



THE VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS: OVERVIEW OF IMPLEMENTATION BY SHELL IN 2023

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INTRODUCTION

1. Since their development in 2000, companies in the Shell Group¹ have actively implemented the Voluntary Principles on Security and Human Rights (VPSHR), which guide companies in assessing human rights risks when working with public and private security. Security providers and contractors have been trained in the VPSHR, and Shell has incorporated the principles into its core security-related processes and contracts.
2. In 2023, implementation of the VPSHR continued across prioritised Shell companies (identified based on set threat assessment criteria). Practical implementation included: conducting and updating VPSHR threat and risk assessments and questionnaires; briefing key internal and external stakeholders on human rights risks; delivering VPSHR training to staff and contractors; including VPSHR legal clauses in contracts of private security providers; and ensuring that we monitor for any incidents, allegations or grievances related to our security operations. This report summarises our overall approach and key activities, with country-specific examples.

COUNTRY IMPLEMENTATION

3. Progress was made on the in-country implementation of the VPSHR throughout the Shell Group. Below are summaries of activities carried out by Shell companies in some of the VPSHR priority countries.

¹ The companies in which Shell plc directly and indirectly owns investments are separate legal entities. In this VPSHR Annual 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 VPSHR Annual Report refer to entities over which Shell plc either directly or indirectly has control. The term "joint venture", "joint operations", "joint arrangements", and "associates" may also be used to refer to a commercial arrangement in which Shell has a direct or indirect ownership interest with one or more parties. The term "Shell interest" is used for convenience to indicate the direct and/or indirect ownership interest held by Shell in an entity or unincorporated joint arrangement, after exclusion of all third-party interest.

Nigeria

4. In Nigeria, Shell has interests in several companies that produce, distribute and export oil, gas, Liquefied Natural Gas (LNG) and other energy products. These entities are known as Shell Companies in Nigeria (SCiN) and Government Security Agents (GSA) provide armed security for many of their facilities/activities. Shell also employs unarmed private security personnel. Staff in SCiN devote time and resources to ensure that the VPSHR continue to be a key focus area.
5. Implementation of the VPSHR in Nigeria included the following steps:
 - The VPSHR threat and risk assessments were reviewed, and the annual questionnaire updated.
 - Interactive VPSHR and use of force (UoF) training sessions were given to SCiN staff, including the Corporate Security and Corporate Relations teams.
 - VPSHR and UoF legal clauses were included in all contracts with private security companies. Private security personnel received VPSHR induction and refresher briefs. Signed-off attendance lists were kept as records and performances continuously monitored.
 - GSAs deployed to support SCiN activities were briefed on VPSHR and UoF upon arrival, as well as on health and safety requirements. Periodic refreshers were provided and a zero tolerance for non-compliance was maintained.
 - Shell continued to have regular engagements with senior GSAs on VPSHR and UoF commitments.
 - In 2023, a briefing pack for civilians working in proximity to GSAs was developed and rolled out to reduce VPSHR risks. This included train-the-trainer sessions for site security representatives.
 - Shell continued to attend and actively participate in quarterly Nigeria Working Group (NWG) meetings.
 - Shell collaborated with the National Human Rights Commission to advocate the Nigerian Government to sign up to the Voluntary Principles Initiative (VPI).
 - Shell Corporate Relations – through the Global Memorandum of Understanding (GMOU) and Host Community Development Trust (HCDDT) – continued to engage with host communities around SCiN operations. In 2023, engagements centred around the resolution of community concerns over land ownership, benefit sharing, access to contracts, compensation for pollution, and the investigation of incidents.
 - Shell continued to liaise with the Civilian Military Cooperation Unit of the Operation Delta Safe (OPDS) on security and human rights issues.

- Shell did not provide GSAs with any equipment that could be used for lethal purposes; the procurement of vehicles and fuel was restricted to supporting company activities.

Indonesia

6. Shell's business activities in Indonesia include fuel distribution, fuel trading and supply, lubricants for industry, automotive and transportation, a lubricants oil blending plant, and fuel for the marine/shipping industry. Shell relies on unarmed private security personnel for the protection of its operations.
7. Implementation of the VPSHR in Indonesia in 2023 included the following steps:
 - The VPSHR threat assessment, risk assessment and implementation plan, and annual questionnaire were reviewed and updated.
 - Internal stakeholders in Shell were briefed on VPSHR and UoF, including staff on mobility sites, in the Health, Safety, Security & Environment business, in the Corporate Relations teams, as well as terminal managers.
 - Regular engagements were held with police in Jakarta, including visits to police headquarters, to communicate our commitments to VPSHR.
 - VPSHR and UoF commitments were also shared to government security forces when on Shell premises and/or supporting Shell activities.
 - Clauses on VPSHR and UoF were included in contracts with private security companies.
 - Private security providers were trained on the VPSHR and UoF on an annual basis. Their performance was continuously monitored.

Peru

8. Shell operations in Peru consist of a non-operated joint venture (NOV) Peru LNG (PLNG), which comprises of a supply pipeline, a processing plant for liquefied natural gas, and a maritime terminal. There is also a lubricants business, product and crude trading spot deals, and a Nature-Based Solutions project in Pucallpa region.
9. In 2023, Peru became a prioritised country for VPSHR following nationwide civil unrest. It is against this background that armed government security forces were stationed outside PLNG, designated as a National Critical Asset.

10. Implementation of the VPSHR in Peru included the following steps:

- The VPSHR threat assessment was reviewed, which led Peru to become a prioritised country for VPSHR given the heightened threat of civil unrest and the presence of armed government security forces outside the maritime terminal.
- A VPSHR risk assessment and implementation plan as well as an annual questionnaire was completed.
- The Country Security Manager held regular engagements with the Intelligence & Assessment team, to monitor any changes in the threat environment. Weekly threat updates were provided.
- Through our partners at PLNG, we raised awareness of Shell's VPSHR and Human Rights commitments with government stakeholders.
- Through our partners at PLNG, we maintained close relations with surrounding communities.
- Through our partners at PLNG, we interacted with national police at the leadership level for the purpose of information sharing.
- Private security personnel were screened during tender and trained on VPSHR, UoF and Ethics & Compliance, as part of their contractual agreement. Their performance on VPSHR and UoF was continuously monitored.

LESSONS LEARNED

- Addressing VPSHR challenges in (non-operated) joint ventures (JV) requires good relations and standing engagements with partners. Shell has successfully used its position inside JVs to positively influence operating partners on VPSHR and UoF commitments.
- A sudden change in the threat landscape can require additional VPSHR actions that need to be implemented in a very short timeframe. This is especially the case when armed government security forces are sent to provide temporary security to operations that are deemed critical national infrastructure. Shell addresses this challenge by maintaining regular engagements with local government and government security forces senior leadership.