

SHELL UK 2022

DIVERSITY

**PAY GAP** 

REPORT







### Foreword by Country Chair David Bunch

The Shell UK Diversity Pay Gap Report is made up of our gender pay and bonus data, which we're required to publish, as well as our ethnicity pay and bonus data, which we have published voluntarily since 2020. Recognising that our main UK Upstream and Downstream operations conduct different work and operate differently to our customer-facing home energy business, this year we have decided to dig a little deeper into our ethnicity pay gap figures and just as we do for gender, we will report separate figures for each employing company in scope<sup>1</sup>, rather than a single aggregated figure. Also, in what is a first for this year, we are breaking down our ethnicity pay gap data by ethnic group, to provide further transparency and allow us to identify where we have more work to do to achieve our diversity and inclusion aspirations.

The 2022 report shows that we have varying gender and ethnicity pay gaps at our Shell UK companies, and we are committed to addressing these. I believe we have a responsibility to bring our voice and strength to bear externally and to speak up and take action where we can.

<sup>1</sup> Shell in the UK (refer to footnote on page 3) companies with 250 or more employees in line with UK government requirements on gender pay gap reporting

We can do this in ways such as leading our industry with the voluntary publication of ethnicity pay data and being a founding signatory to the Race at Work Charter. We also need to continue to develop pathways to rewarding careers for people from all backgrounds.

Shell has bold ambitions in the UK, which include providing energy security today while building the low and zero-carbon energy system of tomorrow. By 2030, we aim to deploy £100 million to support communities across the UK and help 15,000 people in the UK to gain employment with a focus on the energy transition. This investment also aims to help disadvantaged and underrepresented groups and communities near where we operate and throughout the UK, alongside our existing partnerships and initiatives that aim to increase diversity and inclusion right across our sector and beyond.

Please read the report to understand more about where we are today, and what we're doing to bring sustainable positive change.

We need to continue to develop pathways to rewarding careers for people from all backgrounds

I confirm the gender pay gap data contained in this report for Shell Group Companies in the UK is accurate and has been produced in accordance with the guidance on managing gender pay developed by the Arbitration and Conciliation Service (ACAS).









In our 2022 Diversity Pay Gap report, we explore the gender and ethnicity pay and bonus gaps for Shell companies in the UK and outline the actions we are taking to close these gaps.

1.1 ABOUT OUR REPORT

In this year's report we break down our gender and ethnicity pay gap figures by each employing company in scope<sup>1</sup> in the UK, to understand more about our workforce and ensure we can be specific about the actions we are taking. In the UK, we have six companies which employ 250 or more employees, however the section outlining the actions we are taking applies across all of our Shell in the UK employing companies.

Powering Lives is a fundamental pillar of Shell's Powering Progress strategy; a commitment to power lives through our products and activities, and by supporting an inclusive society. In the UK, collecting and reporting our gender and ethnicity pay data is an integral part of our commitment to diversity, equity, and inclusion.



<sup>&</sup>lt;sup>1</sup> Shell in the UK (refer to footnote on page 3) companies with 250 or more employees in line with UK government requirements on gender pay gap reporting





#### Shell in the UK gender pay outcomes

On April 5, 2022, Shell in the UK employed more than 6,000 people, over one-third of whom were women, across nine companies<sup>2</sup>. Six of these companies had 250 or more employees and we are therefore required to publish their gender pay gap data under UK law.

# Equal pay vs gender pay gap

A gender pay gap is the difference between the average hourly pay and bonuses of all men and all women across an organisation. The ethnicity pay gap is the difference in the average hourly pay and bonuses between ethnic majority<sup>3</sup> and ethnic minority employees across an organisation. Both gender and ethnicity pay gaps are expressed as a percentage.

Gender and ethnicity pay gaps are different to the question of equal pay, which refers to paying men and women the same pay for performing equivalent work. Shell in the UK has had equal pay for many years, and we conduct regular pay equity analysis to monitor this on an ongoing basis. We also engage openly with our employees on the mechanisms we have in place to ensure non-discriminatory pay practices. In 2022, we published our <u>Fair Pay Principles</u>. We commit to deliver fair and competitive pay through our annual performance assessment process and pay policies to ensure all our employees are valued, respected, and recognised for the work that they do.

Gender split of Shell UK employees					
Male		Female			
2020	2021	2022	2020	2021	2022
66%	65%	65%	34%	35%	35%

Reflects gender split across all Shell in the UK employing companies, gender representation will vary depending on individual employing company.



<sup>&</sup>lt;sup>2</sup> The companies in which Shell plc directly and indirectly owns investments are separate legal entities. In this Report, "Shell in the UK," "Shell UK", "Shell", "Shell Group", "Group", "company", "we", "us", "our" and similar terms are sometimes used for convenience where references are made to Shell plc and/or its subsidiaries in general. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

<sup>&</sup>lt;sup>3</sup> Ethnic majority refers to White employees within our Shell in the UK employing companies





# The gender pay gap

Our gender pay gap continues to move in the right direction. For 2022, the mean gender pay gap across the six employing companies has narrowed, with the exception of Shell Information Technology Limited.

For 2022, the mean gender pay gap across all in scope Shell in the UK companies ranged from 11.7% to 20.7%, compared to 7.3% to 21.8% in 2021. The mean gender bonus gap ranges from -0.2% to 54.2% in 2022; in 2021 the top end of this range was 54.9%.

You can find an overview of our mean gender pay gaps across all in scope Shell in the UK employing companies in the next section, further detail can be found within the full gender pay gap section.







# **Explaining our gap**

We continue to make progress towards gender balance at Shell in the UK. However, we do still have a gender pay gap and there are a number of reasons for this, which include the following; firstly, across all our employing companies we currently have more men than women in senior leadership positions that attract higher levels of pay, therefore this contributes to our mean and median gender pay gap. Also, women are under-represented in some specialist roles such as trading and some offshore roles, which tend to attract a pay premium. In comparison to our other in scope UK employing entities, Shell Energy Retail Limited (SERL) has less differentiation in pay across pay quartiles, due to a more equal representation of men and women across its UK workforce.

1.3 OUR GENDER PAY GAP FINDINGS 2/2

We also see disparity with the gender bonus gap, with the highest bonus gap in our trading organisation, where it is common for roles to have a higher proportion of variable pay (bonuses) and higher representation of men compared to women.

The majority of Shell in the UK employees did not receive a bonus in 2021 due to financial challenges arising from the COVID-19 pandemic, which impacts the year-on-year comparison of our gender bonus gap outcomes.

We are committed to closing our gender pay gap at Shell in the UK. We strive to continue to increase representation of women at senior levels and in specialist roles where women are under-represented. We will always continue to hire, retain, and promote people based on merit.

By removing potential barriers to progression, widening our recruitment to attract more diverse candidates, and applying an inclusion lens to supporting and developing employees, each of our businesses in the UK will work towards our 2025 and 2030 aspirations (see also - page 15) to increase the number of women in senior roles to 35% by 2025 and 40% by 2030. We achieved our 2020 ambition of 30% female senior leadership representation early and the percentage of UK female senior leaders increased further to 32.7% by the first quarter of 2022. Later in this report we outline some of the specific actions we are taking to achieve these aspirations.

2022 mean gender pay gaps		
Shell Energy Retail Limited	11.7%	
Shell Information Tech Limited	12.0%	
Shell UK Limited (Upstream)	12.4%	
Shell International Trading and Shipping Company Limited	16.2%	
Shell International Petroleum Company Limited	18.4%	
Shell International Limited	20.7%	





Shell has nine employing companies in the UK, employing over 6,000 employees. Of these companies, six employ 250 or more in scope employees as at 5 April 2022. The methodology used in arriving at the outcomes is consistent with the Acas Managing gender pay reporting guidance updated in February 2019. The calculations include regular UK employees as well as expatriates where the employment relationship suggests a strong connection to the UK. The data is set out in the following table.

#### Key

#### Mean and Median:

The gender pay gap shows the difference between the mean (average) and median (mid-point) pay and bonus earnings of male and female employees, expressed as a percentage of male employee's earnings.

#### Proportion of males and females receiving a bonus:

The proportion of male and female employees who were paid any amount of bonus pay.

### Proportion of males and females in each pay quartile band:

The proportion of male and female employees in four quartile hourly rate pay bands ranked from lowest hourly rate to the highest hourly rate. It is done by dividing the workforce into four equal parts.

#### Shell UK Limited (Upstream)

Employs upstream operations, offshore, wells and projects and technology

# Shell International Trading and Shipping Company Limited

Employs trading, trading operations, maritime and trading support functions such as legal and finance

#### Shell International Petroleum Company Limited

Employs research and development, new technologies and downstream

#### Shell International Limited

Employs corporate relations, finance, legal, HR and new energies

#### Shell Information Tech Limited

#### Employs IT functions

The datapoints in brackets reflect the % difference between the 2021 and 2022 gender pay and bonus gap outcomes

# Shell UK Limited (Upstream)

No. of employees (-12.2%)

#### Mean and median pay and bonus

	Mean	Median
Gender	12.4%	14.3%
pay gap	(-0.7%)	(-2.8%)
Gender	-0.2%	-1.2%
bonus gap	(-10.5%)	(-10.9%)

#### Bonus received

Female	Male
99.2%	98.9%





Pay quartiles				
Quartiles	Female	Male		
Upper	16.1%	83.9%		
Upper middle	10.3%	89.7%		
Lower middle	15.2%	84.8%		
Lower	32.5%	67.5%		

# Shell International Trading and Shipping Company Limited

No. of employees (+2.5%)

#### Mean and median pay and bonus

	Mean	Median
Gender	16.2%	16.5%
pay gap	(-2.2%)	(-1.2%)
Gender	54.2%	39.0%
bonus gap	(-0.7%)	(+22.1%)

# Bonus received Female Male



96.9%



95.7%

Pay quartiles				
Quartiles Female Ma				
Upper	23.8%	76.2%		
Upper middle	24.3%	75.7%		
Lower middle	30.9%	69.1%		
Lower	49.6%	50.4%		

# 1.4 GENDER PAY GAP OUTCOMES (STATUTORY DISCLOSURE) 2/2





No. of employees

1,084 (-5.2%)

Shell International Limited		
N. f. I	918	
No. of employees	(-1.7%)	

#### Shell Information **Technology Limited**

No. of employees

417 (+5.3%)

Shell Energy Retail Limited		
	1115	
lo. of employees	(-8.8%)	

Mean and median pay and bonus

	Mean	Median	
Gender	18.4%	20.8%	
pay gap	(-0.6%)	(+2.9%)	
Gender	29.4%	38.3%	
bonus gap	1±5%\	1420%1	

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	Mean	Median
Gender	20.7%	16.5%
pay gap	(-1.1%)	(-2.8%)
Gender	37.4%	40.9%
bonus gap	(+32.5%)	(+40.9%)

Mean	and	median	pay	and	bonus

	Mean	Median	
Gender	12.0%	19.3%	
pay gap	(+4.7%)	(+6%)	
Gender	17.5%	18.4%	
bonus gap	(+42.5%)	(+18.4%)	

Mean and median pay and bonus					
	Median				
Gender	11.7%	11.9%			
pay gap	(-0.8%)	(+0.6%)			
Gender	23.9%	15.7%			
bonus gap	(-5.6%)	(-9.3%)			

Bonus received			
Female	Male		
98.3%	98.7%		



Bonus received				
Female	Male			
98.0%	94.2%			



Bonus received					
Female	Male				
92.5%	95.5%				
P	o <sup>*</sup>				

Bonus received				
Female	Male			
89.3%	90.9%			
Q	o <sup>₹</sup>			

Pay quartiles					
Quartiles Female Male					
Upper	22.6%	77.4%			
Upper middle	28.8%	71.2%			
Lower middle	35.8%	64.2%			
Lower	56.1%	43.9%			

Pay quartiles					
Quartiles Female Male					
Upper	33.0%	67.0%			
Upper middle	42.8%	57.2%			
Lower middle	50.7%	49.3%			
Lower	63.9%	36.1%			

Pay quartiles				
Quartiles	Female	Male		
Upper	23.8%	76.2%		
Upper middle	17.3%	82.7%		
Lower middle	35.6%	64.4%		
Lower	45.2%	54.8%		

Pay quartiles					
Quartiles Female Male					
Upper	<b>Upper</b> 34.8%				
Upper middle	44.2%	55.8%			
Lower middle	52.0%	48.0%			
Lower	45.9%	54.1%			



UK legislation requires us to calculate and publish our gender pay gap and bonus gap figures.

However, we remain amongst a minority of FTSE 100 companies that voluntarily publish ethnicity pay gap data and we will continue to do so as part of our commitment to shine a spotlight where it is needed and ensure an inclusive workplace for all. We continue to advocate for greater transparency externally and this year we have chosen to externally publish our ethnicity pay data broken down by ethnic group. We are also working in a cross-industry group with other FTSE 100 companies that publish ethnicity pay gap to share learnings that will encourage and support other large companies that have not yet published their ethnicity pay data

1.5 ETHNICITY PAY GAP 1/2

This year, similar to our approach with gender, we will report the ethnicity pay gap for all in scope Shell in the UK employing companies individually, including our customer-facing home energy business, SERL. We believe distilling our ethnicity pay gap for each in scope Shell in the UK employing company will provide more granular detail on our workforce and allow us to take better targeted action within each business to realise our diversity and inclusion ambitions.

to do so.

# The ethnicity pay gap

In calculating our ethnicity pay gap we use the same methodology as our gender pay gap reporting. Across all in scope Shell in the UK employing companies, 85% of our UK employees have declared their ethnicity with us, so all calculations are based on a declaration rate of 85%. The 15% of our workforce who have not provided data cannot be included in our calculations. However, within our employing companies our ethnicity declaration rate ranges between 82% and 92%. Without a near 100% declaration rate on ethnicity, we cannot provide a complete picture of pay and bonuses across Shell in the UK from an ethnicity perspective. We also recognise that in the short to medium term, our ethnicity pay gap outcomes for each employing company are likely to fluctuate as more employees choose to declare their ethnicity.

Watch the video



We continue to encourage employees to voluntarily declare their ethnicity in order to build a more complete workforce profile to track trends better, take more targeted action and create an environment where everyone can be proud of who they are and our culture for inclusion.

In 2022, we extended our Self-ID initiative so that our employees are now able to declare their disability, gender identity and LGBTQ+ status. Sharing diversity data is not targeted at any one group; we encourage everyone to take part. By sharing diversity data our employees are helping ensure we have accurate data on the representation and diversity of our people in the UK. We will be able to correlate this anonymised data to track progress towards a diverse and balanced workforce and across a range of policies and processes. This will help us understand strengths we need to sustain and identify and address potential barriers to inclusion that need action so we can make Shell a better place to work for everyone.





# The ethnicity pay gap

In 2022, the mean ethnicity pay gap across all Shell in the UK companies ranged from -1.3% to 18.7%, compared to -1.5% to 17% in 2021. The mean ethnicity bonus gap ranges from -29.1% to 54.2%.

1.5 ETHNICITY PAY GAP 2/2

Similar to gender, we see the highest ethnicity bonus gap within our trading organisation due to higher variable pay (bonuses) in trading roles, where we currently have a proportionally higher representation of ethnic majority employees in senior trading roles relative to ethnic minority employees. During 2021 there were no bonuses paid to most Shell in the UK employees due to challenges arising from the COVID-19 pandemic, as with our gender bonus gap, the year-on-year comparison of our ethnicity bonus gap outcomes is impacted by this.

Ethnicity representation of Shell UK employees						
Ethnic minority			Ethnic majority			
2020	2021	2022	2020	2021	2022	
19.7%	24.9%	26%	80.3%	75.1%	74%	

As ethnic declaration is voluntary, ethnicity declaration rate is not 100% and all calculations are based on a declaration rate of 85% in the UK as of April 2022. The 15% of our workforce who have not provided data or have chosen not to declare their ethnicity were not included in our calculations. Ethnicity declaration by individual Shell in the UK employing company will vary.

2022 mean ethnicity pay gaps	
Shell UK Limited (Upstream) -1.3%	
Shell International Petroleum Company Limited	
Shell Information Tech Limited 11.8%	
Shell International Limited	14.8%
Shell International Trading and Shipping Company Limited  16.8%	
Shell Energy Retail Limited	18.7%

# 1.6 OUR ETHNICITY PAY GAP FINDINGS 1/2







### **Explaining our gap**

There are a number of factors that are influencing the ethnicity pay gaps across our in scope Shell in the UK employing companies. Firstly, we have lower ethnic minority representation in senior positions relative to ethnic majority employees. Secondly, currently there are fewer ethnic minority employees in roles that attract a pay premium which further contributes to our ethnicity pay gap.

We see the highest ethnicity pay gaps within our trading organisation and SERL. The ethnicity pay gap in trading can be attributed to a higher proportion of ethnic majority employees relative to ethnic minority employees in senior trading roles, which attract a pay premium.

SERL is a very different business from our main Shell in the UK operations, both geographically<sup>4</sup> and in the type of work being undertaken (typically focused on business to consumer energy sales and customer service).

Whilst ethnic minority employees are generally well represented in SERL's overall workforce (46% ethnic minority employees<sup>5</sup>), 35% of SERL's workforce work in entry-level customer advisory roles which typically attract lower pay premiums relative to other types of roles at SERL and other Shell in the UK employing companies, which contributes to Shell and SERL's ethnicity pay gaps.

In 2022, the representation of ethnic minority employees within Shell in the UK increased by 1.1%, taking it to 26% overall<sup>6</sup>. We have made progress towards ensuring representation of ethnic minority groups across our organisation and the increased representation of ethnic minority employees within our junior, graduate and intern roles is expected to impact our ethnicity pay gap in the short to medium term.

We remain focused on strengthening our environment of inclusion and supporting employees from ethnic minority backgrounds to develop their skills and careers, and so expect to see our ethnicity pay gap close over the longer term.

<sup>&</sup>lt;sup>4</sup> Our ethnicity pay gap is influenced by regional differences in pay scales. The majority of SERL employees are based outside of London, compared with the majority of employees in our other Shell in the UK employing companies who are based in London, which typically attracts a pay premium

<sup>&</sup>lt;sup>5</sup> Calculations based on the 92% declared population within Shell Energy Retail Limited

Reflects ethnicity representation across all Shell in the UK employing companies. Shell in the UK ethnicity representation is based on a declaration rate of 85%. Within each Shell in the UK employing company, ethnicity declaration rates will vary.

Within the 2022 report we are also breaking down our ethnicity pay gap data by ethnic group. However, given that the data representation in some of our ethnic groups within our employing companies may be small, we have decided to report this at an aggregate Shell in the UK view across our six in scope employing companies. We recognise that the pay gap outcomes for each ethnic group may fluctuate in the short to medium term as more employees declare their ethnicity.

2022 Ethnicity pay gap by ethnic group (difference against ethnic majority employees)				
Mean and median of ethnicity pay gap by ethnic group				
Ethnicity Mean Median				
Mixed/Multiple Ethnic Groups	27.3%	14.2%		
Black/African/Caribbean/Black British	36.2%	14.8%		
Ethnic Minorities-Other	-5.0%	-3.7%		
Asian/Asian British	20.0%	8.4%		
Other	-2.8%	-1.6%		

#### 2022 Ethnicity bonus gap by ethnic group (difference against ethnic majority employees)

#### Mean and median of ethnicity bonus gap by ethnic group

Ethnicity	Mean	Median
Mixed/Multiple Ethnic Groups	47.6%	66.9%
Black/African/Caribbean/Black British	64.4%	58.0%
Ethnic Minorities-Other	1.0%	-47.5%
Asian/Asian British	24.7%	28.4%
Other	-48.9%	-11.2%

As ethnic declaration is voluntary, ethnicity declaration rate is not 100% and all calculations are based on a declaration rate of 85% in the UK as of April 2022. The 15% of our workforce who have not provided data or have chosen not to declare their ethnicity were not included in our calculations.

Ethnic Minorities - Other group includes Arab and Hispanic employees

Other group includes other ethnic minority employees who have declared as 'Other'.

# 1.7 ETHNICITY PAY GAP OUTCOMES 1/2

#### Shell UK Limited (Upstream)

Employs upstream operations, offshore, wells and projects and technology

#### Shell International Trading and Shipping Company Limited

Employs trading, trading operations, maritime and trading support functions such as legal and finance

#### Shell International Petroleum Company Limited

Employs research and development, new technologies and downstream

#### Shell International Limited

Employs corporate relations, finance, legal, HR and new energies

#### **Shell Information Tech Limited**

Employs IT functions

The datapoints in brackets reflect the % difference between the 2021 and 2022 ethnicity pay and bonus gap outcomes.

# Shell UK Limited (Upstream)

N. f. I	1317
No. of employees	(-12.2%)

#### Mean and median pay and bonus

	Mean	Median
Ethnicity	-1.3%	-2.0%
pay gap	(+0.2%)	(-5.7%)
Ethnicity bonus gap	-29.1%	-36.8%
	(-65.4%)	(-91.7%)

#### Bonus received

White	Ethnic Minority
99.3%	98.3%

Pay quartiles		
Quartiles	White	Ethnic Minority
Upper	86.3%	13.7%
Upper middle	92.4%	7.6%
Lower middle	91.0%	9.0%
Lower	88.2%	11.8%

# Shell International Trading and Shipping Company Limited

N. C. I	922
No. of employees	(+2.5%)

# Mean and median pay and bonus

	Mean	Median
Ethnicity	16.8%	8.2%
pay gap	(+8.6%)	(+4.1%)
Ethnicity bonus gap	54.2%	39.0%
	(+48.3%)	(-4.9%)

#### Bonus received

Donas received		
White	Ethnic Minority	
95.7%	96.9%	

Pay quartiles		
Quartiles	White	Ethnic Minority
Upper	83.6%	16.4%
Upper middle	68.4%	31.6%
Lower middle	70.1%	29.9%
Lower	66.0%	34.0%



# 1.7 ETHNICITY PAY GAP OUTCOMES 2/2





No. of employees

(-5.2%)

Shell International Limited		
No. 6 I	918	
No. of employees	(-1.7%)	

#### Shell Information **Technology Limited**

No. of employees

417 (+5.3%)

Shell Energy Retail Limited	
si f l	1115
No. of employees	(-8.8%)

Mean and median pay and bonus

man and man pay and a street		
	Mean	Median
Ethnicity	11.7%	10.2%
pay gap	(+1.2%)	(-2.6%)
Ethnicity	21.6%	22.2%
bonus gap	(+8.2%)	(-1.3%)

Mean	and	median	pay	and	bonus
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	Mean	Median
Ethnicity	14.8%	10.8%
pay gap	(+5.4%)	(+0.3%)
Ethnicity	31.0%	27.9%
bonus gap	(+1.3%)	(+27.9%)

		14			
Mean	and	median	pay	and	bonus

	Mean	Median
Ethnicity	11.8%	17.6%
pay gap	(-2.1%)	(-0.9%)
Ethnicity	18.9%	20.8%
bonus gap	(+25.3%)	(+22.2%)

Mean and median pay and bonus		
	Mean	Median
Ethnicity	18.7%	18.6%
pay gap	(+1.7%)	(+4.6%)
Ethnicity	34.9%	17.9%
bonus gap	(+126.3%)	(32 1%)

Bonus received		
White	Ethnic Minority	
98.8%	96.8%	



Bonus received		
White	Ethnic Minority	
96.8%	96.1%	

Bonus received		
White	Ethnic Minority	
96.5%	90.0%	

Bonus received		
White	Ethnic Minority	
94.6%	85.4%	

Pay quartiles			
Quartiles	White	Ethnic Minority	
Upper	84.8%	15.2%	
Upper middle	77.4%	22.6%	
Lower middle	74.3%	25.7%	
Lower	69.8%	30.2%	

Pay quartiles			
Quartiles	White	Ethnic Minority	
Upper	84.7%	15.3%	
Upper middle	88.4%	11.6%	
Lower middle	74.1%	25.9%	
Lower	75.2%	24.8%	

Pay quartiles			
Quartiles	White	Ethnic Minority	
Upper	71.0%	29.0%	
Upper middle	68.1%	31.9%	
Lower middle	66.7%	33.3%	
Lower	44.7%	55.3%	

Pay quartiles				
Quartiles	White	Ethnic Minority		
Upper	65.9%	34.1%		
Upper middle	56.4%	43.6%		
Lower middle	55.8%	44.2%		
Lower	38.7%	61.3%		

# 1.8 REFLECTING ON OUR PROGRESS

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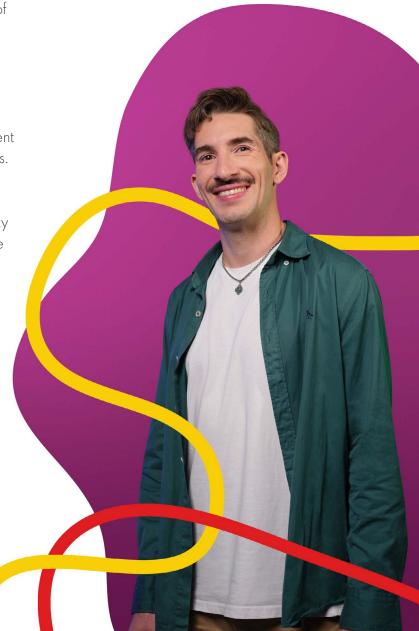




The pace of change is slower than we would like to see for our gender and ethnicity pay gap outcomes, but we understand that sustainable change takes time, and are committed to driving change both within and outside our organisation. Our colleagues, customers, and the communities we serve rightly expect us to play our part in creating an inclusive environment for all. We will continue to take meaningful action and to monitor progress towards closing the pay gaps, contributing to greater diversity, equity, and inclusion (DE&I) at Shell in the UK, and in the communities in which we operate.

Diversity representation is an industry-wide challenge. Historically, the energy sector has struggled to proportionally reflect the diversity of the workforce as a whole. We demonstrate our continued commitment through supporting our external partners and working with other UK energy companies to shape practical actions and initiatives aimed at accelerating diversity representation in our industry. It is vital that our sector is able to tap into the talent and leadership that we need to deliver the energy transition and net zero agenda.

Many of our employees stay with Shell in the UK for long and fulfilling careers that span a variety of roles - something we are proud of. But low levels of staff turnover means that change will take time. We continue to build our future pipeline through attracting and developing diverse candidates and supporting the retention of this talent through providing meaningful opportunities for development and progression to further accelerate their careers. We believe that Shell's success in the energy transition will rely on attracting and retaining a broad range of talent that will provide the diversity of thought required to lead through change, make bold decisions and enable our organisation to continue to thrive into the future.





# The steps we are taking

Shell is committed to becoming one of the most diverse and inclusive organisations in the world, a place where everyone feels valued, respected, and has a strong sense of belonging.

1.9 ACTIONS WE ARE TAKING 1/4

In 2022, we continued to focus on improving gender and ethnicity representation and supporting employees across our UK businesses. We have achieved our 2020 UK ambition of 30% female senior leadership representation and are on track to achieving our aspiration of 35% female senior leader representation by the end of 2025 as set out in our Powering Lives DE&I commitments.

# "We also aspire to increase the number of ethnic minority employees in senior leader roles in the UK by 2025."

This includes an overall aspiration to increase ethnic minority representation in senior roles in the UK to 15% and a specific aspiration within that to increase Black representation, as this is where we have the largest representation gap.

You can find some of the actions we are taking to drive progress to the right.

#### **DE&I Awareness and Communication**

- In 2021, we were recognised in The Times Top 50 Employers for Women list. We have been included in the annual ranking in 12 of the last 14 years, demonstrating our continued commitment to gender equality and inclusion.
- We celebrate a number of visible ethnic minority, female and LGBTQ+ role models recognised in the EMpower, HERoes and OUTstanding Role Model Lists
- We promote leaders as visible allies and role models, actively learning and championing DE&I both internally and externally.
- We support our UK Employee Networks with executive sponsorship and a budget to continue to play a key role in supporting development, belonging and inclusion of different employee groups.
- SERL also support local and national diversity, equity and inclusion awareness and celebration days, including events with the Global Head of Diversity & Inclusion at Adidas, Asif Sadiq, and Charlie Martin, the first professional transgender motorsports racer.



# **Supporting an Inclusive Culture**

- We leverage hybrid and flexible working to reinforce our commitment to an inclusive work environment for everyone and support employees to balance home and work. We also offer free coaching sessions with an external coach for employees going on or returning from long-term leave (12+ weeks) to support a successful return to work.
- We support employees to balance different life choices and stages. This has included supporting employees experiencing menopausal symptoms by making advice readily accessible, through an internal support group and developing a dedicated menopause guide. In 2022, we also further enhanced our leading healthcare provision with our third-party provider to include varying levels of support for life events such as menopause and andropause, gender dysphoria and fertility.

"We embed inclusion into all that we do, from recruitment and how teams work together, to our culture of safety, care, and leadership development."

- We champion mental health awareness, supporting colleagues across our four wellbeing pillars (physical, mental, financial, and social).
   Each year we recognise UK Mental Health Awareness Week with a series of events, which in 2022 centred on optimising energy and positive steps to mental wellbeing.
- In 2022, SERL also introduced an all-employee workshop on 'Creating an Inclusive Culture' designed to provide practical tools to encourage discussion around DE&I and encouraging colleagues to be allies in the workplace.

# **Holding Ourselves Accountable**

- We monitor UK diversity, equity, and inclusion key performance indicators (KPIs) bi-annually, and every year through our annual employee opinion survey. Monitoring trends in areas such as recruitment, senior female and ethnic minority representation and attrition allows us to measure the effectiveness of our plans, identify any barriers and take appropriate action.
- Succession planning and identification of talent are essential to ensure a balanced pipeline of talent from a diverse range of backgrounds.

- To achieve this, we ensure our internal hiring process encourages a diverse range of applicants. We check for bias and diversity skews in recruitment, performance calibration and assessments of leadership potential.
- We measure take-up of our policies, including flexible working, family leave and care support. Although we are making good progress, we have more to do in encouraging more consistent uptake of part-time working between men and women, so removing a traditional barrier to a more balanced workforce.
- During 2022, 55% of our incoming graduates are female and 32% are from ethnic minority backgrounds. For our intern hiring, 45% are female and 45% are from ethnic minority backgrounds.
- For our experienced professionals, we have averaged 32% female hiring over the same period.









# **Attracting and Developing Talent**

- In order to attract a diverse talent pipeline, we continually review our UK recruitment practices from a diversity perspective, including using inclusive language in job advertisements and ensuring our recruitment marketing is inclusive of underrepresented groups.
- To encourage broader representation in Science, Technology, Engineering and Maths (STEM) roles, we continue to support seven STEM programmes, ranging from nationwide workshops that have engaged hundreds of thousands of pupils through to our local Girls in Energy programme that offers an intense year-long learning experience targeted at girls aged 14-16 years.
- We have broadened the group of universities we engage with to include more institutions with higher ethnic minority representation to increase the number of applications we receive from ethnic minority candidates.
- In 2022, our 45 incoming graduates are coming from 26 different UK universities.
- We recently refreshed and re-launched our female development programme 'Powering Women in Mid-Career' and our Senior Women's Connect programme will also be redesigned and rolled out in 2023.

- We run quarterly Senior Women in Leadership sessions to build community, share experiences and learn and share leadership dilemmas.
- As part of their 'Management Essentials' leadership stream, SERL delivers an internal programme, 'Recruiting Diverse Talent' designed for all hiring managers to build their capability and provide upskilling on how to create a great candidate experience.
- We participate in the Scottish Leaders Mentoring Scheme, to pair senior leaders with aspiring female leaders looking to move into senior leadership positions within the next 5 years or so.
- We support the development of Black and other ethnic minority employees through targeted development programmes, mentoring, sponsorship, and network-led events. We partner with external organisations to deliver specialised content that equips our employees with the capabilities and leadership skills to address potential barriers and further progress their career
- Our Employee Networks continue to play a vital role in providing visibility of employee and leadership role models through organising events to raise awareness and celebrating days of cultural and social significance.

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# **Our External Partnerships**

We continue to work in partnership with POWERful Women and the Energy Leaders Coalition (ELC). The ELC comprises of sixteen of the leading CEO's from the UK's energy sector who meet quarterly to drive progress within the sector. We also contribute to the annual POWERful Women report identifying the barriers to gender balance in our sector, and initiatives to overcome them.

1.9 ACTIONS WE ARE TAKING 4/4

- Our ongoing partnership with Business in the Community (BITC) helps us lead change in the wider UK business community. Two senior Shell UK leaders sit with senior executives from other companies on the BITC leadership teams for Gender and Race Equality. These teams provide strategic guidance, share expertise, and experience and shape the agenda for action for businesses.
- We are also a founding signatory of the BITC
   Race at Work Charter, which was launched in
   2018 to help organisations take practical steps to help tackle ethnic disparities in the workplace.
- As part of our commitment to increase ethnic representation in our business, we also became a signatory of the Confederation of Business Industry's Change the Race Ratio campaign.

- SERL have also built up a partnership with the Black British Awards, in which they have sent two cohorts of SERL colleagues on their Talent Accelerator programme in 2021, as well as their Race in the Boardroom programme.
- SERL also has an ongoing partnership with Windsor Leadership Trust, utilising their Emerging Strategic Leader programme and also creating a bespoke Women in Leadership Programme that 14 female leaders participated in.
- As part of our Generation Net Zero 2030 ambition we are seeking to deploy £100 million to support communities across the UK and help 15,000 people in the UK to gain employment with a focus on the energy transition. We are also seeking to establish energy transition skills programmes and centres to develop skills across communities in the UK and in our key energy locations. This investment will be used to help disadvantaged and underrepresented groups and communities near where we operate and throughout the UK.

Read more, including case studies at <a href="https://www.shell.co.uk/diversitypay">www.shell.co.uk/diversitypay</a>



