	0.31	0.01	–	–	0.32
Vietnam	2.25	0.24	–	1.06	3.56

Shell also contributes significant amounts 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.

Read more in Our tax data.

Economic and social contributions in 2022

Economic [A]



- a — Employee costs including wages and related expenditure
- b — Paid in taxes and royalties borne and taxes collected [B]
- c — To providers of capital [C]

Social

Our relationships

- Suppliers **24,000**
- **78,000 students** participated in our flagship STEM programme NXplorers
- Research and development expenditure **$1.075 billion**
- Research and development projects started at universities **250**

Our people

- Employees **93,000**
- Total employee costs **$14 billion**
- Experienced hires **10,076** (40% women, 60% men)
- Graduate hires **332** (49% women, 51% men)
- Pay linked to carbon intensity for **16,500 staff**
- Women in senior leadership **30%**
- Women on the Board **55%**

[A] Shell also makes significant payments to its suppliers and social investment programmes.
[B] See Payments overview.
[C] Of which $8.5 billion was repaid to lenders, $3.7 billion was interest paid to lenders, $0.2 billion was paid to non-controlling interests, $7.5 billion of dividends were paid to Shell plc shareholders and $18.6 billion was paid to repurchase Shell plc shares.

Our approach to tax

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 these tax laws.

Our tax strategy

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 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 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 97 countries and locations.
- We file around 42,600 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 is responsible for tax matters and provides assurance based on our tax control framework. The Audit Committee [A] 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.

[A] As of July 1, 2023, the Audit Committee is called the Audit and Risk Committee.

Tax transparency timeline

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

Tax transparency timeline

2003
- One of the initiators of the Extractive Industries Transparency Initiative.

2012
- First voluntary publication of tax payments in 14 countries.
- Publication of Shell's Approach to Tax.

2016
- First publication of Payments to Governments Report in line with European regulations (covering exploration and production activities).

2017
- Publication of Shell UK Tax Strategy and Statement on Tax Evasion.
- Shell's first country-by-country report submitted to tax authorities.

2018
- Pilot International Compliance and Assurance Programme.
- Shell commits to The B Team Responsible Tax Principles.

2019
- First publication of Shell's Tax Contribution Report.

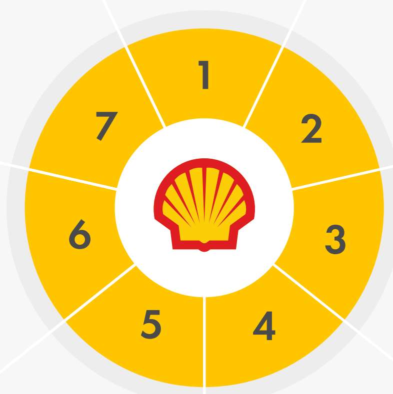
2021
- Shell agrees to report on environmental, social and governance performance factors, including tax, against the World Economic Forum Stakeholder Capitalism Metrics.

2022
- Shell helps develop and signs up to the Tax Governance Code in the Netherlands with members of the VNO-NCW industry association.

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:

Shell Responsible Tax Principles



Accountability and governance
Tax is a core part of corporate responsibility and governance and is overseen by the Board of Directors (the Board).

Compliance
We are committed to complying with the tax legislation of the countries in which we operate and pay the right amount of tax at the right time in the countries where we create value.

Business structure
We will only use business structures that are driven by commercial considerations, are aligned with business activity and which have genuine substance. We do not seek abusive tax results.

Relationships with authorities
We seek, wherever possible, to develop co-operative relationships with tax authorities, based on mutual respect, transparency and trust.

Seeking and accepting tax incentives
Where we claim tax incentives offered by government authorities, we seek to ensure that they are transparent and consistent with statutory or regulatory frameworks.

Supporting effective tax systems
We engage constructively in national and international dialogue with governments, business groups and civil society to support the development of effective tax systems, legislation and administration.

Transparency
We provide regular information to our stakeholders, including investors, policymakers, employees, civil society and the general public, about our approach to tax and taxes paid.

Read more on shell.com.

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 42,600 tax returns in 2022. 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 [A], 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 Shell 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.

[A] As of July 1, 2023, the Shell Control Framework has been replaced by the Shell Performance Framework.

Open to dialogue

We welcome 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 also 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.

Read more in Advocacy.

Internal voice

Shell is committed to tax transparency and open dialogue with governments. We will continue to share information about our tax affairs. The Tax Contribution Report gives stakeholders from governments and communities, shareholders and our employees an annual update on our tax contributions around the world. It also 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. This report outlines Shell's support in the countries in which we operate.

Christopher Rice
EVP Taxation and Corporate Structure

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.

Central functions

Headquarters and central functions provide business support in communications, finance, health, human resources, information technology, legal services, real estate and security. For example, central services could include a human resources team developing global training programmes or an information technology team purchasing software used across Shell.

The centralisation of services enables us to support our businesses by bringing together and sharing specialised expertise and advice, while reducing costs. The costs of such centralised services are incurred in direct support of business operations and need to be charged fairly 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.

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 cost of these services needs to be charged fairly 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 use 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.

Shell Business Operations

- **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 20,000 staff worldwide in 2022. Some of their activities benefit from local tax exemptions where, for example, certain employment levels are met.
- **Information technology (IT):** IT provides capabilities that improve the way we do business. IT services are centralised in India and Malaysia.
- **Human resources (HR):** HR 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:** The Global Operations team within Legal is located within the Shell Business Operations Business service centres, and it provides legal advice and support to many portions of the businesses and functions. This team within Legal is centralised in Poland and Malaysia.
- **Finance and data operations:** These provide 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 insurable 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.

Treasury

Daily Treasury operations include managing the Group's cash, liquidity and foreign exchange requirements 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 three Treasury centres located in the UK, Singapore and the USA to provide short-term financing and take deposits from Group companies. We also have Treasury companies that provide long-term financing, primarily out of the Netherlands, the UK and Singapore.

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 lending and borrowing companies respectively, independently and on a stand-alone basis.

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 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, as if they were comparable independent enterprises operating in the open market under similar circumstances.

Shell also follows the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, 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 Transfer Pricing (TP) team and Finance Operations (FO) TP team. The Global TP team provides support to Shell businesses, assists in any engagement with tax authorities and gives guidance for projects. The FO TP team focuses on compliance, including the preparation of documents according to OECD recommendations and country regulations.

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.

Our tax compliance activities in 2022

By region and type of return

	Africa	Americas	Asia-Pacific	Europe	Middle East
Indirect tax returns	180	17,604	10,924	8,429	149
Direct tax returns	47	4,267	455	460	41
Number of tax payments	102	13,366	3,968	8,126	40

In 2022, Shell filed around 5,300 direct tax returns and about 37,300 indirect tax returns. We filed these on time in almost 100% of cases. We also processed more than 25,600 separate tax payments. Occasionally, tax returns are 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 280 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.

Read more in Responsible Tax Principles.

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 [A], 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 Shell 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.

[A] As of July 1, 2023, the Shell Control Framework has been replaced by the Shell Performance Framework.

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. 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.

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. If uncertainty remains on tax law and how to apply it, investment decision-making may be impacted as different scenarios would need to be factored into the investment appraisal process. This could potentially make it more difficult to make a positive investment decision.

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.

Compliance with transparency initiatives

We continually 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 EITI and The B Team Responsible Tax Working Group.

We seek to comply with transparency standards including the Global Reporting Initiative (GRI). We agreed to report on a range of environmental, social and governance (ESG) performance factors at the 2021 World Economic Forum. The GRI has set out sustainability reporting standards that aim to help companies report more transparently on their 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 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 code is based on existing transparency initiatives such as The B Team Responsible Tax Principles, the GRI and the World Economic Forum's 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 mapping

Tax Governance Code	In this report
A. Approach to tax: Tax strategy and tax principles	Our tax strategy
B. Accountability and tax governance	Our tax strategy
C. Tax compliance	Tax compliance
D. Business structure	Low-tax jurisdictions
E. Relationships with tax authorities and other external stakeholders	Tax compliance, Advocacy
F. Tax transparency and reporting	Our tax data, Total tax contribution, Tax incentives, Advocacy, Annual Report list of subsidiaries

Advocacy

We believe it is important to hold open dialogue on fiscal matters and we advocate fair, effective and stable tax systems. Shell advocates on tax matters to manage the risk and opportunities in a fiscal environment that is constantly changing. As we implement our Powering Progress strategy, we consider all fiscal changes to understand what we need to do to meet compliance and transparency requirements.

Our advocacy covers taxes that are relevant to Shell in the jurisdictions where we operate. As more taxes are introduced, it is important for businesses to engage with policymakers to help them understand the combined impact of new and existing taxation on business. This can help minimise unintended consequences and maintain a stable, sustainable and competitive fiscal environment.

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.

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

Read more in Annual Report and Accounts 2022.

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 co-ordinated approach to improving the global tax system where countries work together, build consensus and agree on applicable legislation.

Proposed tax policies should be targeted and proportional. For instance, double taxation of multinational companies should be avoided, as it could deter investment, which could negatively impact job creation and economic growth for the countries or regions involved.

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.

Shell typically advocates through national and international trade associations. If and when appropriate, we advocate directly with policymakers and in line with local legal, regulatory and other requirements.

We advocate fair, effective and stable tax systems.

Read more in Carbon pricing and taxes.

Transparency

The Shell General Business Principles define our core values, our responsibilities and the principles and behaviours by which we do business. In all that we do, employees are bound by the Shell General Business Principles and the Shell Code of Conduct.

As part of these principles, everyone engaged in Shell's business, including tax-related 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 our Corporate Political Engagement statement.

In the context of advocacy activities:

- Shell senior executives, including tax and government relations professionals, lead our tax advocacy activities.
- We participate in industry groups that advocate on behalf of businesses.
- We report on our advocacy activities in line with legal and regulatory requirements in the countries where we operate.
- In the EU and the USA, we 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.

Read more in our Corporate Political Engagement statement.

Our work with the EITI

We are a founder and board member of the Extractive Industries Transparency Initiative (EITI).

The EITI is the global standard for the good governance of mining and oil and gas resources, which aims to promote understanding of natural resource management, strengthen public and corporate governance and accountability, and provide the data to inform policymaking and dialogue in the extractive sector.

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.

As a supporting company of the EITI, Shell is committed to advance transparency and good governance in the extractive sector.

We participate in the governance of the EITI internationally as a board member and at a national level through our involvement with several country stakeholders.

Shell is a founder and board member of the EITI.

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 the Shell 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, which is part of our tax control framework.

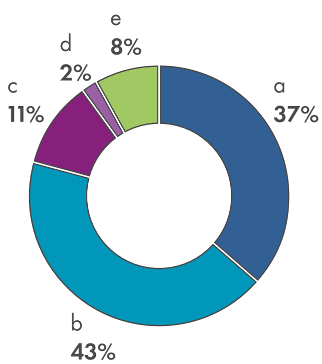
If we decide to use an incentive that is not specified by law and is not generally available to all market participants, we encourage the relevant authorities to make details of these incentives publicly known.

Read more in Responsible Tax Principles.

Tax incentives applied in 2022

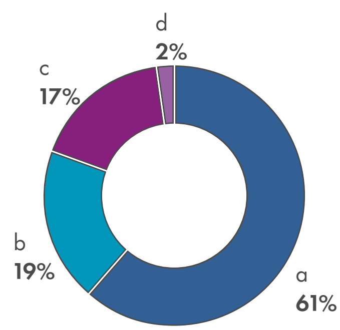
Total tax incentives applied in 2022
161

Tax incentives by business activity
Percentage



- a Upstream
- b Downstream
- c Integrated Gas, Renewables and Energy Solutions
- d Mixed workstreams [A]
- e Others

Tax incentives by tax type
Percentage



- a Direct taxes (income, withholding tax)
- b Indirect taxes (VAT, duties, excise)
- c Property tax
- d Others (royalties, rent, etc.)

[A] Includes incentives used across multiple business activities.

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

Read more in Responsible Tax Principles and in Country-specific incentives.

Tax incentives and investment decisions

Tax incentives play an important role as a policy tool for governments and are a key component of taxpayers' investment decisions. Where appropriate and in line with the Shell Responsible Tax Principles, we consider the economic value of an incentive when assessing the viability of a new business opportunity. In some cases, for example in relation to solar or wind projects, we may have several similar opportunities in different locations around the world and only a limited amount of capital available to spend. The greater the similarities between these opportunities, the more influential an incentive may be in determining where capital is ultimately invested.

Pillar Two of the OECD's proposed global taxation framework seeks to implement a global minimum tax rate of 15%. This will impact the effectiveness of any given tax incentive if the incentive reduces our local effective tax rate below 15%. We expect this impact to be felt mainly in relation to incentives which directly reduce a company's tax liability.

However, because Pillar Two will apply on a jurisdictional basis, its impact will be determined by our tax position in the country concerned. For example, in a country where some of our income from our Downstream business is exempt from taxation because of an incentive, but profits from our Upstream business are subject to a high tax rate, the latter may raise our overall effective tax rate above 15%. As a result, our Downstream business income would not give rise to additional Pillar Two tax.

Although any tax incentive may continue to achieve its policy goals under Pillar Two, we expect governments to use refundable tax credits, grants and subsidies in the longer term as a means of incentivising investment.

Read more about Pillar Two in Global tax reform.

Country-specific incentives

Countries offer companies tax incentives to support economic development (such as job creation) or specific policies (for instance, those relating to the energy transition). Below are examples of five countries where Shell benefited from tax incentives in 2022.

India

India offers incentives to companies that are present in the country's special economic zones (SEZs). 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 imports, corporate income tax exemptions, and exemptions from indirect taxes on supplies to SEZs.

Shell's Projects & Technology organisation and Shell Business Operations in India also benefit from the Service Exports from India Scheme, 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 paid by exporters of services.

Malaysia

Malaysia offers a variety of tax incentives for industries that it considers important to its economy. The incentives are either income tax exemptions or allowances. For the oil and gas industry, the government has introduced tax incentives to encourage investment in upstream activities. These include reduced tax rates and no export duties on oil produced and exported from government-approved marginal fields. Shell benefits from several of these incentives.

Netherlands

Shell uses tax incentives in the Netherlands. These include research and development tax credits, which offer compensation for a portion of salary costs related to research and development. We also apply the Energy Investment Allowance, 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 measure, which allows companies to deduct up to 45% of the investment costs for what the Netherlands considers an environmentally friendly investment. This is in addition to standard investment cost tax deductions.

Philippines

The Philippines offers various incentives to attract foreign investors. These include corporate income tax exemptions for a period of 4-7 years, increased deductions, reinvestment allowances and customs duty exemptions for certain imports. Certain Shell companies in the Philippines benefit from these incentives, particularly the corporate income tax exemption.

Turkey

Turkey offers various investment incentives for industries that it considers of crucial importance for the country's economy. The incentives include tax reductions, tax exemptions and customs duty exemptions on imported machinery and equipment. Shell benefits from several of these incentives including excise duty exemptions for biofuels, VAT exemptions, lower withholding taxes for exploration and production activities, and certain corporate income tax exemptions.

Read more in Our tax data.

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 97 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 jurisdictions 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

Since 2021, a review of Shell-controlled and Shell-operated entities incorporated or present in low-tax jurisdictions has become an annual exercise undertaken by the country tax manager in each low-tax jurisdiction. The reviews are conducted against the Shell Responsible Tax Principles. The review forms part of our tax control framework and provides assurance that Group structures in low-tax jurisdictions continue to be there for commercial reasons. This exercise also identifies opportunities for liquidation and restructuring, for example in respect of new acquisitions or as the list of low-tax jurisdictions evolves.

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

As at the date of publication, we have liquidated 24 legal entities in low-tax jurisdictions since 2019, including in Bermuda and Saint Lucia, and we are in the process of liquidating 11 others.

New global minimum tax framework

The OECD's Pillar Two framework, which comes into effect from 2024, requires multinational companies to pay at least 15% tax on the profits they make in each jurisdiction where they operate. In response, governments of some low-tax jurisdictions are introducing minimum tax rates. We are participating in consultations with countries to support their implementation of the new tax rules.

As a result of Pillar Two, countries will be less able to use low tax rates to attract investment. Instead, tax competition between jurisdictions is likely to focus on other factors, such as the stability of the tax regime and attractiveness of the broader investment climate. When reviewing business opportunities in such jurisdictions, we will consider these factors in line with the Shell Responsible Tax Principles.

Read more in Country-specific incentives and Responsible Tax Principles.

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.

Global tax reform

The global tax landscape is changing as governments seek to modernise tax systems that deal with increasingly digitalised economies. Traditional tax concepts are being challenged because many businesses earn revenues in multiple countries, even if they are not physically present in those countries. 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 others.

In recent years, international organisations and governments have discussed ways of addressing these challenges. Steered by the G20, the OECD has been developing proposals for a co-ordinated two-pillar framework.

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 company does not have a physical presence in that jurisdiction. Pillar Two requires multinational companies to pay at least 15% tax on the profits they make in each jurisdiction where they operate.

The two-pillar response was supported in October 2021 by more than 130 countries. The OECD issued the Pillar One rules in October 2023, although it remains uncertain when they will be implemented. Pillar Two is more advanced, and, in 2022, many countries announced their intention to implement the Pillar Two rules and their timelines for doing so. In addition, some are introducing or increasing their domestic direct taxes and/or reviewing their use of incentives.

Shell strongly supports a transparent and co-ordinated approach to improving the global tax system, rather than unilateral, unco-ordinated legislative actions. Countries should decide, build consensus and agree on the applicable legislation. We believe deep and broad consensus is needed to ensure the kind of co-ordinated 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 supports the OECD's framework and provides input to the OECD and to countries implementing the framework through a public consultation process. Pillar Two rules will apply to Shell from 2024. This may result in us paying additional taxes each year on our activities in low-tax jurisdictions, depending on our business results in those jurisdictions.

The new rules bring additional complexity. In 2022, we started a multi-year Pillar Two project to put in place the data systems and processes that we will need to comply with the new rules. By automating our processes and systems as much as possible, we aim to achieve compliance in a more efficient, controlled and timely manner.

The OECD two-pillar framework was supported in October 2021 by more than 130 countries.

Read more in Low-tax jurisdictions, Tax incentives and Data and digitalisation.

Data and digitalisation

Shell is increasingly required to report more real-time tax information, while also responding to multiple tax law changes. The data and information we are required to report by law often differ from one jurisdiction to another. That can be a challenge for an organisation as large as Shell, which has a taxable presence in 97 countries and locations with varying tax regulations and reporting requirements.

We use data systems and tools to help us record, access and report accurate information quickly and efficiently. These systems and tools range from small off-the-shelf applications to larger digitalisation projects. They help us meet new compliance requirements efficiently, address the needs of our businesses and keep a broad community of shareholders and other stakeholders informed.

For instance, we have developed 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. We are using the software in Europe and are aiming to introduce it in some other countries as well. We also started using algorithms and artificial intelligence (AI) to detect anomalies in financial reporting data.

New digital skills and approaches will be required as taxation evolves. We need to apply a learner mindset to new tax technologies and keep a close eye on the increasingly complex legal and regulatory framework to implement our tax strategy and remain compliant. Data integrity and assurance help to build trust with tax authorities and are vital for transparency.

Read more in Global tax reform.

We use data systems and tools to help us record, access and report accurate information quickly and efficiently.

In focus

USA country profile

Shell has been present in the USA for more than 100 years. We are one of the largest leaseholders in the Gulf of Mexico, where we have one of the lowest greenhouse gas intensities in the world for oil and gas production.

We operate multiple refining, blending and chemical manufacturing facilities in several states and have extensive trading activities in oil, natural gas, products such as lubricants, feedstocks and electricity.

Our network of more than 12,000 Shell-branded fuel stations serves around eight million customers daily. We have more than 2,000 Jiffy Lube car maintenance centres in the USA.

In renewables, our activities range from biofuels (including biogas) and hydrogen to battery storage, large-scale offshore wind development projects and onshore solar and wind power generation.

We employ some 16,000 [A] people in the USA and invest millions of dollars annually in research and development.

[A] The number of employees reflects people in the USA who are employees of Shell, its wholly owned subsidiaries and its operated joint ventures. The number of Shell employees directly employed by the USA Shell-integrated entities is between 12,000 and 13,000.

Minimum corporate tax regimes

Corporate income tax in the USA is imposed at the federal level and by most states and some local governments. State and local taxes and rules vary by jurisdiction, though many are based on federal concepts and definitions.

The statutory federal corporate tax rate has been 21% since 2018, following the Tax Cuts and Jobs Act of 2017, compared with 35% previously. This tax reform seeks to encourage US companies to repatriate foreign profits and move their headquarters back to the USA.

The Inflation Reduction Act of 2022 introduced a corporate minimum tax of 15% for taxpayers that report more than $1 billion in adjusted earnings averaged over three years. As of 2024, the OECD's Pillar Two framework also applies to Shell companies operating in the USA.

Tax incentives for the energy transition

The Inflation Reduction Act created or expanded incentives for the energy transition primarily through tax credits for investment in lower-carbon energy, including electric vehicles, wind, solar, energy storage, carbon capture and hydrogen.

The value of these credits significantly increases when a company meets certain requirements, such as paying a competitive wage, employing apprentices, investing in certain designated communities, or sourcing materials in the USA. Some of these tax credits are eligible to be transferred, making them valuable to energy investors regardless of their federal tax profile in a given year.

In 2022, Shell invested in activities in the USA that benefited from these incentives, including the Brazos Wind Farm in Texas and solar projects in several parts of the country.

We operate multiple refining, blending and chemical manufacturing facilities in several states.

Read more in Global tax reform, in Total tax contribution and about taxes in the USA country report.

Windfall taxes

Consumers continue to face higher energy bills due to rising global demand, high rates of inflation and the impact on supply caused by Russia's war in Ukraine. We recognise the effects that volatile prices have across society, in particular on vulnerable consumers and communities. We also recognise that this creates a challenge for governments that are under pressure to relieve the impact of higher prices.

In 2022, some governments introduced additional taxes on the gains made by the energy industry because of higher revenues from increased energy prices. These taxes are commonly referred to as windfall taxes.

For example, in May 2022, the UK introduced a 25% Energy Profits Levy on profits from oil and gas operations in the North Sea. 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 taxable profits in 2022 and/or 2023.

The EU solidarity contribution is scheduled to end in 2024, whereas the UK levy is expected to apply until 2028.

Shell expects to pay windfall taxes on profits made in 2022 of more than $1 billion, some of which we have paid in 2022 and 2023. The rest is due in coming years. Our corporate income tax paid in 2022 included $119 million in windfall taxes. By the end of the third quarter 2023, we had paid an additional $437 million in windfall taxes as part of our $10.1 billion corporate income tax payment in that same period.

Windfall taxes applied to Shell businesses in 2022 [A]

[A] Excludes revenue caps applied to low-carbon power generation activities.
[B] Comprising statutory corporate income tax and windfall tax rates.
[C] 75% from January 1, 2023.
[D] Profits in excess of a 20% increase (Italy 10%) on the average taxable profits of the four fiscal years starting on or after January 1, 2018.

UK
Windfall tax policy
Energy Profits Levy
Shell business
Upstream
Scope
All profits from North Sea activities

Effective windfall tax rate [B]:
65% [C]

Netherlands
Windfall tax policy
Solidarity contribution
Shell business
Upstream, Downstream
Scope
Surplus profits [D]

Effective windfall tax rate [B]:
71% Upstream
58.8% Downstream

Germany
Windfall tax policy
Solidarity contribution
Shell business
Upstream
Scope
Surplus profits [D]

Effective windfall tax rate [B]:
65%

Italy
Windfall tax policy
Solidarity contribution
Shell business
Upstream
Scope
Surplus profits [D]

Effective windfall tax rate [B]:
78%

Windfall tax policy
Contributo extraprofitti
Shell business
Upstream, Downstream
Scope
Excess profits between October 2021 and May 2022

Windfall tax rate:
25%

Belgium
Windfall tax policy
Solidarity contribution
Shell business
Downstream
Scope
Fuel supplied to customers

Windfall tax rate:
€7.8 per m^3

While Shell recognises that taxation is the responsibility of government, we believe that collaboration is necessary between industry, government, consumers and other stakeholders to address the challenge of higher energy prices.

In general, we believe tax policies need to be designed with clear objectives and must be balanced to maintain the stability of the tax regime. This in turn will contribute to a more attractive investment environment.

Fiscal frameworks for the energy transition

Society faces a dual challenge: it must transition to a low-carbon energy future to manage the risks of climate change, while still providing a secure and affordable supply of energy.

Fiscal policy plays a crucial role in facilitating the energy transition. Taxes are one of the tools that governments can use to raise revenues, encourage behaviour change and incentivise investment in low-carbon products and their use. For example, carbon pricing, whereby a cost is applied to carbon emissions to discourage their release, is a method that governments can employ to limit global warming.

In setting fiscal policy, governments may face 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 secure energy supply and raise revenues for public spending.

As the energy transition gathers momentum, governments may also need to consider tax policies that can help them manage potentially lower revenues from the declining use of fossil fuels. Shell supports stable fiscal regimes which attract investment, including in new technologies that facilitate the energy transition and support sustainable government budgets.

In line with our Responsible Tax Principles, we only make use of tax incentives, including those that encourage investment in low-carbon and renewable energy, when they are aligned with our business and operational objectives.

We suggest that fiscal policies for the energy transition should be based on the following principles:

Achieve climate objectives

- Be effective in influencing supply and demand for clean energy, through carbon taxes and investment incentives such as those for R&D expenditure.
- Remain aligned with broader energy transition policies, taking account of non-fiscal instruments such as regulations and subsidies.
- Be evidence-based, which includes economic modelling and scenarios analysis.

Support investment and maintain energy security

- Be predictable and stable, providing clarity on the taxing of future income through long-term frameworks.
- Be flexible, with innovative mechanisms to address volatility.
- Be simple to apply and administer.

Meet government revenue needs

- Generate revenues through fiscal interventions that meet government revenue requirements.
- Recycle revenues by combining fiscal policies that address economic growth and income distribution concerns.

Contribute to a just and equitable energy transition

- Meet the specific issues and needs of countries and communities.
- Include measures that effectively address the needs of vulnerable impacted groups.
- Allow for international collaboration to meet energy transition goals.

Read more in Responsible Tax Principles.

Carbon pricing and taxes

More than 70 countries have set a net-zero emissions target, covering about 76% of global emissions, according to the United Nations [A]. Some governments and jurisdictions have introduced carbon pricing mechanisms to help meet their ambition. 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. 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 EU Emissions Trading System.

Shell supports a direct price on carbon emissions as part of a broader policy framework to achieve net-zero emissions. The carbon price – whether through a carbon tax, cap and trade or a hybrid system – should apply to as many sectors of the economy as possible and increase over time. Policies should be based on robust and transparent modelling of the impacts of carbon pricing on consumers and industry. Shell advocates carbon pricing through various industry bodies. We also promote greater international co-operation through systems that transfer carbon credits between countries.

In 2022, Shell's cost of compliance with emissions trading systems and related schemes was around $493 million. We also collected and paid around $500 million in carbon taxes on behalf of governments in jurisdictions that have adopted such mechanisms [B]. The most significant carbon pricing mechanisms for Shell are those in Europe, Canada and Singapore.

We also use short-, medium- and long-term estimates of future costs of carbon for each region to understand the potential costs associated with new investments.

[A] According to the United Nations Net Zero Coalition.
[B] Amount derived from regulatory filings with relevant government authorities.

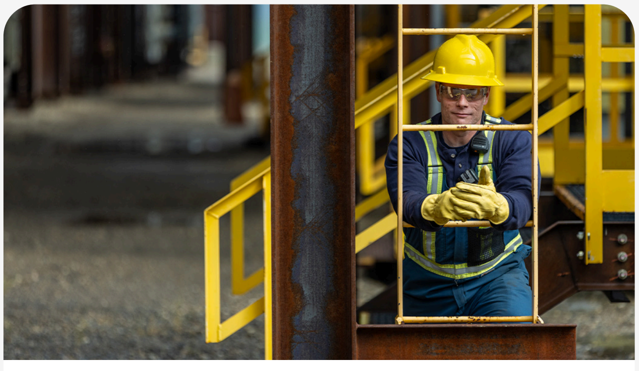
In focus

Carbon taxes in Canada

Since 2019, Canada's federal government has put a price on carbon emissions, which in 2022 was about $37 per tonne. Each province and territory can choose its own carbon pricing mechanism, such as an emissions trading system or carbon tax, to meet the target.

The federal government has set minimum standards that all mechanisms must meet. The federal carbon pricing system applies if a provincial or territorial system does not meet the national standards, or if a province chooses to apply the federal system in its jurisdiction, as in the case of New Brunswick. Canada's federal carbon pricing system, under the Greenhouse Gas Pollution Pricing Act, has two parts: a performance-based system for industries, and a federal fuel charge or carbon tax on petroleum fuels, such as petrol and diesel.

In 2022, we paid around $290 million to the tax authorities for fuel products in provinces where the federal fuel charge applies, including Alberta, Manitoba, Ontario and Saskatchewan. We also made carbon tax payments in British Columbia and the Northwest Territories, which have adopted a provincial carbon tax system in line with the national standards.



Shell supports a direct price on carbon emissions as part of a broader policy framework to achieve net-zero emissions.

In focus

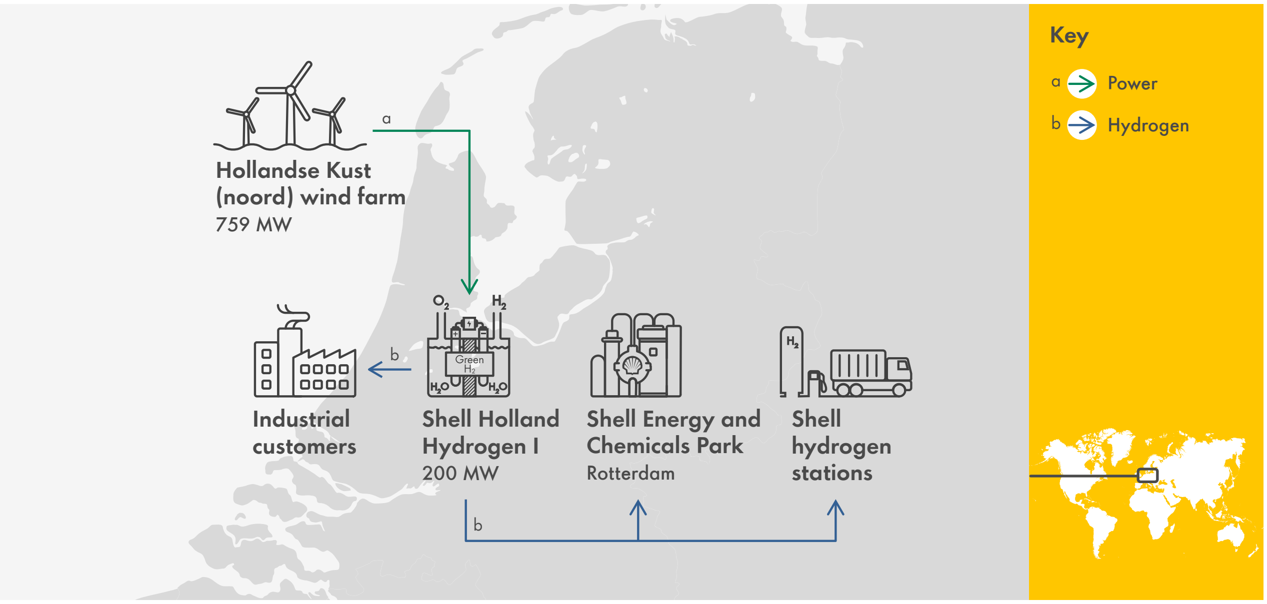
Holland Hydrogen I

In 2022, we took the final investment decision to build Holland Hydrogen I in the Netherlands. The 200 megawatt electrolyser is designed to produce up to 80 tonnes of renewable hydrogen per day and is expected to be operational from the mid-2020s.

Holland Hydrogen I will supply the Shell Energy and Chemicals Park Rotterdam, where it is expected to partially decarbonise our production of energy products like petrol, diesel and jet fuel. The plant will be powered by renewable energy from the Hollandse Kust (noord) offshore wind farm (Shell interest 80%).

The Holland Hydrogen I project extends from offshore wind generation to decarbonised hydrogen production and the sale of hydrogen products.

Holland Hydrogen I

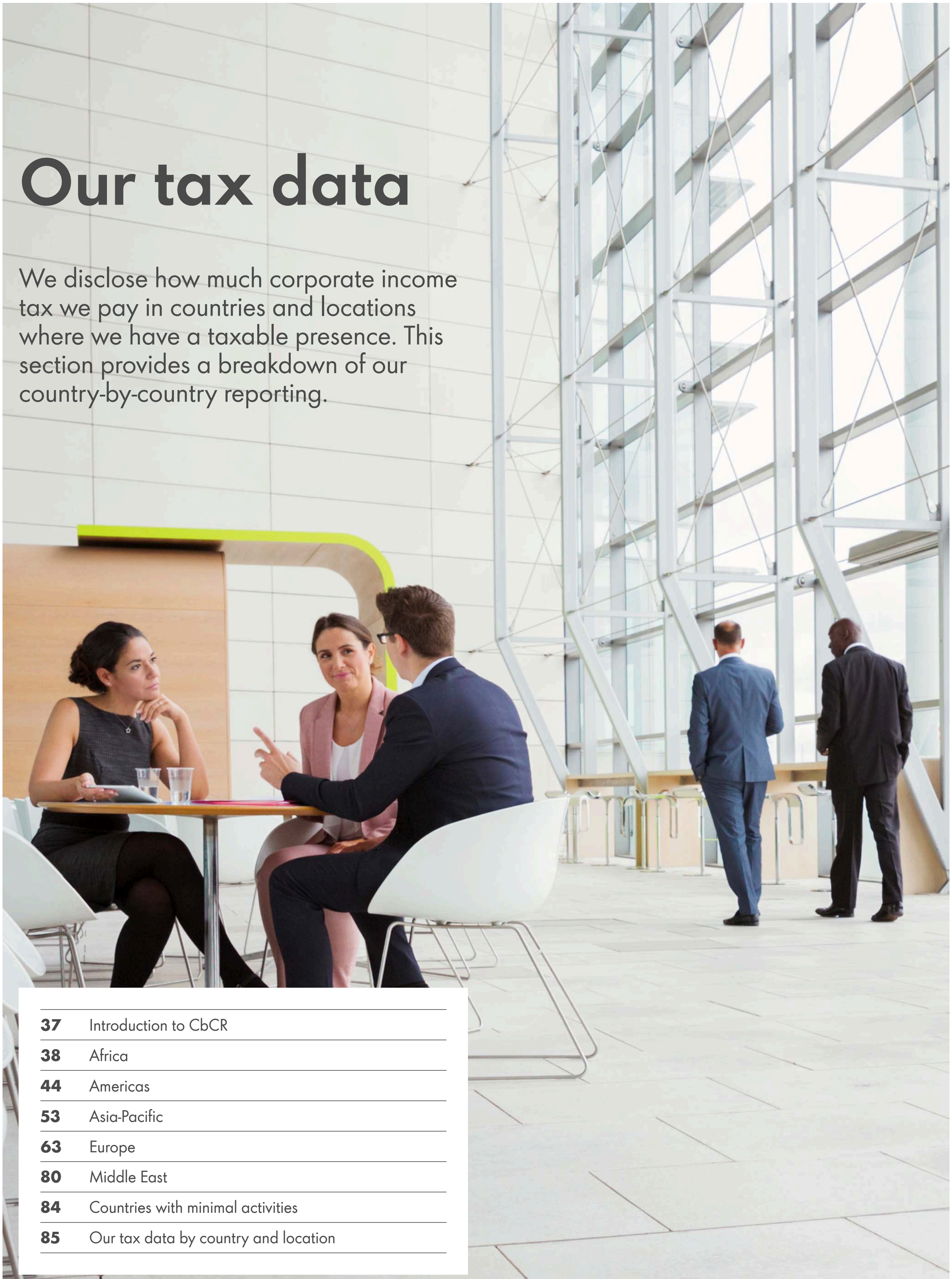


In making our decision to invest and in preparing the plant for operation, we took into account many tax considerations. These included how to depreciate the plant for Dutch tax purposes and how to deal with financial provisions for decommissioning the plant at the end of its life. We also considered indirect taxes, such as VAT and import duties, for sales and purchases made in relation to Holland Hydrogen I.

Different Shell legal entities from different jurisdictions are involved in the project, which requires transfer pricing between these entities in compliance with national and international regulations. In addition, some parts of the electrolyser may be eligible for Dutch tax incentives that encourage investment in large-scale renewable hydrogen production. The profits derived from Holland Hydrogen I will be taxed in the Netherlands, based on the relevant Dutch laws.

Under the current EU Energy Taxation Directive, it is not yet clear how new fuels such as hydrogen should be taxed within the EU. This could lead to different levels of taxation in EU member states, potentially impacting revenues, investments and costs for businesses.

The directive is currently being amended to resolve the issue of taxation differences for all fuels, including hydrogen. This is part of the EU's Fit for 55 Package to reduce greenhouse gas emissions by at least 55% by 2030.



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.

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.

Our Payments to Governments Report also discloses other forms of payments. These include production entitlements, royalties, bonus payments, fees and infrastructure improvements. 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 2022. 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 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. CbCR reports are not subject to an external audit, statement or opinion.

The OECD requires certain data to be included in CbCR:

- **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 2022. 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. 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. Any share of profit or loss from non-consolidated joint ventures and associates is attributed to the country where the shareholding entity is based. This figure is reported after accounting for corporate income tax accrued in the joint venture or associate's accounts and is included in the shareholding entity's profit before tax.
- **Corporate income tax paid:** This comprises corporate income tax paid in 2022, as recorded in Shell's Consolidated Statement of Cash Flows, and includes accrued withholding taxes on dividend, interest and royalty payments to Shell entities. 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 does not include withholding taxes collected by Shell on dividends paid to shareholders. Nor does it include corporate income tax paid by non-consolidated joint ventures and associates.
- **Corporate income tax accrued:** This comprises the amount of corporate income tax for 2022, recorded as current-year tax in Shell's Consolidated Statement of Income, and includes witholding 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, 2022.

Read more in Payments to Governments Report and in Annual Report and Accounts 2022.

Egypt

Africa

Employees
261

Third-party revenues **$1,131,226,557**	Related-party revenues **$106,378,468**	Total revenues **$1,237,605,025**	Profit before tax **$751,632,799**	Corporate income tax paid **$265,168,504**
Corporate income tax accrued **$225,367,664**	Stated capital **$2,009,935**	Accumulated earnings **$83,246,766**	Tangible assets **$116,642,769**	Other payments to governments **$1,736,140**

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

Country financial analysis

In 2022, Egypt's statutory corporate income tax rate was 22.5% 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. Revenues decreased in 2022 due to the divestment of our upstream assets in the Western Desert in 2021. Our upstream business benefited from high global gas prices in 2022. This resulted in higher profits despite lower revenues. Our Payments to Governments Report for 2022 shows that Shell paid around $1.7 million in bonuses.

Read more in Payments to Governments Report.

Ghana

Africa

Employees
8

Third-party revenues **$14,428**	Related-party revenues **$34,080,853**	Total revenues **$34,095,280**	Profit before tax **$0**	Corporate income tax paid **$296,184**
Corporate income tax accrued **$0**	Stated capital **$1,182,996**	Accumulated earnings **$0**	Tangible assets **$1,963,830**	Other payments to governments **–**

Shell's footprint

Shell re-established a presence in Ghana in 2020 through Shell Energy Ghana Limited (SEGL), a company incorporated and located in Ghana. SEGL markets and sells gas in Ghana. In 2022, Shell acquired Daystar Power Group, including its subsidiary in Ghana. Daystar Power is a provider of solar power to businesses in Nigeria and West Africa.

Country financial analysis

The statutory corporate income tax rate in Ghana is 25%. SEGL did not generate taxable income in 2022. Corporate income tax paid is a provisional tax payment based on Daystar Power Group's estimated income in 2022. Although SEGL has not yet started its business activities, it incurs pre-commissioning costs, which are reimbursed by Shell International Trading Middle East Limited FZE (SITME FZE). Because these costs increased in 2022, SITME FZE also increased its reimbursement.

Mauritania

Africa

Employees
1

Third-party revenues **$0**	Related-party revenues **$0**	Total revenues **$0**	Profit before tax **$(15,560,291)**	Corporate income tax paid **$0**
Corporate income tax accrued **$0**	Stated capital **$0**	Accumulated earnings **$0**	Tangible assets **$45,353,281**	Other payments to governments **–**

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. C10 has a 60% interest in offshore exploration Block C10 and a 90% interest in offshore exploration Block C2. C19 was deregistered in 2022.

Country financial analysis

The statutory corporate income tax rate in Mauritania is 25%, while the applicable tax rate for the branch activities is 27%. Both branches have incurred losses since inception and therefore do not pay corporate income tax.

Mauritius

Africa

Employees
1

Third-party revenues **$0**	Related-party revenues **$4,930,740**	Total revenues **$4,930,740**	Profit before tax **$4,927,791**	Corporate income tax paid **$208,170**
Corporate income tax accrued **$182,020**	Stated capital **$268,241,055**	Accumulated earnings **$85,729,086**	Tangible assets **$0**	Other payments to governments **–**

Shell's footprint

Shell has been active in Mauritius since 2002. Shell has holding companies in Mauritius, which have investments in India and the Cayman Islands. The Indian oil and gas business was part of the BG Group acquisition in 2016 and is run by BG Exploration and Production India Limited (BGEPIL), an entity established in the Cayman Islands. BGEPIL's production-sharing contract with the Indian government ended in December 2019. BGEPIL is now decommissioning the production facility in India.

Shell Overseas Investment B.V. (SOI B.V.), a wholly owned subsidiary of Shell plc, acquired Solenergi Power Private Limited, Mauritius (SPPL) in 2022 and with it, the Sprng Energy group of companies. Sprng is a leading renewable energy platform in India which develops and manages solar and wind power facilities and infrastructure. SOI B.V. also acquired Daystar Power Group in 2022, which provides renewable power to businesses and consumers across Nigeria and in Mauritius.

Country financial analysis

The statutory corporate income tax rate in Mauritius is 15%. For part of its income, Shell fulfils the conditions to claim a tax exemption which reduces the effective tax rate to 3%.

Namibia

Africa

Employees
4

Third-party revenues **$152,390**	Related-party revenues **$109,183**	Total revenues **$261,572**	Profit before tax **$(57,549,801)**	Corporate income tax paid **$1,780**
Corporate income tax accrued **$358**	Stated capital **$0**	Accumulated earnings **$0**	Tangible assets **$143,912,990**	Other payments to governments **$108,363**

Shell's footprint

Shell has a 45% interest in an exploration licence in Namibia 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 is 35%. The loss figure in the table reflects exploration costs, for which there is no immediate tax relief. Should the project start production, these costs can be deducted against profits for tax purposes in compliance with local legislation. Our Payments to Governments Report for 2022 shows that Shell paid around $108,363 in fees.

Read more in Payments to Governments Report.

Nigeria

Africa

Employees
2,481

Total tax contribution
$961,684,042

Taxes borne
$881,609,771

Taxes collected
$80,074,271

Third-party revenues **$1,573,824,494**	Related-party revenues **$2,024,905,422**	Total revenues **$3,598,729,915**	Profit before tax **$1,553,204,823**	Corporate income tax paid **$831,995,199**
Corporate income tax accrued **$775,261,200**	Stated capital **$1,566,916,553**	Accumulated earnings **$3,222,296,409**	Tangible assets **$6,156,236,536**	Other payments to governments **$3,809,284,845**

Shell's footprint

Shell has been present in Nigeria for more than 60 years. Our activities include oil and gas exploration and production. Four 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; Shell Nigeria Gas Limited (SNG), which provides gas to Nigerian industrial and commercial customers; and Daystar Power Energy Solutions Limited, acquired in 2022, which provides affordable, reliable and renewable power to businesses and consumers across Nigeria.

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 by Guarantee (All On), a not-for-profit company set up by Shell, has funded renewable energy start-ups in Nigeria since 2016. All On helps to scale up these start-ups so that they can increasingly provide energy to communities, homes, farms and small businesses that are off the grid.

In 2021, Shell announced its intention to reduce its involvement in onshore oil production in Nigeria, while remaining in deep water and integrated gas.

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 deepwater operations. Higher oil and gas prices and operational efficiencies led to an improvement in results in 2022 compared with 2021. 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 2022 shows that Shell paid around $3.8 billion in production entitlements, royalties and fees.

Read more in Total tax contribution and in Payments to Governments Report.

São Tomé and Príncipe

Africa

Employees
0

Third-party revenues **$28,963**	Related-party revenues **$398,557**	Total revenues **$427,520**	Profit before tax **$(71,072,604)**	Corporate income tax paid **$0**
Corporate income tax accrued **$0**	Stated capital **$0**	Accumulated earnings **$0**	Tangible assets **$36,300,630**	Other payments to governments **–**

Shell's footprint

Shell has been active in São Tomé and Príncipe since 2019 when Shell Sao Tome and Principe B.V. acquired interests in two production-sharing contracts with the government for the offshore deep-water Blocks 6 and 11. In December 2020, Shell acquired KE STP Company, registered in the Cayman Islands, and with it additional interests in deep-water exploration blocks 6, 10, 11 and 13. KE STP Company is the operator of Block 10, 11 and 13 and non-operator of Block 6. Each block is in the exploration phase for oil and gas. KE STP Company moved its domicile to Luxembourg in November 2021 and then to the Netherlands in the following month.

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. Should the project start production, these costs can be deducted against profits for tax purposes in compliance with local legislation.

South Africa

Africa

Employees
538

Total tax contribution **$1,906,943,413**

Taxes borne **$21,574,153**

Taxes collected **$1,885,369,260**

Third-party revenues **$5,327,581,487**	Related-party revenues **$270,266,571**	Total revenues **$5,597,848,058**	Profit before tax **$(74,326,678)**	Corporate income tax paid **$20,017,839**
Corporate income tax accrued **$1,220,845**	Stated capital **$167,529,132**	Accumulated earnings **$517,384,692**	Tangible assets **$1,258,683,215**	Other payments to governments **–**

Shell's footprint

Shell has been present in South Africa since 1902. Shell Downstream South Africa (Pty) Ltd (SDSA) supplies petroleum products to a wide network of retail mobility sites and to customers in commercial fuels, lubricants, aviation fuels and marine fuels. SDSA jointly owns the Shell & BP South African Petroleum Refineries (Pty) Limited refinery, which is currently non-operational following extensive flood damage in April 2022. As a result, SDSA is importing most of its petroleum products while the refinery is non-operational. Shell in South Africa also has investments in upstream ventures, which are still in the pre-exploration phase.

Country financial analysis

The statutory corporate income tax rate in South Africa is 28%. Shell in South Africa reported a loss in 2022, largely as a result of high commodity prices, the impact on income from the damaged refinery and a challenging local operating environment of low economic growth, currency volatility and higher import costs of finished products. Because corporate income taxes are paid in advance, based on estimated taxable income for the reporting year, SDSA is expecting a refund of the tax paid for 2022 at the end of 2023. This is because of a material difference between the estimated and actual taxable income for 2022 due to the impact on profit from the damaged refinery.

Read more in Total tax contribution.

Tanzania

Africa

Employees **15**	Total tax contribution **$1,284,807**	Taxes borne **$360,339**	Taxes collected **$924,467**

Third-party revenues **$0**	Related-party revenues **$0**	Total revenues **$0**	Profit before tax **$(7,188,629)**	Corporate income tax paid **$0**
Corporate income tax accrued **$0**	Stated capital **$27,054,471**	Accumulated earnings **$(37,518,831)**	Tangible assets **$343,514,885**	Other payments to governments **–**

Shell's footprint

Shell has been active in Tanzania since 2010. Shell Exploration and Production Tanzania Limited (SEPTL) is incorporated in the UK with a branch registered in Tanzania. SEPTL operates and has a 60% interest in blocks 1 and 4 off the coast of Tanzania under a production-sharing agreement with the government that expires in 2024. SEPTL is also co-leading a proposed liquefied natural gas project with other investors. Shell Deepwater Tanzania B.V. (SDT) is incorporated in the Netherlands with a branch in Tanzania (SDT Tanzania). A second branch in Zanzibar (SDT-Zanzibar) was closed and deregistered in January 2022.

Country financial analysis

The statutory corporate income tax rate in Tanzania is 30%. Shell made a standalone payment of around $66 million in capital gains tax in 2021. No capital gains tax was paid in 2022. Shell generated a loss in Tanzania as it has not yet started its main business activities in the country, which are under negotiation with the government.

Read more in Total tax contribution.

Tunisia

Africa

Employees **82**	Total tax contribution **$98,406,441**	Taxes borne **$90,178,189**	Taxes collected **$8,228,252**

Third-party revenues **$145,689,187**	Related-party revenues **$54,634,819**	Total revenues **$200,324,006**	Profit before tax **$(43,606,561)**	Corporate income tax paid **$83,807,370**
Corporate income tax accrued **$9,566,674**	Stated capital **$339,908,730**	Accumulated earnings **$180,007,000**	Tangible assets **$(1)**	Other payments to governments **$16,569,086**

Shell's footprint

Shell has been present in Tunisia for almost 90 years. In 2011, Shell sold its downstream business but continued with upstream exploration. When Shell acquired BG Group in 2016, we became the owner of producing offshore gas fields and their support facilities, a liquefied petroleum gas extraction plant, pipelines, storage and export terminals. In 2022, Shell relinquished the Miskar concession to the government upon expiry, which reduced the number of employees from 308 in 2021 to 82 in 2022.

Country financial analysis

In 2022, the statutory corporate income tax rate in Tunisia was between 10% and 35%, with an additional 1% social solidarity contribution. The taxable income of each concession and legal entity is determined separately under Tunisian law. The government has applied a tax rate of 40-50% to Shell's upstream operations. The tax paid in 2022 includes payments for previous years. The loss reported is a result of the relinquishment of the Miskar concession. Our Payments to Governments Report for 2022 shows that Shell paid around $16.6 million in royalties.

Read more in Total tax contribution and in Payments to Governments Report.

Argentina

Americas

Employees	Total tax contribution	Taxes borne	Taxes collected
192	$9,751,609	$4,430,532	$5,321,077

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$599,219,571	$321,582,830	$920,802,401	$285,832,040	$290,786

Corporate income tax accrued	Stated capital	Accumulated earnings	Tangible assets	Other payments to governments
$57,967,679	$2,190,400,805	$(614,610,840)	$2,165,748,105	$78,072,200

Shell's footprint

Shell has been present in Argentina since 1914. We have upstream and midstream activities in the Neuquén Basin, where we operate four blocks, participate in three blocks operated by other companies, and own an oil pipeline together with two other companies. Shell also has an interest in a block in the province of Salta. Additionally, Shell has exploration activities in three offshore blocks in the Argentina Norte Basin: two are Shell-operated joint ventures with QatarEnergy, and a third is with Equinor and YPF, the national oil company of Argentina. The Shell brand is present in the country through a brand licence agreement with Raízen, a joint venture between Shell and the Brazilian company Cosan.

Country financial analysis

The statutory corporate income tax rate in Argentina is 35%. Shell Argentina S.A. has reported losses since 2013 because of exploration and development costs incurred mainly in the Neuquén Basin. The increase in revenues in 2022 is the result of almost double production volumes compared with 2021 and higher global oil and gas prices. This also explains the change from a net loss in 2021 to a profit before tax in 2022. The corporate income tax paid figure reported is related to social security payments. No corporate income tax was paid because of losses carried forward from previous years. Our Payments to Governments Report for 2022 shows that Shell paid around $78 million in royalties and fees.

Read more in Total tax contribution and in Payments to Governments Report.

Bahamas

Americas

Employees
37

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$8,295,912,799	$19,994,573,180	$28,290,485,979	$1,550,807,603	$0

Corporate income tax accrued	Stated capital	Accumulated earnings	Tangible assets	Other payments to governments
$0	$100,000	$2,409,287,375	$868,316,410	–

Shell's footprint

Shell has been present in the Bahamas since 2002. As of 2018, Shell's principal business in the Bahamas is Shell Western Supply and Trading Limited (SWST). SWST sources crude oil from West Africa and Latin America, and trades globally.

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. The increase in profit before tax is the result of higher crude oil prices.

Barbados

Americas

Employees
0

Third-party revenues **$0**	Related-party revenues **$0**	Total revenues **$0**	Profit before tax **$(198,994)**	Corporate income tax paid **$0**
Corporate income tax accrued **$0**	Stated capital **$135,769,000**	Accumulated earnings **$(290,030,243)**	Tangible assets **$8,211,734**	Other payments to governments **–**

Shell's footprint

Shell has been present 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 an interest in several production-sharing contracts in Trinidad and Tobago (see Trinidad and Tobago for more details). In 2022, through a new Barbados branch, Shell acquired a participating interest in exploration licences for two deep-water blocks off the south-east coast of Barbados.

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. Petroleum profits are taxed under a separate regime and subject to a profit tax of up to 30%. Profits from the operations of Shell Trinidad and Tobago Resources SRL in Trinidad and Tobago are not taxable in Barbados. The loss reported in 2022 is related to the new branch and the cost of exploration activities. The reduction in stated capital, compared with 2021, was because of cumulative currency translation differences and share premium repayments.

Bermuda

Americas

Employees
4

Third-party revenues **$6,797,925**	Related-party revenues **$8,494,942**	Total revenues **$15,292,867**	Profit before tax **$3,791,169**	Corporate income tax paid **$0**
Corporate income tax accrued **$0**	Stated capital **$2,606,078,785**	Accumulated earnings **$215,185,732**	Tangible assets **$28,687**	Other payments to governments **–**

Shell's footprint

Shell has been present in Bermuda for more than 70 years with reinsurance and pension fund companies currently incorporated there. These companies perform activities, such as filing company accounts, managing pension investments and administration. We also have companies in Bermuda which have branches in Malaysia, Oman, Qatar and the UAE. 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 revenues in 2022 is because the revenues of two companies were reallocated to the UAE, where their core activities take place.

Bolivia

Americas

Employees **30**	Total tax contribution **$2,257,252**	
Taxes borne **$1,066,291**	Taxes collected **$1,190,961**	

Third-party revenues **$142,244,138**	Related-party revenues **$2,637,041**	Total revenues **$144,881,180**	Profit before tax **$105,264,810**	Corporate income tax paid **$0**
Corporate income tax accrued **$0**	Stated capital **$376,873,740**	Accumulated earnings **$(141,338)**	Tangible assets **$273,771,232**	Other payments to governments **$243,650**

Shell's footprint

Shell was present in Bolivia from 1997 to 2007 through its interest in Transredes S.A., a gas pipeline company. In 2016, Shell returned to the country through its acquisition of BG Group. Today, our main activity in Bolivia is through Shell Bolivia Corporation, Bolivia branch (SBCB), which participates in the Caipipendi block (operated by Repsol), where we hold a 37.5% interest. Gas from the block is delivered to domestic and export markets. SBCB also has a 25% interest in the Tarija XX West block (operated by Petrobras), where we produce from the Itaú field. In 2022, we exited the Iñiguazu exploration block (operated by Repsol), where we held a 15% interest. Additionally, SBCB was part of an incorporated joint venture with the national oil company Yacimientos Petrolíferos Fiscales Bolivianos (YPFB), which drilled the Jaguar exploration well. As a result of not discovering commercial volumes, Shell decided to relinquish the field and received final environmental sign-off from the government in 2022.

Country financial analysis

The statutory corporate income tax rate in Bolivia is 25%. The revenues for 2022 were earned from sales to YPFB. Shell in Bolivia made a profit during 2022 but paid no corporate income tax because it carried forward losses from previous years. Our Payments to Governments Report for 2022 shows that Shell paid $243,650 in fees.

Read more in Total tax contribution and in Payments to Governments Report.

Brazil

Americas

Employees **715**	Total tax contribution **$534,821,799**	
Taxes borne **$509,326,489**	Taxes collected **$25,495,310**	

Third-party revenues **$1,479,373,530**	Related-party revenues **$11,177,020,172**	Total revenues **$12,656,393,702**	Profit before tax **$4,290,633,614**	Corporate income tax paid **$478,763,833**
Corporate income tax accrued **$694,923,220**	Stated capital **$2,883,990,011**	Accumulated earnings **$(6,463,168,706)**	Tangible assets **$27,874,807,943**	Other payments to governments **$3,877,784,036**

Shell's footprint

Shell has been active in Brazil since 1913 and has upstream, downstream and renewables activities. The acquisition of BG Group in 2016 made Shell the largest international investor in Brazil's conventional deep-water oil fields. In our Downstream business, we have a 44% stake in Raízen, which produces sugar-cane ethanol and supplies and distributes fuels. Raízen is one of the world's largest biofuel producers, producing around 3 billion litres per year. In 2022, Shell completed the sale of its Lubricants business to Raízen.

Country financial analysis

The statutory corporate income tax rate in Brazil is 34%. In 2022, Shell paid $553 million in corporate income tax and received a tax refund of $75 million related to corporate income tax overpayments made in previous years. The increase in revenues, and consequently in profit, in 2022 is mainly the result of the higher oil price. In 2022, Shell made use of a tax incentive in Brazil that allows companies to support culture and sport with up to 1% of their tax due. As a result, Shell directed $15 million of its tax due to support the initiative. Our Payments to Governments Report for 2022 shows that Shell paid around $3.9 billion in production entitlements, royalties, bonuses and fees.

Read more in Total tax contribution and in Payments to Governments Report.

Canada

Americas

Employees **3,371**

Total tax contribution **$4,434,636,090** | Taxes borne **$54,844,197** | Taxes collected **$4,379,791,894**

Third-party revenues **$18,073,139,590**	Related-party revenues **$18,986,391,538**	Total revenues **$37,059,531,128**	Profit before tax **$2,802,534,120**	Corporate income tax paid **$38,878,011**
Corporate income tax accrued **$197,815,402**	Stated capital **$49,858,308,287**	Accumulated earnings **$(2,705,218,973)**	Tangible assets **$17,727,943,996**	Other payments to governments **$48,790,014**

Shell's footprint

Shell has been operating in Canada since 1911. Shell in Canada's downstream business is anchored in its Scotford Energy and Chemicals Park in Alberta. Scotford is a large refining and petrochemical facility that includes a bitumen upgrader, an oil refinery, a chemical plant and the Quest carbon capture and storage facility. It has a refining capacity (upgrader and refinery) of more than 430,000 barrels per day. Shell's Sarnia Manufacturing Centre in Ontario includes a refinery and chemical plant and has a daily processing capacity of 85,000 barrels of crude oil. Shell also has trading and supply, aviation, sulphur, retail and lubricants businesses, among others. In British Columbia, we produce natural gas at our Groundbirch asset, which has around 479 producing wells and four gas plants. 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 24.09% in 2022. 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 does 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 can be used against the realisation of future revenues. The variation between the tax accrued and the tax paid is primarily due to the timing of when tax payments are due to governments or alternatively accrued for accounting purposes. The revenue increase in 2022 was mainly because of higher oil and gas prices. Our Payments to Governments Report for 2022 shows that Shell paid around $48.8 million in royalties and fees.

Read more in Total tax contribution and in Payments to Governments Report.

Cayman Islands

Americas

Employees **0**

Third-party revenues **$0**	Related-party revenues **$261,809**	Total revenues **$261,809**	Profit before tax **$(106,141)**	Corporate income tax paid **$0**
Corporate income tax accrued **$0**	Stated capital **$80,371,113**	Accumulated earnings **$(173,269,648)**	Tangible assets **$0**	Other payments to governments **–**

Shell's footprint

Shell has holding companies in the Cayman Islands. Shell acquired BG Exploration and Production India Limited (BGEPIL) when it acquired BG Group in 2016. BGEPIL is incorporated in the Cayman Islands and has a branch in India. Income earned by BGEPIL's branch in India is subject to tax in India. BGEPIL's exploration and production activities in India ended in December 2019 and it is now carrying out decommissioning activities.

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. The revenues in 2022 arose in part from the sale of a retirement savings plan.

Colombia

Americas

Employees
10

Third-party revenues **$2,272,361**	Related-party revenues **$2,456,409**	Total revenues **$4,728,770**	Profit before tax **$(27,133,319)**	Corporate income tax paid **$0**
Corporate income tax accrued **$0**	Stated capital **$21,698,889**	Accumulated earnings **$(83,467,178)**	Tangible assets **$155,459,469**	Other payments to governments **$558,570**

Shell's footprint

Shell has been active in Colombia since 1956. Our upstream activities comprise a 50% interest in three deep-water blocks that we operate, and a 60% interest in two other deep-water blocks where Chevron is the operator.

Country financial analysis

The statutory corporate income tax rate in Colombia was raised to 35% in January 2022 from 31% in 2021. We are investing in our upstream business in Colombia and incurring costs in relation to the drilling of the Gorgon well. As a result, we have reported a loss and no corporate income tax was accrued. Our Payments to Governments Report for 2022 shows that Shell paid $558,570 in fees in 2022.

Read more in Payments to Governments Report.

Mexico

Americas

Employees
166

Total tax contribution	Taxes borne	Taxes collected
$40,237,336	**$28,327**	**$40,209,009**

Third-party revenues **$1,378,583,672**	Related-party revenues **$152,565,054**	Total revenues **$1,531,148,727**	Profit before tax **$(239,148,233)**	Corporate income tax paid **$(1,715,673)**
Corporate income tax accrued **$1,547,305**	Stated capital **$1,742,108,274**	Accumulated earnings **$(1,264,679,439)**	Tangible assets **$504,258,012**	Other payments to governments **$41,913,830**

Shell's footprint

Shell has been active in Mexico since 1954 when it started as a chemicals business. In 2022, Shell's activities included nine deep-water blocks, one shallow-water block, 230 Shell-branded retail sites, the import and supply of petrol and diesel, the sale of petrochemicals and lubricants through macro-distributors, a commercial fleet, and a power and natural gas trading business.

Country financial analysis

The statutory corporate income tax rate in Mexico is 30%. Losses in 2022 were predominantly a result of exploration costs and investment in downstream activities where margins were impacted by amendments to regulations in the retail energy sector. 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 2022 shows that Shell paid around $42 million in fees.

Read more in Total tax contribution and in Payments to Governments Report.

Peru

Americas

Employees	Total tax contribution	Taxes borne	Taxes collected
10	$2,355,264	$1,936,731	$418,533

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$29,005,835	$5,379,340	$34,385,175	$875,482	$1,850,754
Corporate income tax accrued	**Stated capital**	**Accumulated earnings**	**Tangible assets**	**Other payments to governments**
$0	$5,992,308	$(618,130)	$10,726,696	–

Shell's footprint

Shell has been active in Peru since 2014. Shell GNL Peru S.A.C. has been selling liquefied natural gas to the domestic market since 2017. 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 profit for 2022 was mainly the result of higher revenues from Shell GNL Peru S.A.C. The tax paid figure represents an estimated prepayment for 2022 and includes tax paid for 2021.

Read more in Total tax contribution.

Puerto Rico

Americas

Employees
0

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$0	$142,890	$142,890	$(340,606)	$0
Corporate income tax accrued	**Stated capital**	**Accumulated earnings**	**Tangible assets**	**Other payments to governments**
$500	$32,605,000	$(28,517,006)	$0	–

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 in 2022. However, a loss before tax arose as a result of ongoing administrative and service costs, and no corporate income tax was paid.

Saint Lucia

Americas

Employees
0

Third-party revenues **$22,999,500**	Related-party revenues **$3,152,781**	Total revenues **$26,152,281**	Profit before tax **$140,988,770**	Corporate income tax paid **$0**
Corporate income tax accrued **$0**	Stated capital **$1,286,523,845**	Accumulated earnings **$(742,721,723)**	Tangible assets **$0**	Other payments to governments **–**

Shell's footprint

Shell has been present in Saint Lucia since 2016 through investment holding companies for upstream and liquefied natural gas operations in the Caribbean. The holding companies were inherited as part of Shell's acquisition of BG Group which began business in-country in 2002. These entities have interests in companies doing business in Trinidad and Tobago (see Trinidad and Tobago for more information). Following our review of these entities in 2021, we consolidated our operations in the region and simplified our holding structures. This included the liquidation of four Saint Lucian entities in that same year. In 2022, we began to liquidate our one remaining entity in Saint Lucia.

Country financial analysis

The statutory corporate income tax rate in Saint Lucia is 30%. Saint Lucia does not tax dividends on investments if they are paid from profits that have already been taxed in the country where the activities that generated the profits take place. As a result, Shell does not pay corporate income tax in Saint Lucia. Shell has no employees in the country and outsources its administrative activities. In 2022, the holding company earned revenue in the form of dividend income and recorded its share of profit from its investment in liquefied natural gas operations in Trinidad and Tobago.

Suriname

Americas

Employees
1

Third-party revenues **$765,681**	Related-party revenues **$0**	Total revenues **$765,681**	Profit before tax **$(50,468,256)**	Corporate income tax paid **$0**
Corporate income tax accrued **$0**	Stated capital **$0**	Accumulated earnings **$0**	Tangible assets **$78,720,603**	Other payments to governments **–**

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. Shell is the operator in the current exploration phase. In December 2021, Shell-owned 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 B.V. 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 2022. We are investing in upstream operations and have therefore reported a loss. The increase in revenues in 2022 was generated by bank deposits, which were made to cover significant drilling and exploration costs.

Trinidad and Tobago

Americas

Employees	Total tax contribution	Taxes borne	Taxes collected
414	$595,649,879	$578,365,516	$17,284,363

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$1,928,989,655	$1,830,405,989	$3,759,395,644	$1,302,840,899	$577,476,863
Corporate income tax accrued	**Stated capital**	**Accumulated earnings**	**Tangible assets**	**Other payments to governments**
$575,028,974	$557,834,855	$(366,962,429)	$1,386,213,456	$873,733,975

Shell's footprint

Shell has been active in Trinidad and Tobago since 1913. Shell has exploration and production activities through operated and non-operated ventures, as well as natural gas pipelines and liquefied natural gas facilities. In 2022, as part of a consortium, Shell and its partners took a final investment decision to build the first utility-scale solar power plant in Trinidad and Tobago.

Country financial analysis

The statutory corporate income tax rate in Trinidad and Tobago is 30%. The rate under the separate tax regime for companies with petroleum operations is 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 elsewhere. Tax paid and accrued in 2022 is the result of profits made by most of our existing production assets. The increase in revenues is attributable to higher oil and gas prices as well as delivery of first gas in Block 22 and NCMA-4 in March 2022. Our Payments to Governments Report for 2022 shows that Shell paid around $873.7 million in production entitlements, royalties, bonuses and fees.

Read more in Total tax contribution and in Payments to Governments Report.

United States of America

Americas

Employees
16,238

Total tax contribution	Taxes borne	Taxes collected
$5,026,673,577	**$350,231,076**	**$4,676,442,501**

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$88,476,913,083	**$100,602,193,932**	**$189,079,107,016**	**$7,076,419,280**	**$171,446,962**

Corporate income tax accrued	Stated capital	Accumulated earnings	Tangible assets	Other payments to governments
$107,313,079	**$344,936,887,221**	**$1,752,334,417**	**$56,203,512,354**	**$1,461,717,942**

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. Shell Trading (US) Company trades crude oil, refined products, low-carbon fuels, chemical feedstocks, natural gas, liquified natural gas, power, environmental products, biofuels and freight. Shell Energy North America (US), L.P. consistently ranks as one of North America's top three gas and power marketers, selling 8.5 billion cubic feet of natural gas every day and managing 13 gigawatts of power generation of which 37% is from renewable sources. There are more than 13,000 Shell-branded fuel stations in the USA and 2,000 Jiffy Lube locations. Shell is also investing in renewable and new energy solutions.

Country financial analysis

The federal statutory corporate income tax rate in the USA is 21%. The corporate income tax paid figure in 2022 includes taxes paid to both the US federal and state governments which may relate to more than one year. Operating losses incurred in previous years were offset against earnings, which resulted in a lower corporate income tax paid figure. Prior year losses were the result of many factors, including investments in our upstream, manufacturing and chemical businesses, which did not generate the profits expected as a result of lower oil and gas prices. We expect a refund of around three-quarters of the corporate income tax we paid in 2022. Our Payments to Governments Report for 2022 shows that Shell paid around $1.5 billion in royalties and fees.

Read more in Total tax contribution, USA country profile and in Payments to Governments Report.

Uruguay

Americas

Employees
1

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$902,857	**$260,320**	**$1,163,178**	**$758,224**	**$9,931**

Corporate income tax accrued	Stated capital	Accumulated earnings	Tangible assets	Other payments to governments
$6,200	**$16,701,984**	**$79,827**	**$373**	**–**

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 2018, BGU relinquished three offshore exploration blocks to the Uruguayan government. In 2022, Shell was awarded exploration and production rights for three offshore blocks. Two of the blocks were awarded solely to Shell (OFF-2 and OFF-7) and the third to a joint venture between Shell and APA (OFF-4).

Country financial analysis

The statutory corporate income tax rate in Uruguay is 25%. Losses carried forward from previous years resulted in BGU paying only the minimum amount of corporate income tax, which is levied by Uruguay law.

Venezuela

Americas

Employees	Total tax contribution	Taxes borne	Taxes collected
5	$321,198	$318,708	$2,491

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$98,886	$749,644	$848,531	$(8,103,270)	$312,636
Corporate income tax accrued	**Stated capital**	**Accumulated earnings**	**Tangible assets**	**Other payments to governments**
$312,918	$823,556,440	$(923,367,633)	$209,154	–

Shell's footprint

Shell has been present in Venezuela for 110 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%. Corporate income tax paid in 2022 relates to withholding taxes on support services. Revenues are related to support services rendered from Venezuela to other countries.

Read more in Total tax contribution.

Australia

Asia-Pacific

Employees	Total tax contribution	Taxes borne	Taxes collected
2,949	$368,565,451	$124,940,461	$243,624,990

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$6,272,077,565	$12,938,331,788	$19,210,409,353	$9,586,150,828	$84,001,917
Corporate income tax accrued	**Stated capital**	**Accumulated earnings**	**Tangible assets**	**Other payments to governments**
$1,047,695,630	$59,910,230,878	$(691,601,518)	$29,946,090,929	$772,113,221

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 comprises two corporate income tax groups with parent companies 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 2022 revenue rose largely because of higher prices and was 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 compared to accounting profits due to deducting capital allowances, carry-forward losses and using incentive credits. The corporate income tax paid figure for 2022 includes adjustments relating to previous years. Our Payments to Governments Report for 2022 shows that Shell also paid around $772 million in royalties, fees and infrastructure improvements.

Read more in Total tax contribution and in Payments to Governments Report.

Brunei Darussalam

Asia-Pacific

Employees
5

Third-party revenues **$447,402,520**	Related-party revenues **$6,328,446**	Total revenues **$453,730,966**	Profit before tax **$265,757,305**	Corporate income tax paid **$46,586,247**
Corporate income tax accrued **$75,342,672**	Stated capital **$331,827,569**	Accumulated earnings **$32,512,915**	Tangible assets **$234,145,126**	Other payments to governments **$39,585,056**

Shell's footprint

Shell has been present in Brunei for more than 90 years. The figures above are for Shell's wholly owned entities in Brunei that have an interest in oil and gas exploration and production activities. Shell also has interests in non-Shell operated joint ventures, operating retail stations, liquid natural gas facilities and oil and gas exploration and production facilities. The Shell entities which are shareholders in these joint ventures are based in the United Kingdom. Shell's share of the results from these joint ventures, which are equity-accounted investments, is included in the country report for the United Kingdom.

Country financial analysis

The statutory petroleum income tax rate in Brunei is 55%. The profit before tax number in the table includes non-taxable income. Our Payments to Governments Report for 2022 shows that Shell paid around $39.6 million in production entitlements and royalties.

Read more in Payments to Governments Report.

China

Asia-Pacific

Employees
1,928

Total tax contribution **$732,519,778**	Taxes borne **$98,213,188**	Taxes collected **$634,306,589**

Third-party revenues **$3,166,027,719**	Related-party revenues **$1,653,748,265**	Total revenues **$4,819,775,984**	Profit before tax **$277,044,456**	Corporate income tax paid **$53,390,569**
Corporate income tax accrued **$46,710,658**	Stated capital **$1,429,217,667**	Accumulated earnings **$1,415,476,277**	Tangible assets **$3,015,444,518**	Other payments to governments **–**

Shell's footprint

Shell has been present in China for more than 100 years and is active in Integrated Gas, Downstream and Projects & Technology. 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%. Our corporate income tax paid in 2022 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 24 companies, some of which are profit-making and some of which have recorded losses. The decrease in profit, compared with 2021, is due to poor margins and higher costs for the Downstream businesses. The corporate income tax paid figure is based on those companies that made a profit.

Read more in Total tax contribution.

Hong Kong

Asia-Pacific

Employees **152**	Total tax contribution **$97,247,924**	Taxes borne **$7,923,495**	Taxes collected **$89,324,429**

Third-party revenues **$1,336,455,810**	Related-party revenues **$195,528,620**	Total revenues **$1,531,984,430**	Profit before tax **$71,930,574**	Corporate income tax paid **$7,923,495**
Corporate income tax accrued **$11,896,109**	Stated capital **$256,259,300**	Accumulated earnings **$403,883,251**	Tangible assets **$696,168,101**	Other payments to governments **–**

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-branded liquefied petroleum gas (LPG) products are available in Hong Kong through a long-term brand licence agreement with DCC LPG. In 2022, we started to install and operate electric vehicle charge points throughout Hong Kong.

Country financial analysis

The statutory corporate income tax rate in Hong Kong is 16.5%. The corporate income tax paid figure reflects a payment for 2021 and a provisional payment for 2022.

Read more in Total tax contribution.

India

Asia-Pacific

Employees **10,722**	Total tax contribution **$312,814,479**	Taxes borne **$33,625,954**	Taxes collected **$279,188,525**

Third-party revenues **$1,732,973,427**	Related-party revenues **$1,457,506,139**	Total revenues **$3,190,479,567**	Profit before tax **$88,112,391**	Corporate income tax paid **$24,793,478**
Corporate income tax accrued **$62,861,177**	Stated capital **$1,711,365,873**	Accumulated earnings **$328,861,243**	Tangible assets **$2,469,240,239**	Other payments to governments **–**

Shell's footprint

Shell has been present in India for almost 30 years, mostly in downstream activities through Shell India Markets Private Limited. In 2008, Shell started its Business Operations and Projects & Technology organisations. Hazira Port Private Limited and Shell Energy India Private Limited (both wholly owned by Shell) are engaged in integrated gas and trading and supply activities. Shell in India also 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 now decommissioning its production facility.

In 2022, Shell acquired Solenergi Power Private Limited, Mauritius, and with it, the Sprng Energy group of companies. Sprng Energy Private Limited is a leading renewable energy platform in India which develops and manages solar and wind power facilities and infrastructure.

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%. Corporate income tax paid during the year relates to profits arising from business activities, including services rendered through Shell Business Operations and the Projects & Technology organisation. Shell claims a tax exemption for its Shell Business Operations information technology activities as they are located in a special economic zone.

Read more in Total tax contribution and in Payments to Governments Report.

Indonesia

Asia-Pacific

Employees	Total tax contribution	Taxes borne	Taxes collected
513	$45,598,486	$2,806,683	$42,791,803

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$756,285,197	$257,780,705	$1,014,065,902	$(6,190,776)	$1,688,821

Corporate income tax accrued	Stated capital	Accumulated earnings	Tangible assets	Other payments to governments
$815,948	$1,041,618,542	$(215,007,436)	$743,346,037	–

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. In 2022, Shell had upstream and downstream activities in Indonesia. Shell's downstream activities include the marketing of fuels, lubricants and bitumen. In its upstream activities, Shell was a partner of INPEX which operates the Masela production-sharing contract, including the Abadi gas fields. In 2023, Shell completed the sale of its 35% interest in the project.

Country financial analysis

The statutory corporate income tax rate in Indonesia is 22%. In 2022, Shell's revenues rose as a result of higher oil and gas prices and increases in demand, and were generated mostly by the downstream business. Our upstream activities are in the exploration phase and therefore did not make a profit. Shell in Indonesia reported a loss for 2022. Corporate income tax paid in 2022 relates to a prepayment made in 2022 and a tax refund for 2019 received in 2022. The corporate income tax accrued figure represents net corporate income tax payable accrued for 2022.

Read more in Total tax contribution.

Japan

Asia-Pacific

Employees	Total tax contribution	Taxes borne	Taxes collected
195	$11,133,109	$3,788,669	$7,344,440

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$664,209,915	$157,786,309	$821,996,224	$8,198,520	$1,431,511

Corporate income tax accrued	Stated capital	Accumulated earnings	Tangible assets	Other payments to governments
$919,856	$22,053,824	$28,411,957	$234,719,667	–

Shell's footprint

Shell has been active in Japan's energy industry for more than 120 years. We work with Japanese partners and customers worldwide across our main businesses in Upstream, Integrated Gas, Renewables and Downstream. 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. In 2022, we expanded our power trading business in Japan with the acquisition of Nagaoka Power Generation Limited.

Country financial analysis

The statutory corporate income tax rate in Japan is 30.62%. In 2022, corporate income tax accrued was lower than in 2021 because of reduced taxable income compared with accounting profit, as some losses were carried forward for future years.

Read more in Total tax contribution.

Kazakhstan

Asia-Pacific

Employees
274

Third-party revenues **$(3,233,182)**	Related-party revenues **$2,803,556,304**	Total revenues **$2,800,323,122**	Profit before tax **$1,561,829,996**	Corporate income tax paid **$276,361,876**
Corporate income tax accrued **$278,427,602**	Stated capital **$0**	Accumulated earnings **$0**	Tangible assets **$9,932,855,247**	Other payments to governments **–**

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 owns and operates an oil pipeline from the Caspian Sea to the Black Sea, across parts of Kazakhstan.

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 2022. Revenues from both projects increased in 2022 due to higher global oil prices. The corporate income tax paid figure relates primarily to profit generated from the Karachaganak project, which is also disclosed in our Payments to Governments Report for 2022.

Read more in Payments to Governments Report.

Macao SAR

Asia-Pacific

Employees
1

Third-party revenues **$60,831,739**	Related-party revenues **$0**	Total revenues **$60,831,739**	Profit before tax **$10,944,938**	Corporate income tax paid **$1,237,813**
Corporate income tax accrued **$1,313,393**	Stated capital **$373,576**	Accumulated earnings **$23,873,863**	Tangible assets **$4,807,992**	Other payments to governments **–**

Shell's footprint

Shell has been present in Macao since 1989. Shell engages local agents and dealers to operate retail stations 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 corporate income tax paid in 2022 is on the taxable profits from previous years. Corporate income tax accrued is the expected corporate income tax on profits arising in 2022, but is due and payable in 2023. Accumulated earnings declined, compared with 2021, due to dividend payments.

Malaysia

Asia-Pacific

Employees	Total tax contribution	Taxes borne	Taxes collected
4,708	$556,378,403	$458,878,007	$97,500,396

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$9,548,304,029	$2,624,975,893	$12,173,279,922	$1,233,378,978	$454,906,691
Corporate income tax accrued	**Stated capital**	**Accumulated earnings**	**Tangible assets**	**Other payments to governments**
$512,856,079	$1,004,133,066	$2,266,268,487	$3,288,569,108	$4,083,035,475

Shell's footprint

Shell has been present in Malaysia since 1891 and is active in the upstream and downstream sectors. Shell has several production-sharing contracts for oil and gas production off the coast of Sarawak and Sabah. Downstream operates around 1,000 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 drilling fluids, which are sold in more than 50 countries. Shell has a Business Operations Centre in Kuala Lumpur which provides support services to other Shell companies.

Country financial analysis

Shell pays petroleum income tax of 38% for upstream activities and 24% for remaining support services. Revenues and profits increased in 2022 as a result of higher oil and gas prices and rising demand. Our Payments to Governments Report for 2022 shows that Shell paid around $4 billion in production entitlements, royalties and fees.

Read more in Total tax contribution, in Payments to Governments Report and in Country-specific incentives.

Myanmar

Asia-Pacific

Employees
0

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$0	$0	$0	$(763,402)	$568,208
Corporate income tax accrued	**Stated capital**	**Accumulated earnings**	**Tangible assets**	**Other payments to governments**
$568,208	$0	$0	$0	–

Shell's footprint

Shell has been present in Myanmar since 2014. Since 2017, Shell and its partners have relinquished six of seven exploration permits. Shell and its partners are currently 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 is 22%. Shell's Myanmar activities were in the exploration phase with no production to generate income and therefore no corporate income tax was owed. The corporate income tax paid amount for the year relates to withholding tax on intra-group services.

New Zealand

Asia-Pacific

Employees
0

Third-party revenues **$0**	Related-party revenues **$1,048,512**	Total revenues **$1,048,512**	Profit before tax **$887,899**	Corporate income tax paid **$4,315,475**
Corporate income tax accrued **$0**	Stated capital **$3,691,270,613**	Accumulated earnings **$526,415,252**	Tangible assets **$12**	Other payments to governments **–**

Shell's footprint

Shell 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 the 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%. We have 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. Corporate income tax paid for the year relates to current-year income after using prior-year losses and foreign tax credits. This payment will be offset against future liabilities.

Pakistan

Asia-Pacific

Employees
386

Total tax contribution **$37,583,712**	Taxes borne **$11,198,970**	Taxes collected **$26,384,742**

Third-party revenues **$1,888,079,058**	Related-party revenues **$1,716,532**	Total revenues **$1,889,795,591**	Profit before tax **$36,304,133**	Corporate income tax paid **$11,184,512**
Corporate income tax accrued **$11,669,757**	Stated capital **$80,131,822**	Accumulated earnings **$31,667,719**	Tangible assets **$321,484,077**	Other payments to governments **–**

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 oil. On November 1, 2023, Shell signed an agreement to sell its majority shareholding in Shell Pakistan Limited.

Country financial analysis

The statutory corporate income tax rate in Pakistan is 29%. The increase in revenues was mainly because of a 46% rise in the regulated price of fuel during the year. The rise in stated capital of around $64 million, compared with 2021, was the result of issuing additional share capital at a share premium, as well as the sharp increase in the value of the US dollar against the Pakistani rupee throughout the year. Accumulated earnings improved as a result of the recovery after the COVID-19 pandemic.

Read more in Total tax contribution.

Philippines

Asia-Pacific

Employees	Total tax contribution	Taxes borne	Taxes collected
4,927	**$1,293,372,538**	**$103,434,551**	**$1,189,937,986**

Third-party revenues **$4,276,220,170**	Related-party revenues **$305,625,647**	Total revenues **$4,581,845,817**	Profit before tax **$418,241,581**	Corporate income tax paid **$98,679,882**
Corporate income tax accrued **$71,929,863**	Stated capital **$477,181,202**	Accumulated earnings **$(236,377,558)**	Tangible assets **$1,185,139,062**	Other payments to governments **$461,162,693**

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 changed its name to Shell Pilipinas Corporation (SPC) in March 2023. PSPC/SPC imports and markets petrol, commercial fuels and other petroleum products, and is listed on the Philippine Stock Exchange. The company has three import facilities and more than 1,100 retail sites. In 2022, Shell completed the sale of its 45% interest in the Malampaya gas project. Shell has a Business Operations Centre in the Philippines which provides support services to other Shell companies. Shell Energy Philippines supplies and trades power and electricity.

Country financial analysis

The statutory corporate income tax rate in the Philippines is 25%. Total corporate income tax paid and accrued increased in 2022 compared with 2021, mainly because of higher net income from fuel sales and non-fuel retail. The increase in tangible assets is due to additional mobility sites built during the year, upgrades to existing mobility sites and enhancement of the supply chain network. Our Payments to Governments Report for 2022 shows that Shell paid around $461.1 million in production entitlements.

Read more in Total tax contribution and in Payments to Governments Report.

Russia

Asia-Pacific

Employees
249

Third-party revenues **$740,698,948**	Related-party revenues **$2,071,274,780**	Total revenues **$2,811,973,728**	Profit before tax **$(956,288,544)**	Corporate income tax paid **$36,810,607**
Corporate income tax accrued **$50,528,552**	Stated capital **$358,144,154**	Accumulated earnings **$(69,817,457)**	Tangible assets **$13,220,370**	Other payments to governments **–**

Shell's footprint

Following the invasion of Ukraine by Russia, Shell announced its intent to withdraw from involvement in all Russian hydrocarbons, including crude oil, petroleum products, gas and LNG in a phased manner, aligned with government guidance. The withdrawal from Russian oil and gas activities in 2022 is described in Note 6 to the Consolidated Financial Statements for the year ended December 31, 2022, presented in the Annual Report and Accounts and Form 20-F for that year and as updated in disclosures set out in the first quarter 2023 results announcement.

The numbers in the table above include Shell's 50% interest in Salym Petroleum Development N.V., a joint operation with GazpromNeft. In July 2022, the Shell directors of Salym resigned. Shell lost joint control early in the third quarter 2022 and from then Salym was accounted for as a financial asset at fair value, with a carrying value of zero. As a result of the loss of joint control, Shell no longer has access to data for the Salym project. For 2022, we applied the same ratio for allocating the numbers of Salym Petroleum Development N.V. between the Netherlands and Russia that we used in 2021. Shell completed the sale of its interest in the Salym project to GazpromNeft in March 2023.

The accrued 2022 corporate income tax largely relates to assets that have now been divested. Any corporate income tax liability related to these assets was transferred to the buyers of these assets and will therefore not be settled by Shell.

Read more in Annual Report and Accounts 2022.

Singapore

Asia-Pacific

Employees	Total tax contribution	Taxes borne	Taxes collected
3,464	$346,029,032	$40,491,901	$305,537,132

Third-party revenues **$53,671,634,035**	Related-party revenues **$84,877,027,114**	Total revenues **$138,548,661,149**	Profit before tax **$6,483,793,659**	Corporate income tax paid **$26,568,906**
Corporate income tax accrued **$93,207,280**	Stated capital **$11,025,114,453**	Accumulated earnings **$4,759,763,105**	Tangible assets **$11,390,285,138**	Other payments to governments **–**

Shell's footprint

Shell has been present in Singapore since 1891. Shell's activities include refining and manufacturing 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 liquified natural gas marketing and trading business. It also has treasury operations and provides 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 revenues but also incurs substantial operational costs. In 2022, profit increased as a result of higher oil and gas prices caused by geopolitical uncertainty and higher demand as economies recovered after the COVID-19 pandemic. Shell's manufacturing and chemical businesses in Singapore continued to make capital investments in 2022. Singapore allows current-year capital allowances on such investments and losses to be offset against the taxable profits of most entities. Corporate income tax accrued in one year is typically paid in the following year. Singapore has granted some Shell companies tax incentives based on their contribution to the local economy, including local employment, support for local suppliers and strategic partnerships with local industry participants.

Read more in Total tax contribution.

South Korea

Asia-Pacific

Employees	Total tax contribution	Taxes borne	Taxes collected
133	$13,936,755	$10,764,741	$3,172,014

Third-party revenues **$264,397,676**	Related-party revenues **$61,969,005**	Total revenues **$326,366,681**	Profit before tax **$13,068,543**	Corporate income tax paid **$9,852,988**
Corporate income tax accrued **$7,880,552**	Stated capital **$20,177,118**	Accumulated earnings **$58,602,759**	Tangible assets **$62,498,941**	Other payments to governments **–**

Shell's footprint

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

Country financial analysis

The statutory corporate income tax rate in South 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. Shell's profit is made predominantly from the downstream marketing business. The tax reflects the tax payable on the profits. In 2022, revenues rose while profit dropped, because our offshore wind business is still in the development and loss-making stage of its business cycle.

Read more in Total tax contribution and in Payments to Governments Report.

Taiwan

Asia-Pacific

Employees
6

Third-party revenues **$0**	Related-party revenues **$1,714,761**	Total revenues **$1,714,761**	Profit before tax **$150,798**	Corporate income tax paid **$40,986**
Corporate income tax accrued **$19,814**	Stated capital **$903,604**	Accumulated earnings **$383,709**	Tangible assets **$0**	Other payments to governments **–**

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%.

Thailand

Asia-Pacific

Employees
445

Total tax contribution
$357,948,846

Taxes borne
$22,323,533

Taxes collected
$335,625,314

Third-party revenues **$3,410,012,903**	Related-party revenues **$109,468,043**	Total revenues **$3,519,480,946**	Profit before tax **$129,039,752**	Corporate income tax paid **$21,652,426**
Corporate income tax accrued **$26,709,487**	Stated capital **$14,133,897**	Accumulated earnings **$32,298,688**	Tangible assets **$919,819,475**	Other payments to governments **–**

Shell's footprint

The Shell Company of Thailand Limited was established more than 130 years ago; its activities include Downstream and Integrated Gas. Shell is strengthening its non-fuel retail businesses in Thailand and expanding its network of retail sites across the country. In addition, Shell is continuing to focus on wholesale liquefied natural gas supply and decarbonisation.

Country financial analysis

Thailand has three different types of corporate income tax: 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 2022 is mostly from our Downstream business.

Read more in Total tax contribution.

Vietnam

Asia-Pacific

Employees	Total tax contribution	Taxes borne	Taxes collected
82	$3,558,446	$2,498,164	$1,060,282

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$80,592,004	$311,753	$80,903,758	$13,038,201	$2,254,767

Corporate income tax accrued	Stated capital	Accumulated earnings	Tangible assets	Other payments to governments
$2,504,058	$14,505,852	$36,760,370	$20,730,450	–

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%. Corporate income tax is paid on a quarterly basis and reconciled during the finalisation of the financial year. The corporate income tax accrued figure of $2.5 million relates to provisional tax for 2022 payable in 2023. Corporate income tax paid comprises three instalments for 2022, and the fourth instalment and final payments for 2021.

Read more in Total tax contribution.

Albania

Europe

Employees	Total tax contribution	Taxes borne	Taxes collected
72	$3,108,108	$348,788	$2,759,320

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$569,001	$4,495,263	$5,064,263	$(20,812,736)	$0

Corporate income tax accrued	Stated capital	Accumulated earnings	Tangible assets	Other payments to governments
$0	$0	$0	$367,979,110	$719,769

Shell's footprint

Shell has been present in Albania since 2012 and is exploring for oil and gas there through Albanian branches of two Dutch companies: Shell Upstream Albania B.V. and Shell Albania Block 4 B.V.

Country financial analysis

The corporate income tax rate for oil and gas production in Albania is 50%. 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 2022 shows that Shell paid around $720,000 in bonuses and fees.

Read more in Total tax contribution and in Payments to Governments Report.

Austria

Europe

Employees	Total tax contribution	Taxes borne	Taxes collected
88	$1,108,030,979	$4,147,184	$1,103,883,795

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$1,483,554,795	$80,647,830	$1,564,202,625	$20,340,154	$1,795,558

Corporate income tax accrued	Stated capital	Accumulated earnings	Tangible assets	Other payments to governments
$30,816	$305,679,719	$306,854,936	$203,655,609	–

Shell's footprint

Shell has been present in Austria since 1923. Our downstream activities include around 260 retail sites, about half of which are owned and operated by Shell. Our activities also include a lubricants distribution network, aviation fuel supply and fleet solutions.

Country financial analysis

The statutory corporate income tax rate in Austria is 25%. Profits in 2022 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 corporate income tax accrued and paid in 2022 relates to profits arising in 2021 and 2022, as corporate income tax in Austria is partly paid in arrears.

Read more in Total tax contribution.

Belgium

Europe

Employees	Total tax contribution	Taxes borne	Taxes collected
329	$312,524,347	$19,993,158	$292,531,189

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$1,487,091,679	$414,789,668	$1,901,881,347	$20,387,176	$9,225,615

Corporate income tax accrued	Stated capital	Accumulated earnings	Tangible assets	Other payments to governments
$18,195,620	$111,250,921	$51,609,477	$305,957,805	–

Shell's footprint

Shell has been present in Belgium since 1919 and operates a network of almost 270 retail sites across the country, serving around 55,000 customers every day. We also have a network of six liquefied natural gas stations and offer customers a wide range of lubricants as well as electric vehicle charge points. Shell's trading and supply activities include the supply of fuels to our Downstream business and the sourcing of various 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 2022 were reduced by advance tax payments made in 2021.

In 2022, the Belgium government introduced a “solidarity contribution” as a form of windfall tax in light of the high revenues made by energy companies.

Read more in Total tax contribution and in Windfall taxes.

Bulgaria

Europe

Employees
61

Total tax contribution	Taxes borne	Taxes collected
$179,652,755	$570,839	$179,081,916

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$309,876,253	$5,025,080	$314,901,334	$2,445,522	$331,831

Corporate income tax accrued	Stated capital	Accumulated earnings	Tangible assets	Other payments to governments
$258,218	$42,469,336	$(6,056,343)	$92,228,773	–

Shell's footprint

Shell has been present in Bulgaria since 1991 and is mostly active in the downstream sector with a network of 101 retail sites across the country. In 2016, Shell International Exploration and Development Italia S.p.A., which has a Bulgarian branch, signed a five-year licence agreement with the Ministry of Energy to explore for oil and natural gas in the Bulgarian continental shelf of the Black Sea. As the results from drilling were not satisfactory, Shell did not extend the licence in 2021 and deregistered its Bulgarian exploration business entity in 2022. Up to December 2021, Shell had invested almost $74 million in oil and gas exploration in Bulgaria.

Country financial analysis

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

Read more in Total tax contribution.

Cyprus

Europe

Employees
0

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$19,822,238	$168,085	$19,990,323	$10,631,313	$2,973,336

Corporate income tax accrued	Stated capital	Accumulated earnings	Tangible assets	Other payments to governments
$2,973,336	$0	$0	$184,595,554	–

Shell's footprint

Shell holds a 7.4% interest in Caspian Pipeline Consortium through two wholly owned Shell companies, one of which has a branch in Cyprus. The consortium owns and operates an oil pipeline running from the Caspian Sea to the Black Sea, across parts of Kazakhstan and Russia. Shell also holds an exploration and production licence, but production has not yet started.

Country financial analysis

Cyprus has a statutory corporate income tax rate of 12.5%.

Czech Republic

Europe

Employees **80**	Total tax contribution **$501,553,122**	Taxes borne **$1,978,221**	Taxes collected **$499,574,900**	
Third-party revenues **$772,619,090**	Related-party revenues **$15,863,876**	Total revenues **$788,482,967**	Profit before tax **$5,426,531**	Corporate income tax paid **$(41,261)**
Corporate income tax accrued **$1,031,041**	Stated capital **$112,291,024**	Accumulated earnings **$23,076,542**	Tangible assets **$171,405,986**	Other payments to governments **–**

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 184 retail sites, provides mobility solutions through its fleet solutions business, 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%. Corporate income tax paid includes: the final settlement of corporate income tax on profits arising in 2021, a tax refund in 2022 due to lower profit and overpaid prepayments in 2021, and a prepayment of tax for 2022.

Read more in Total tax contribution.

Denmark

Europe

Employees **0**				
Third-party revenues **$0**	Related-party revenues **$0**	Total revenues **$0**	Profit before tax **$(40,974)**	Corporate income tax paid **$0**
Corporate income tax accrued **$0**	Stated capital **$121,730,550**	Accumulated earnings **$(544,422,492)**	Tangible assets **$0**	Other payments to governments **–**

Shell's footprint

Shell has been active in Denmark since 1913. In 2022, Shell EP Holdingselskab Danmark ApS transferred its 100% shareholding in Shell Egypt N.V. to another Shell entity. The company has no other activities and was liquidated in 2023. Also in 2022, we signed an agreement to acquire 100% of the shares in Nature Energy Biogas A/S, Europe's largest producer of renewable natural gas from biomass, for around $2 billion. The acquisition was completed in February 2023.

Country financial analysis

The statutory corporate income tax rate in Denmark is 22%. No tax was accrued or paid during 2022 as no profits were generated.

Finland

Europe

Employees **19**	Total tax contribution **$7,536,000**	Taxes borne **$18,588**	Taxes collected **$7,517,412**

Third-party revenues **$265,971,927**	Related-party revenues **$632,427**	Total revenues **$266,604,354**	Profit before tax **$(437,300)**	Corporate income tax paid **$0**
Corporate income tax accrued **$(87,459)**	Stated capital **$12,458,126**	Accumulated earnings **$6,716,185**	Tangible assets **$10,348,525**	Other payments to governments **–**

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%. Revenues increased in 2022 as sales volumes recovered to pre-pandemic levels, although cost pressures resulted in the company reporting a loss. No tax was paid in 2022 as the business was loss-making.

Read more in Total tax contribution.

France

Europe

Employees **503**	Total tax contribution **$669,783,855**	Taxes borne **$27,073,176**	Taxes collected **$642,710,678**

Third-party revenues **$3,195,009,758**	Related-party revenues **$545,159,057**	Total revenues **$3,740,168,815**	Profit before tax **$55,736,793**	Corporate income tax paid **$5,233,551**
Corporate income tax accrued **$13,503,440**	Stated capital **$636,702,625**	Accumulated earnings **$421,324,794**	Tangible assets **$638,383,906**	Other payments to governments **–**

Shell's footprint

Shell has been present in France since 1919. Our main business operations are retail, lubricants, aviation, bitumen, trading and supply, and chemicals, some of which are operated through joint ventures. Shell has around 85 retail sites in France, a lubricants blending plant and a research centre for bitumen. We are also active in renewable energy.

Country financial analysis

The statutory corporate income tax rate in France is 25.83% (including social contribution payments). Revenues increased significantly in 2022 as sales volumes recovered to pre-pandemic levels. An increase in profits in 2022 resulted in higher corporate income tax accrued and paid in 2022. Tax losses can be carried forward indefinitely to offset part of the current year's profit.

Read more in Total tax contribution.

Germany

Europe

Employees
5,198

Total tax contribution	Taxes borne	Taxes collected
$15,318,607,450	$404,973,739	$14,913,633,711

Third-party revenues **$33,831,720,311**	Related-party revenues **$19,659,512,214**	Total revenues **$53,491,232,525**	Profit before tax **$3,201,169,841**	Corporate income tax paid **$354,629,398**
Corporate income tax accrued **$696,116,648**	Stated capital **$1,404,288,896**	Accumulated earnings **$(3,514,163,016)**	Tangible assets **$5,099,263,861**	Other payments to governments **–**

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, electricity and natural gas. Shell is transitioning its oil and gas business towards energy solutions with fewer emissions. The businesses are grouped together under Deutsche Shell Holding GmbH. Research and development are also undertaken by the Shell Technology Centre in Hamburg. Shell agreed to sell its Shell Energy businesses in Germany and the UK on September 1, 2023.

Country financial analysis

Shell companies in Germany are subject to a corporate income tax rate of 32%. In 2022, the German government introduced a "solidarity contribution" as a form of windfall tax in light of the high revenues made by energy companies.

In 2022, Shell in Germany made a profit before tax of $3,200 million as a result of considerably higher gas prices and oil refining margins, compared with a loss in previous years. German tax law allows Shell to offset 60% of its yearly tax profits with tax losses carried forward and to pay a minimum tax on the remaining 40%. Shell in Germany continues to have carried-forward tax losses.

Read more in Total tax contribution, in Windfall taxes and in Payments to Governments Report.

Gibraltar

Europe

Employees
0

Third-party revenues **$3,821,130**	Related-party revenues **$36,470**	Total revenues **$3,857,600**	Profit before tax **$(96,110)**	Corporate income tax paid **$490**
Corporate income tax accrued **$(12,010)**	Stated capital **$0**	Accumulated earnings **$0**	Tangible assets **$0**	Other payments to governments **–**

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 Shell entity which is a shareholder in Shell LNG Gibraltar Limited is based in the Netherlands. Shell's share of results from Shell LNG Gibraltar Limited, which is an equity-accounted investment, is included in the country report for the Netherlands. Shell also undertakes LNG bunkering activities in Gibraltar through a branch of Shell LNG Bunkering B.V.

Country financial analysis

The statutory corporate income tax rate in Gibraltar is 12.5%. The figures in the table represent the LNG bunkering activities of Shell LNG Bunkering B.V.'s branch in Gibraltar.

Greenland

Europe

Employees
0

Third-party revenues **$0**	Related-party revenues **$1,551**	Total revenues **$1,551**	Profit before tax **$(829,151)**	Corporate income tax paid **$0**
Corporate income tax accrued **$0**	Stated capital **$547,787**	Accumulated earnings **$0**	Tangible assets **$0**	Other payments to governments **–**

Shell's footprint

Shell Greenland A/S was liquidated in 2022. Shell has no other activities or assets in Greenland.

Country financial analysis

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

Hungary

Europe

Employees
88

Total tax contribution **$526,692,498**	Taxes borne **$2,038,761**	Taxes collected **$524,653,737**

Third-party revenues **$876,313,431**	Related-party revenues **$14,082,167**	Total revenues **$890,395,598**	Profit before tax **$(30,572,826)**	Corporate income tax paid **$1,248,351**
Corporate income tax accrued **$2,756**	Stated capital **$21,479,911**	Accumulated earnings **$(65,647,441)**	Tangible assets **$124,664,137**	Other payments to governments **–**

Shell's footprint

Shell has been present in Hungary since 1925. Shell Hungary Zrt operates a network of 194 retail sites and provides mobility services through its commercial road transport division for corporate clients in Hungary and Romania. Shell Energy Europe B.V. 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%. Corporate income tax paid relates to the final settlement of 2021 tax liabilities, as well as prepayments for 2022. The mobility business was not profitable in 2022, mainly because of a cap on fuel prices on sales to local customers.

Read more in Total tax contribution.

Ireland

Europe

Employees
0

Third-party revenues **$0**	Related-party revenues **$25,131**	Total revenues **$25,131**	Profit before tax **$1,253,023**	Corporate income tax paid **$0**
Corporate income tax accrued **$0**	Stated capital **$1,270,636**	Accumulated earnings **$(2,203,443)**	Tangible assets **$0**	Other payments to governments **–**

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 by APCDL. Taxes on this profit are paid by Topaz.

Italy

Europe

Employees
273

Total tax contribution **$480,973,211** | Taxes borne **$120,586,625** | Taxes collected **$360,386,587**

Third-party revenues **$2,776,241,080**	Related-party revenues **$1,548,889,604**	Total revenues **$4,325,130,684**	Profit before tax **$494,373,543**	Corporate income tax paid **$114,072,327**
Corporate income tax accrued **$330,896,975**	Stated capital **$1,072,531,384**	Accumulated earnings **$(1,992,590,481)**	Tangible assets **$1,163,597,024**	Other payments to governments **$78,450,489**

Shell's footprint

Shell has been present in Italy since 1912. In 2022, Shell's upstream activities included interests in the Val d'Agri and Tempa Rossa oil fields in Basilicata. Shell's downstream operations include the production and sale of lubricants and the sale of natural gas and electricity. Shell also has solar photovoltaic projects under development in Italy.

Country financial analysis

The statutory corporate income tax rate in Italy is 28%. In 2022, the Italian government introduced both the EU "solidarity contribution" and a local domestic windfall tax ("Contributo extraproffiti") in light of the high revenues made by energy companies.

Most of the tax on 2022 profits was paid in 2023, including the EU solidarity contribution. Arrears due to be paid in 2022, calculated on the previous year's tax charge, were limited as a result of lower profits in 2021. Our Payments to Governments Report for 2022 shows that Shell paid around $78.5 million in royalties and fees.

Read more in Total tax contribution, in Windfall taxes and in Payments to Governments Report.

Luxembourg

Europe

Employees **10**	Total tax contribution **$67,547,430**	Taxes borne **$92,257**	Taxes collected **$67,455,173**

Third-party revenues **$418,386,454**	Related-party revenues **$1,093,059**	Total revenues **$419,479,513**	Profit before tax **$(2,021,909)**	Corporate income tax paid **$92,257**
Corporate income tax accrued **$129,301**	Stated capital **$28,765,229**	Accumulated earnings **$38,660,296**	Tangible assets **$137,466,672**	Other payments to governments **–**

Shell's footprint

Shell has been present in Luxembourg since 1920. Shell has 34 retail sites and a petroleum terminal in Luxembourg. We offer our customers a wide range of lubricants and access to electric vehicle charge points and supply Luxembourg Airport with aviation fuel. Shell is in the process of finalising the liquidation of 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 2022 due to a contamination provision and currency exchange losses. The corporate income taxes paid are advance payments of the municipal taxes and the unemployment fund contribution.

Read more in Total tax contribution.

Netherlands

Europe

Employees	Total tax contribution	Taxes borne	Taxes collected
8,176	$5,466,213,298	$351,159,314	$5,115,053,984

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$37,634,363,808	$88,731,774,387	$126,366,138,195	$846,154,076	$258,949,662

Corporate income tax accrued	Stated capital	Accumulated earnings	Tangible assets	Other payments to governments
$290,242,122	$204,938,333,254	$97,870,252,493	$10,959,269,744	–

Shell's footprint

Shell has been present in the Netherlands for more than 100 years. Our activities include retail sites, fast-charging for electric vehicles, an energy and chemicals complex, a technology centre and a bioLNG refinery. We are also involved in the development of solar parks, wind farms and geothermal heat.

Shell has a 50% interest in Nederlandse Aardolie Maatschappij B.V. (NAM), which produces oil and gas. In the table, income relating to our share of NAM is included in the profit before tax and accumulated earnings figures.

In 2022, Shell made great strides in supporting the Dutch energy transition. We took the final investment decision to build Holland Hydrogen I in Rotterdam. The 200 megawatt electrolyser is designed to produce up to 80 tonnes of renewable hydrogen per day and is expected to be operational from the mid-2020s. Together with Eneco, Shell won the tender for the construction of a 760 megawatt offshore wind farm at Hollandse Kust (west). We also opened a solar power park with a peak capacity of 30 megawatts.

In May 2022, VNO-NCW, the largest employers' organisation in the Netherlands, published the Tax Governance Code, which Shell helped initiate and develop.

Country financial analysis

The statutory corporate income tax rate in the Netherlands is 25.8%. In 2022, the Netherlands government introduced a "solidarity contribution" as a form of windfall tax in light of the high revenues made by energy companies.

In 2022, Shell reported a profit before tax in the Netherlands of $479 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 corporate income tax paid of $259 million and the corporate income tax accrued of $290 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 $725 million in corporate income taxes and royalties in the Netherlands, of which $687 million was paid through our 50% participation in NAM.

Read more in Total tax contribution and in Windfall taxes.

Norway

Europe

Employees	Total tax contribution	Taxes borne	Taxes collected
435	$2,308,091,188	$2,137,740,184	$170,351,004

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$853,611,984	$6,326,769,750	$7,180,381,733	$3,854,341,177	$2,122,755,297
Corporate income tax accrued	**Stated capital**	**Accumulated earnings**	**Tangible assets**	**Other payments to governments**
$2,770,397,689	$66,239,578	$1,648,269,644	$878,971,759	$5,597,929,800

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. Shell operates one field in Norway: Ormen Lange (Shell interest 17.8%). In 2022, the Shell-operated Knarr field (Shell interest 45%) reached the end of its life and is now being decommissioned. Norske Shell's production consists almost exclusively of natural gas from Ormen Lange and the Equinor-operated Troll field (Shell interest 8.1%). Together, these two fields produce more than 40% of Norway's total gas exports. Norske Shell is a partner in the Northern Lights carbon capture and storage project and is active in offshore wind power and hydrogen.

Country financial analysis

The statutory corporate income tax rate in Norway is 22%. In addition, there is a tax on the production and transport of petroleum from the Norwegian continental shelf. Up to and including 2021, the rate of this additional petroleum tax was 56%, taking the total tax rate in Norway to 78%. From January 1, 2022, the additional petroleum tax was increased to 71.8%. However, corporate income tax paid (at 22%) is now deductible against this additional tax. Although the petroleum tax rate was increased, the deductible portion means that the effective tax rate for the additional petroleum tax remains at 56%.

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 corporate income tax paid figure in the table includes petroleum tax payments for 2021 and 2022. The increase in revenues reflects the considerably higher global energy prices in 2022. Our Payments to Governments Report for 2022 shows that Shell paid around $5.6 billion in production entitlements and fees.

Read more in Total tax contribution and in Payments to Governments Report.

Poland

Europe

Employees	Total tax contribution	Taxes borne	Taxes collected
5,186	$902,261,048	$42,060,777	$860,200,271

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$2,198,217,672	$388,334,384	$2,586,552,056	$19,131,371	$13,092,445

Corporate income tax accrued	Stated capital	Accumulated earnings	Tangible assets	Other payments to governments
$7,994,852	$453,701,736	$29,304,167	$607,269,042	–

Shell's footprint

Shell Polska Sp. z o.o. was established in 1992. It operates around 440 retail sites in Poland, and offers a wide range of oil products for transport and industry, as well as fleet solutions and services for transport. The company also runs a Shell Business Operations centre in Krakow, which provides 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. Shell Mobility Polska Sp. z o.o. sells convenience products at Shell retail sites, and Shell Energy Retail Poland Sp. z o.o. provides customer service and IT support for Shell 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%. 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. This allowed Shell to revise deductible costs for previous financial years and submit corrected corporate income tax returns in 2022, which generated tax refunds. Shell Business Operations Krakow is located in a special economic zone which provides a partial corporate income tax exemption.

Read more in Total tax contribution.

Romania

Europe

Employees
0

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$4,957,541	$4,946,938	$9,904,478	$371,755	$155,536

Corporate income tax accrued	Stated capital	Accumulated earnings	Tangible assets	Other payments to governments
$96,025	$1,874,971	$(14,507)	$19,720	–

Shell's footprint

Shell has been in Romania since February 2021. Shell Romania S.R.L. is an agent for Shell Hungary's fuel card which is used by commercial road transport customers in Romania. Shell Romania S.R.L. also performs sales, customer support and debt collection in Romania through contract staff.

Country financial analysis

The statutory corporate income tax rate in Romania is 16%. As a general rule, corporate income tax is calculated quarterly. The corporate income tax paid by Shell in the table comprises amounts paid for the fourth quarter of 2021 and during 2022.

Slovakia

Europe

Employees	Total tax contribution	Taxes borne	Taxes collected
39	$303,034,094	$2,955,238	$300,078,856

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$468,094,403	$3,259,234	$471,353,637	$8,020,230	$2,305,915

Corporate income tax accrued	Stated capital	Accumulated earnings	Tangible assets	Other payments to governments
$1,684,248	$20,381,503	$(4,494,089)	$122,130,104	–

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 90 retail sites across the country. We also provide mobility solutions for corporate clients through our fleet solutions business, and supply aviation fuel to the international airport in Bratislava. Shell Energy Europe Limited trades natural gas in Slovakia.

Country financial analysis

The statutory corporate income tax rate in Slovakia is 21%. Our profits are predominantly earned from our retail operations. Corporate income tax paid includes prepayments of corporate income tax in relation to 2022.

Read more in Total tax contribution.

Slovenia

Europe

Employees	Total tax contribution	Taxes borne	Taxes collected
17	$91,317,029	$404,127	$90,912,902

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$144,100,896	$5,297,247	$149,398,143	$1,311,552	$404,127

Corporate income tax accrued	Stated capital	Accumulated earnings	Tangible assets	Other payments to governments
$249,195	$2,670,175	$25,865,398	$13,938,222	–

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 main business activity is the sale of fuel through a network of nine retail sites. The company also provides Shell fleet solution services in Bosnia, Croatia, Greece, Italy, North Macedonia and Serbia.

Country financial analysis

The statutory corporate income tax rate in Slovenia is 19%. The 2022 corporate income tax paid figure includes final payments for 2021, as well as some tax refunds for previous years.

Read more in Total tax contribution.

Spain

Europe

Employees	Total tax contribution	Taxes borne	Taxes collected
190	$92,397,103	$2,773,194	$89,623,910

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$884,451,258	$193,212,036	$1,077,663,295	$(1,571,215)	$269,584
Corporate income tax accrued	**Stated capital**	**Accumulated earnings**	**Tangible assets**	**Other payments to governments**
$462,073	$60,293,886	$(1,224,141,427)	$102,906,566	–

Shell's footprint

Shell has been active in Spain since 1920. Shell in Spain supplies natural gas and electricity to industries and businesses; owns and operates a lubricants blending plant which supplies the Iberian market, North Africa and several Mediterranean countries; and provides liquefied natural gas bunkering services at the Port of Barcelona. Shell also supplies, through two joint ventures, aviation fuels to airlines in Spain and operational services at four airports in the Canary Islands.

In addition, Shell provides market access services to renewable power generators, and trades gas and electricity. There are Shell-branded retail sites owned and operated by third parties across the country. In 2022, Shell acquired 10 solar project development entities and an electrical vehicle charging company in Spain.

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. Unlike previous years, the consolidated group had positive results in 2022, although the amount paid in tax declined due to losses carried forward from previous periods.

Read more in Total tax contribution.

Sweden

Europe

Employees	Total tax contribution	Taxes borne	Taxes collected
4	$2,879,228	$313,464	$2,565,764

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$195,422,729	$287,514	$195,710,243	$4,713,893	$188,158
Corporate income tax accrued	**Stated capital**	**Accumulated earnings**	**Tangible assets**	**Other payments to governments**
$970,904	$25,438,713	$(1,601,947)	$8,641,906	–

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%. Revenues increased significantly in 2022 as sales volumes recovered to pre-pandemic levels.

Read more in Total tax contribution.

Switzerland

Europe

Employees	Total tax contribution	Taxes borne	Taxes collected
115	**$570,333,521**	**$66,674,872**	**$503,658,649**

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$1,523,774,661	**$1,482,071,493**	**$3,005,846,154**	**$1,196,297,566**	**$63,585,238**
Corporate income tax accrued	**Stated capital**	**Accumulated earnings**	**Tangible assets**	**Other payments to governments**
$42,711,233	**$77,723,250**	**$4,773,029,178**	**$305,299,706**	**–**

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. In 2022, Shell acquired the biodegradable lubricants business, including intellectual property rights and trademarks, of Panolin, a Swiss producer of lubricants. Shell in Switzerland also performs 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 2022. Higher oil prices led to an increase in third-party revenues compared with the previous year. The corporate income tax paid was lower in 2022 due to the offset of previous tax losses carried forward against taxable profits.

Read more in Total tax contribution.

Turkey

Europe

Employees	Total tax contribution	Taxes borne	Taxes collected
631	**$2,981,068,114**	**$62,576,408**	**$2,918,491,706**

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$8,545,009,413	**$890,482,788**	**$9,435,492,201**	**$198,671,101**	**$59,170,770**
Corporate income tax accrued	**Stated capital**	**Accumulated earnings**	**Tangible assets**	**Other payments to governments**
$43,603,854	**$179,019,470**	**$340,162,577**	**$910,522,635**	**–**

Shell's footprint

Shell has been present in Turkey since 1923. In 2006, Shell established Shell & Turcas Petrol A.S. (Shell interest 70%), which has a network of more than 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 other activities in Turkey 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 23%. In 2022, Shell in Turkey recorded a profit before tax of around $199 million and paid around $59 million in corporate income tax. While some entities reported losses, these are not offset against overall profits. Tax is paid on entities showing a profit in their local financial statements, which in 2022 included entities active in mobility, trading and supply, lubricants and chemicals. In 2022, Turkey had a very high average inflation rate of around 70%. As a result, Shell applied the IAS 29 standard for financial reporting in hyperinflationary economies, which impacted some of the financial numbers in the table. The value in US dollars of goods we held in inventories also increased, which led to a rise in revenues and profit before tax.

Read more in Total tax contribution.

Ukraine

Europe

Employees
0

Third-party revenues **$13,587**	Related-party revenues **$0**	Total revenues **$13,587**	Profit before tax **$(5,322)**	Corporate income tax paid **$0**
Corporate income tax accrued **$0**	Stated capital **$930,220**	Accumulated earnings **$1,176,674**	Tangible assets **$0**	Other payments to governments **–**

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 (JV). The JV owns 132 retail sites in Ukraine but operates 117 due to Russia's invasion of the Ukraine. The mobility JV business pays taxes locally and employs around 1,500 people. JV staff are not included in the table under country-by-country reporting (CbCR) rules.

Country financial analysis

The statutory corporate income tax rate in Ukraine is 18%. The profit and tax paid by the joint venture companies are not included in our CbCR report for Ukraine because the accounting principles of the joint ventures are based on equity accounting. In line with CbCR 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.

United Kingdom

Europe

Employees	Total tax contribution	Taxes borne	Taxes collected
6,725	**$6,911,711,826**	**$199,959,646**	**$6,711,752,180**

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$51,884,447,064	**$113,555,607,192**	**$165,440,054,256**	**$1,809,672,534**	**$40,518,867**
Corporate income tax accrued	**Stated capital**	**Accumulated earnings**	**Tangible assets**	**Other payments to governments**
$108,937,451	**$139,875,753,932**	**$63,977,012,456**	**$14,452,100,926**	**$9,949,183**

Shell's footprint

Shell has been present in the UK since 1897. On December 31, 2021, Shell moved its headquarters and tax residence to the UK from the Netherlands. Our gas plants, pipeline systems and import terminals deliver more than 20% of the UK's gas supply. Through Shell Energy, we provide home energy and broadband services to around 1.7 million customers in the UK [A]. We continue to invest in electric mobility infrastructure to support the UK's switch to electric vehicles. We 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.

[A] Shell agreed to sell its Shell Energy businesses in the UK and Germany on September 1, 2023.

Country financial analysis

The corporate income tax rate in the UK depends on the activity. For upstream UK continental shelf activities, the corporate income tax rate is 40%. As of May 26, 2022, an additional tax of 25%, called the Energy Profits Levy, applies to profits arising on upstream activities in the UK continental shelf; this increased to 35% on January 1, 2023. For all other activities in the UK, the corporate income tax rate was 19% in 2022, which increased to 25% on April 1, 2023.

Shell did not pay net corporate income tax in 2022 because of tax losses arising in the current and previous years, but did pay the Energy Profits Levy. In the Upstream business, losses had arisen 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, these 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 2022 shows that Shell paid around $9.95 million in fees.

Read more in Total tax contribution, in Windfall taxes and in Payments to Governments Report.

Iraq

Middle East

Employees	Total tax contribution	Taxes borne	Taxes collected
177	**$6,151,893**	**$76,200**	**$6,075,694**

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$0	**$0**	**$0**	**$(72,746)**	**$0**
Corporate income tax accrued	**Stated capital**	**Accumulated earnings**	**Tangible assets**	**Other payments to governments**
$0	**$0**	**$0**	**$64,516**	**–**

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 gathers and processes associated 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.

Read more in Total tax contribution.

Jordan

Middle East

Employees
2

Third-party revenues	Related-party revenues	Total revenues	Profit before tax	Corporate income tax paid
$9,504	**$0**	**$9,504**	**$(1,477,324)**	**$0**
Corporate income tax accrued	**Stated capital**	**Accumulated earnings**	**Tangible assets**	**Other payments to governments**
$0	**$0**	**$0**	**$9,335**	**–**

Shell's footprint

Shell has been active in Jordan since 2009. Shell Business Development Middle East Limited (SBDME), incorporated in the UK, provides technical and management services, mainly to exploration and production businesses in Jordan. Jordan Oil Shale Company B.V. (JOSCo), incorporated in the Netherlands, held a concession to explore for and develop oil shale, as well as produce and sell products derived from the oil shale. JOSCo withdrew from the concession in 2020. The company is undergoing liquidation.

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 never commenced, petroleum taxes are not applicable.

Kuwait

Middle East

Employees
129

Third-party revenues **$241,130,714**	Related-party revenues **$24,597,812**	Total revenues **$265,728,526**	Profit before tax **$147,460,896**	Corporate income tax paid **$20,997,187**
Corporate income tax accrued **$19,475,121**	Stated capital **$0**	Accumulated earnings **$0**	Tangible assets **$0**	Other payments to governments **–**

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 ETSAs 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%. Corporate income tax is paid in arrears and relates to the tax liability for 2021 profits. The corporate income tax accrued amount is in respect of the profits for the year 2022.

Oman

Middle East

Employees
473

Third-party revenues **$1,299,659,410**	Related-party revenues **$9,868,920,324**	Total revenues **$11,168,579,734**	Profit before tax **$5,756,427,924**	Corporate income tax paid **$4,561,156,101**
Corporate income tax accrued **$4,602,019,891**	Stated capital **$101,944,408**	Accumulated earnings **$48,725,073**	Tangible assets **$852,669,516**	Other payments to governments **$400,000**

Shell's footprint

Shell has been present in Oman since 1937 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 53% interest in the Block 10 concession and material participating interests in three exploration blocks. 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 LNG LLC, which operates two liquefied natural gas (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 2022 shows that Shell paid around $400,000 in fees in addition to corporate income tax.

Read more in Payments to Governments Report.

Qatar

Middle East

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 QatarEnergy LNG N(4), a liquefied natural gas (LNG) project which is 70%-owned by QatarEnergy. In 2022, Shell was selected as a partner in another two LNG projects in Qatar, one regarding North Field East (NFE) and the other, the North Field South (NFS) expansion plan. Shell indirectly holds a 6.25% participation interest in the overall NFE project through its joint-venture company with QatarEnergy.

Country financial analysis

Country-by-country reporting 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 2022 shows that Shell paid $3,677 million in taxes, production entitlements and licence fees to the State of Qatar. Of this, $1,904 million was for corporate income tax.

Read more in Payments to Governments Report.

Saudi Arabia

Middle East

Employees
10

Third-party revenues **$0**	Related-party revenues **$1,359,036**	Total revenues **$1,359,036**	Profit before tax **$0**	Corporate income tax paid **$0**
Corporate income tax accrued **$0**	Stated capital **$399,531**	Accumulated earnings **$0**	Tangible assets **$420,853**	Other payments to governments **–**

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. and new business development activities through Shell Overseas Services Limited.

Country financial analysis

The statutory corporate income tax rate in Saudi Arabia is 20%. Shell in Saudi Arabia did not pay corporate income tax in 2022 as the company did not report a profit.

United Arab Emirates

Middle East

Employees
341

Third-party revenues **$17,771,784,227**	Related-party revenues **$26,951,016,554**	Total revenues **$44,722,800,781**	Profit before tax **$3,478,368,805**	Corporate income tax paid **$266,393,062**
Corporate income tax accrued **$394,316,829**	Stated capital **$0**	Accumulated earnings **$3,700,221,039**	Tangible assets **$1,956,891,969**	Other payments to governments **–**

Shell's footprint

Shell has been active in the UAE since 1939. Shell businesses were originally set up as branches of foreign entities. Upstream is represented by Shell Abu Dhabi B.V., which holds an interest in a non-operated venture whose revenues are taxed on the basis of a concession agreement with the UAE government. Trading is represented by Shell International Trading Middle East Limited FZE (SITME FZE), which was re-domiciled from Bermuda to the UAE in mid-2022 and is now a UAE tax resident registered in Jebel Ali Free Zone. In 2009, SITME FZE commenced liquefied natural gas (LNG) trading activities which expanded further following the acquisition of Repsol's LNG business in 2014. All other Shell business is represented by Shell Markets (Middle East) Limited (SMME). SMME is a regional hub for Shell and provides specialised services to Shell entities in the Middle East. It sells, markets and distributes aviation and marine fuels, as well as lubricants, chemicals and related products.

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 in respect of petroleum operations and are based on individual agreements with the government. The corporate income tax paid by Shell in the UAE mainly relates to upstream activities. In 2022, most of the revenues in the UAE arose from downstream and trading activities that are not subject to corporate income tax.

Countries with minimal activities

	Revenues									
	Third-party revenues ($)	Related-party revenues ($)	Total revenues ($)	Profit before tax ($)	Tax paid ($)	Tax accrued ($)	Stated capital ($)	Accumulated earnings ($)	Tangible assets ($)	Number of employees
Algeria	2,000	107,961	109,960	(689,665)	0	0	0	0	0	0
Cambodia	0	0	0	0	0	0	34,050,000	(16,481,674)	0	0
Chile	6,280		6,280	(197,671)	0	0	2,010,000	1,168,209	0	0
Dominican Republic	1,165	62,239	63,405	(110,190)	0	0	0	0	0	0
El Salvador	0	0	0	0	0	0	53,000	(53,000)	0	0
Guam	0	682,490	682,490	620,630	0	0	53,568,298	(14,499,142)	0	0
Iran	0	0	0	(81,744)	0	0	0	0	0	0
Isle of Man	0	0	0	(435,111)	0	0	12,994,198	(8,968,211)	0	0
Libya	1,162	0	1,162	6,769	0	0	0	0	1	1
Morocco	1,899	0	1,899	(76,893)	0	0	0	0	0	0
Mozambique	0	0	0	(57,778)	0	0	0	0	0	0
Senegal	0	0	0	0	0	0	126,427	0	142,718	1
Syria	0	0	0	(628,906)	0	0	0	0	0	0
Togo	0	0	0	0	0	0	1,725	0	613,782	0

Our tax data by country and location

	Revenue									
	Third-party revenues ($)	Related-party revenues ($)	Total revenues ($)	Profit before tax ($)	Tax paid ($)	Tax accrued ($)	Stated capital ($)	Accumulated earnings ($)	Tangible assets ($)	Number of employees
Albania	569,001	4,495,263	5,064,263	(20,812,736)	0	0	0	0	367,979,110	72
Argentina	599,219,571	321,582,830	920,802,401	285,832,040	290,786	57,967,679	2,190,400,805	(614,610,840)	2,165,748,105	192
Australia	6,272,077,565	12,938,331,788	19,210,409,353	9,586,150,828	84,001,917	1,047,695,630	59,910,230,878	(691,601,518)	29,946,090,929	2,949
Austria	1,483,554,795	80,647,830	1,564,202,625	20,340,154	1,795,558	30,816	305,679,719	306,854,936	203,655,609	88
Bahamas	8,295,912,799	19,994,573,180	28,290,485,979	1,550,807,603	0	0	100,000	2,409,287,375	868,316,410	37
Barbados	0	0	0	(198,994)	0	0	135,769,000	(290,030,243)	8,211,734	0
Belgium	1,487,091,679	414,789,668	1,901,881,347	20,387,176	9,225,615	18,195,620	111,250,921	51,609,477	305,957,805	329
Bermuda	6,797,925	8,494,942	15,292,867	3,791,169	0	0	2,606,078,785	215,185,732	28,687	4
Bolivia	142,244,138	2,637,041	144,881,180	105,264,810	0	0	376,873,740	(141,338)	273,771,232	30
Brazil	1,479,373,530	11,177,020,172	12,656,393,702	4,290,633,614	478,763,833	694,923,220	2,883,990,011	(6,463,168,706)	27,874,807,943	715
Brunei Darussalam	447,402,520	6,328,446	453,730,966	265,757,305	46,586,247	75,342,672	331,827,569	32,512,915	234,145,126	5
Bulgaria	309,876,253	5,025,080	314,901,334	2,445,522	331,831	258,218	42,469,336	(6,056,343)	92,228,773	61
Canada	18,073,139,590	18,986,391,538	37,059,531,128	2,802,534,120	38,878,011	197,815,402	49,858,308,287	(2,705,218,973)	17,727,943,996	3,371
Cayman Islands	0	261,809	261,809	(106,141)	0	0	80,371,113	(173,269,648)	0	0
China	3,166,027,719	1,653,748,265	4,819,775,984	277,044,456	53,390,569	46,710,658	1,429,217,667	1,415,476,277	3,015,444,518	1,928
Colombia	2,272,361	2,456,409	4,728,770	(27,133,319)	0	0	21,698,889	(83,467,178)	155,459,469	10
Cyprus	19,822,238	168,085	19,990,323	10,631,313	2,973,336	2,973,336	0	0	184,595,554	0
Czech Republic	772,619,090	15,863,876	788,482,967	5,426,531	(41,261)	1,031,041	112,291,024	23,076,542	171,405,986	80
Denmark	0	0	0	(40,974)	0	0	121,730,550	(544,422,492)	0	0
Egypt	1,131,226,557	106,378,468	1,237,605,025	751,632,799	265,168,504	225,367,664	2,009,935	83,246,766	116,642,769	261
Finland	265,971,927	632,427	266,604,354	(437,300)	0	(87,459)	12,458,126	6,716,185	10,348,525	19
France	3,195,009,758	545,159,057	3,740,168,815	55,736,793	5,233,551	13,503,440	636,702,625	421,324,794	638,383,906	503
Germany	33,831,720,311	19,659,512,214	53,491,232,525	3,201,169,841	354,629,398	696,116,648	1,404,288,896	(3,514,163,016)	5,099,263,861	5,198
Ghana	14,428	34,080,853	34,095,280	0	296,184	0	1,182,996	0	1,963,830	8
Gibraltar	3,821,130	36,470	3,857,600	(96,110)	490	(12,010)	0	0	0	0
Greenland	0	1,551	1,551	(829,151)	0	0	547,787	0	0	0
Hong Kong	1,336,455,810	195,528,620	1,531,984,430	71,930,574	7,923,495	11,896,109	256,259,300	403,883,251	696,168,101	152
Hungary	876,313,431	14,082,167	890,395,598	(30,572,826)	1,248,351	2,756	21,479,911	(65,647,441)	124,664,137	88

Our tax data by country and location

	Revenue									
	Third-party revenues ($)	Related-party revenues ($)	Total revenues ($)	Profit before tax ($)	Tax paid ($)	Tax accrued ($)	Stated capital ($)	Accumulated earnings ($)	Tangible assets ($)	Number of employees
India	1,732,973,427	1,457,506,139	3,190,479,567	88,112,391	24,793,478	62,861,177	1,711,365,873	328,861,243	2,469,240,239	10,722
Indonesia	756,285,197	257,780,705	1,014,065,902	(6,190,776)	1,688,821	815,948	1,041,618,542	(215,007,436)	743,346,037	513
Iraq	0	0	0	(72,746)	0	0	0	0	64,516	177
Ireland	0	25,131	25,131	1,253,023	0	0	1,270,636	(2,203,443)	0	0
Italy	2,776,241,080	1,548,889,604	4,325,130,684	494,373,543	114,072,327	330,896,975	1,072,531,384	(1,992,590,481)	1,163,597,024	273
Japan	664,209,915	157,786,309	821,996,224	8,198,520	1,431,511	919,856	22,053,824	28,411,957	234,719,667	195
Jordan	9,504	0	9,504	(1,477,324)	0	0	0	0	9,335	2
Kazakhstan	(3,233,182)	2,803,556,304	2,800,323,122	1,561,829,996	276,361,876	278,427,602	0	0	9,932,855,247	274
Kuwait	241,130,714	24,597,812	265,728,526	147,460,896	20,997,187	19,475,121	0	0	0	129
Luxembourg	418,386,454	1,093,059	419,479,513	(2,021,909)	92,257	129,301	28,765,229	38,660,296	137,466,672	10
Macao SAR	60,831,739	0	60,831,739	10,944,938	1,237,813	1,313,393	373,576	23,873,863	4,807,992	1
Malaysia	9,548,304,029	2,624,975,893	12,173,279,922	1,233,378,978	454,906,691	512,856,079	1,004,133,066	2,266,268,487	3,288,569,108	4,708
Mauritania	0	0	0	(15,560,291)	0	0	0	0	45,353,281	1
Mauritius	0	4,930,740	4,930,740	4,927,791	208,170	182,020	268,241,055	85,729,086	0	1
Mexico	1,378,583,672	152,565,054	1,531,148,727	(239,148,233)	(1,715,673)	1,547,305	1,742,108,274	(1,264,679,439)	504,258,012	166
Myanmar	0	0	0	(763,402)	568,208	568,208	0	0	0	0
Namibia	152,390	109,183	261,572	(57,549,801)	1,780	358	0	0	143,912,990	4
Netherlands	37,634,363,808	88,731,774,387	126,366,138,195	846,154,076	258,949,662	290,242,122	204,938,333,254	97,870,252,493	10,959,269,744	8,176
New Zealand	0	1,048,512	1,048,512	887,899	4,315,475	0	3,691,270,613	526,415,252	12	0
Nigeria	1,573,824,494	2,024,905,422	3,598,729,915	1,553,204,823	831,995,199	775,261,200	1,566,916,553	3,222,296,409	6,156,236,536	2,481
Norway	853,611,984	6,326,769,750	7,180,381,733	3,854,341,177	2,122,755,297	2,770,397,689	66,239,578	1,648,269,644	878,971,759	435
Oman	1,299,659,410	9,868,920,324	11,168,579,734	5,756,427,924	4,561,156,101	4,602,019,891	101,944,408	48,725,073	852,669,516	473
Pakistan	1,888,079,058	1,716,532	1,889,795,591	36,304,133	11,184,512	11,669,757	80,131,822	31,667,719	321,484,077	386
Peru	29,005,835	5,379,340	34,385,175	875,482	1,850,754	0	5,992,308	(618,130)	10,726,696	10
Philippines	4,276,220,170	305,625,647	4,581,845,817	418,241,581	98,679,882	71,929,863	477,181,202	(236,377,558)	1,185,139,062	4,927
Poland	2,198,217,672	388,334,384	2,586,552,056	19,131,371	13,092,445	7,994,852	453,701,736	29,304,167	607,269,042	5,186
Puerto Rico	0	142,890	142,890	(340,606)	0	500	32,605,000	(28,517,006)	0	0
Romania	4,957,541	4,946,938	9,904,478	371,755	155,536	96,025	1,874,971	(14,507)	19,720	0

Our tax data by country and location

	Revenue									
	Third-party revenues ($)	Related-party revenues ($)	Total revenues ($)	Profit before tax ($)	Tax paid ($)	Tax accrued ($)	Stated capital ($)	Accumulated earnings ($)	Tangible assets ($)	Number of employees
Russia	740,698,948	2,071,274,780	2,811,973,728	(956,288,544)	36,810,607	50,528,552	358,144,154	(69,817,457)	13,220,370	249
Saint Lucia	22,999,500	3,152,781	26,152,281	140,988,770	0	0	1,286,523,845	(742,721,723)	0	0
São Tomé and Príncipe	28,963	398,557	427,520	(71,072,604)	0	0	0	0	36,300,630	0
Saudi Arabia	0	1,359,036	1,359,036	0	0	0	399,531	0	420,853	10
Singapore	53,671,634,035	84,877,027,114	138,548,661,149	6,483,793,659	26,568,906	93,207,280	11,025,114,453	4,759,763,105	11,390,285,138	3,464
Slovakia	468,094,403	3,259,234	471,353,637	8,020,230	2,305,915	1,684,248	20,381,503	(4,494,089)	122,130,104	39
Slovenia	144,100,896	5,297,247	149,398,143	1,311,552	404,127	249,195	2,670,175	25,865,398	13,938,222	17
South Africa	5,327,581,487	270,266,571	5,597,848,058	(74,326,678)	20,017,839	1,220,845	167,529,132	517,384,692	1,258,683,215	538
South Korea	264,397,676	61,969,005	326,366,681	13,068,543	9,852,988	7,880,552	20,177,118	58,602,759	62,498,941	133
Spain	884,451,258	193,212,036	1,077,663,295	(1,571,215)	269,584	462,073	60,293,886	(1,224,141,427)	102,906,566	190
Suriname	765,681	0	765,681	(50,468,256)	0	0	0	0	78,720,603	1
Sweden	195,422,729	287,514	195,710,243	4,713,893	188,158	970,904	25,438,713	(1,601,947)	8,641,906	4
Switzerland	1,523,774,661	1,482,071,493	3,005,846,154	1,196,297,566	63,585,238	42,711,233	77,723,250	4,773,029,178	305,299,706	115
Taiwan	0	1,714,761	1,714,761	150,798	40,986	19,814	903,604	383,709	0	6
Tanzania	0	0	0	(7,188,629)	0	0	27,054,471	(37,518,831)	343,514,885	15
Thailand	3,410,012,903	109,468,043	3,519,480,946	129,039,752	21,652,426	26,709,487	14,133,897	32,298,688	919,819,475	445
Trinidad and Tobago	1,928,989,655	1,830,405,989	3,759,395,644	1,302,840,899	577,476,863	575,028,974	557,834,855	(366,962,429)	1,386,213,456	414
Tunisia	145,689,187	54,634,819	200,324,006	(43,606,561)	83,807,370	9,566,674	339,908,730	180,007,000	(1)	82
Turkey	8,545,009,413	890,482,788	9,435,492,201	198,671,101	59,170,770	43,603,854	179,019,470	340,162,577	910,522,635	631
Ukraine	13,587	0	13,587	(5,322)	0	0	930,220	1,176,674	0	0
United Arab Emirates	17,771,784,227	26,951,016,554	44,722,800,781	3,478,368,805	266,393,062	394,316,829	0	3,700,221,039	1,956,891,969	341
United Kingdom	51,884,447,064	113,555,607,192	165,440,054,256	1,809,672,534	40,518,867	108,937,451	139,875,753,932	63,977,012,456	14,452,100,926	6,725
United States of America	88,476,913,083	100,602,193,932	189,079,107,016	7,076,419,280	171,446,962	107,313,079	344,936,887,221	1,752,334,417	56,203,512,354	16,238
Uruguay	902,857	260,320	1,163,178	758,224	9,931	6,200	16,701,984	79,827	373	1
Venezuela	98,886	749,644	848,531	(8,103,270)	312,636	312,918	823,556,440	(923,367,633)	209,154	5
Vietnam	80,592,004	311,753	80,903,758	13,038,201	2,254,767	2,504,058	14,505,852	36,760,370	20,730,450	82

Definitions

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

Advance tax agreements
These are formal or informal rulings and clearances which tax authorities provide when there are complex transactions, unclear regulations or substantial amounts 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 its 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 base erosion and profit shifting project to protect members against base erosion.

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

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 in 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.

Corporate income tax accrued

This is the amount of corporate income tax for 2022 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.

Corporate income tax paid

This comprises corporate income tax paid in 2022, as recorded in Shell's Consolidated Statement of Cash Flows, and includes accrued withholding taxes on dividend, interest and royalty payments to Shell entities. 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 does not include withholding taxes collected by Shell on dividends paid to shareholders. Nor does it include corporate income tax paid by non-consolidated joint ventures and associates.

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 project in their proposal for country-by-country reporting. This is one of the four minimum reporting standards to which around 135 countries have committed, covering the tax residence jurisdictions of nearly all large multinational enterprises. 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 (CbCR)

Country-by-country reporting was introduced for all large multinational enterprises (MNE) 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, value-added tax (VAT) or goods and services tax. It is therefore possible to have goods which are subject to excise duty, customs duty 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 payment of dividends, any remaining surplus is termed "retained earnings" and is available for reinvestment in 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.

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

Employer taxes

These are 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.

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

A tax on manufacturers that 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, valued-added tax or goods and services taxes, and typically form part of the cost of the product.

Extractive Industries Transparency Initiative (EITI)

EITI 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.

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 from this report. Also excluded are payments made in return for services provided by a government.

Final investment decision

The final decision to invest in a capital project.

Fiscal policy

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

Goods and services tax

A goods and services tax is a value-added tax levied on most goods and services sold for domestic consumption. The tax 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 need less staff, but they still have commercial value as a way to manage all the different investments within a group.

Indirect taxes

Taxes raised on goods and services rather than income and profits. Examples include value-added tax, sales tax, 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 risk assessment and assurance programme for open and co-operative engagement between multinational enterprises and tax administrations in jurisdictions where the enterprises have activities.

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 value-added tax (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.

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.

Organisation for Economic Co-operation and Development (OECD)

The OECD is an intergovernmental economic organisation with 38 member countries, founded in 1961 to stimulate economic progress and world trade.

Other payments to governments

These correspond to Upstream-related payments included in our Report on Payments to Governments. They comprise royalties, production entitlements, bonuses and fees.

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. It 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 payments 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 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 sale of oil or gas and what is left over is split depending on the terms of the contract.

Profit before tax

Profit or loss before tax is reported in Shell's Consolidated Statement of Income. 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. Any share of profit or loss from non-consolidated joint ventures and associates is attributed to the country where the shareholding entity is based. This figure is reported after accounting for corporate income tax accrued in the joint venture or associate's accounts and is included in the shareholding entity's profit before 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 agency

See Tax authority.

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 2022. 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.

Royalties

Royalties are generally payments 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.

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.

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

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, 2022.

Taxable presence
See Permanent establishment.

Tax accrued
The amount of corporate income tax for 2022 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.

Tax authority
Also known as a revenue agency, a tax authority 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 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 collects from its customers and employees on behalf of governments. This includes indirect taxes such as value-added tax and goods and services tax, as well as employee income tax and social security contributions.

Tax haven
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.

Tax paid
This includes corporate income tax paid in 2022. In some cases, it 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.

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 their views 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, pension 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 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, which means that profits are allocated to the countries where the relevant economic activity takes place and cannot be artificially taken somewhere else.

Value-added tax (VAT)

VAT is a specific type of turnover tax levied at each stage of 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 those goods or services. See Non-recoverable VAT.

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, 2022 (available at www.shell.com/investor and www.sec.gov). These risk factors also expressly qualify all forward-looking statements contained in this Report and should be considered by the reader. Each forward-looking statement speaks only as of the date of this Report, November 9, 2023. Neither Shell plc nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this Report.

Shell's Net Carbon Intensity

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

Shell's net-zero target

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

Forward-looking non-GAAP measures

This Report may contain certain forward-looking non-GAAP measures such as 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.

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All our reports are available online at
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- Comprehensive financial information on our activities throughout 2022
- Detailed information on Shell's taxes
- Report on our progress in contributing to sustainable development
- Report on how Shell has progressed with its energy transition