



STATEMENT OF INVESTMENT PRINCIPLES

Shell Trust (Bermuda) Limited, Trustee of the
Shell International Pension Fund

October 2025

1. INTRODUCTION

This statement details the principles governing the investment policy of Shell Trust (Bermuda) Limited, the Trustee of the Shell International Pension Fund ("SIPF" or "Fund") having taken advice from its investment adviser, Aon (the "Investment Adviser") and after consultation with the SIPF's sponsoring employers (the "Sponsor").

From 1 October 2025, the Fund's investment manager is Goldman Sachs Asset Management International (GSAM) (the "Investment Manager") (the "Investment Manager and Investment Adviser together "the Advisers"). The Trustee has also appointed LCP as its adviser in relation to Environmental, Social and Governance matters (the "ESG Adviser").

This statement has been prepared in accordance with the UK Pensions Act 1995, as amended, and the Occupational Pension Schemes (Investment) Regulations 2005. Whilst the SIPF is not subject to UK Law, the Trustee believes that it is good practice to have a statement broadly similar to that required by the UK Act, and other large Shell Group pension funds. It is specifically concerned with the principles governing decisions about investments for the purposes of the SIPF and is reviewed periodically, or as required if there are significant changes to the investment policy or there is a material change in the SIPF's funding position or other circumstances which the Trustee determines warrant a reconsideration of the Strategic Asset Allocation ("SAA").

2. OBJECTIVES

The Trustee is responsible for the stewardship of the SIPF's assets; its main investment objective is to invest its assets such that they, together with the return on them, are sufficient to pay all pensions due to members.

The Trustee has put in place a Journey Plan to provide a framework for asset allocation decision making, along a planned de-risking path, towards a long term low degree of dependency on the Sponsor's covenant. It covers all accrued and future benefits of the SIPF.

The Trustee aims to generate investment returns exceeding both the returns on a minimum risk (principally index-linked bonds) portfolio and the SIPF's liabilities.

3. INVESTMENT STRATEGY

The Trustee sets a broadly conservative investment strategy considered appropriate for the SIPF taking account of how much risk the Trustee, in consultation with the Sponsor, wishes to take and consistent with the objective of paying all benefits due on time.

In conjunction with its Advisers, the Trustee typically carries out an investment strategy review at least every three years. The investment strategy review tests possible funding outcomes under different scenarios to help inform the Trustee's decisions about its asset allocation. This information helps inform the Trustee's investment approach in terms of targeted expected returns and acceptable risk tolerance when determining the SAA. While the terms of the SAA are decided by the Trustee, its implementation and more granular decisions in respect of asset allocation are delegated to the Investment Manager and are documented in the Investment Management Agreement ("IMA").

The SAA strategy can be split into two sections:

- **Liability Matching assets** – inflation-linked bonds and other securities expected to perform similarly to the liabilities; and
- **Return seeking assets** – where long-term growth can be generated in order to provide additional returns in order to progress the Journey Plan.

The SAA will vary due to market movements and is kept under review by the Trustee. Changes to the SAA may be decided by the Trustee Board following the process agreed between the Trustee, the Investment Adviser, the Investment Manager and the Sponsor ensuring that the SAA continues to be appropriate for the circumstances of the SIPF and the Trustee's investment objectives.

The strength of the Sponsor covenant along with a number of other factors may affect the Trustee's appetite for risk, including the SIPF's funding position, its cash-flow profile and its liability profile. The Trustee is informed of these factors regularly and may alter its investment objectives, risk tolerance and/or return target as appropriate in the event of any significant changes. The Trustee is also informed of any material developments which could affect the Sponsor covenant.

The Trustee is informed of the activity and performance of the Investment Manager relative to the IMA.

4. INVESTMENT MANAGEMENT STRUCTURE

The allocation of responsibilities in respect of investment matters is a key strategic issue for the Trustee Board and the Trustee retains responsibility for the investment strategy of the SIPF. The day-to-day management of the SIPF's investments, including any realisation of those investments, is delegated to the Investment Manager, which acts as both principal Investment Manager and an adviser. This relationship is governed by the IMA which covers discretionary investment management, as well as certain investment advisory and ancillary services. The Investment Manager may, if appropriate and within the terms of the IMA, allocate investment mandates to external managers and agree fees for such services on behalf of the Trustee.

In addition to the Investment Manager, the Trustee appoints an Investment Adviser to provide additional support as required, bringing an external perspective. The appointed Investment Adviser has the knowledge and experience required to execute its function.

The Investment Manager is remunerated based on the aggregate assets under management. There is no performance related fee for the Investment Manager, although some underlying external managers may receive performance related fees. The Investment Manager does not participate in any soft commission arrangements.

The Investment Adviser is remunerated on a fixed fee basis, with additional work charged on a time and materials basis. Additional payments are made based on the Trustee's judgment as to performance.

The ESG Adviser provides advice in relation to ESG-related matters.

The Trustee has appointed a third-party Stewardship Services Provider to engage with issuers of equity and corporate bonds on environmental, social, governance, strategy, risk and communication matters in order to improve the performance in the medium to long-term. The Trustee is supported in monitoring this activity by the Investment Manager and the ESG Adviser.

The Trustee receives quarterly reports and oral updates from the Investment Manager on various items, including the investment strategy, performance and longer-term positioning of the portfolio. The Trustee focuses on longer-term performance when considering the suitability of the investment strategy in relation to the Plan's objectives and assesses the Investment Manager over three-year periods.

The Trustee shares its policies, as set out in this SIP, with the Investment Manager and requests that the Investment Manager reviews and confirms whether its approach is in alignment with the Trustee's policies.

If the Investment Manager appoints a new external manager, the Trustee requires the Investment Manager to review the governing documentation associated with the investment and to consider the extent to which it aligns with the Trustee's policies. Where possible, the Investment Manager is asked to amend that documentation so that there is greater alignment. Where it is not possible to make changes to the governing documentation, for example, if the Investment Manager invests in a collective vehicle, then the Investment Manager is required by the Trustee to express its expectations to the external manager by other means, such as through a side letter, in writing or orally.

The Trustee has appropriate governing documentation, sets clear expectations to the Investment Manager and external managers by other means where necessary and regularly monitors performance and investment strategy. The Trustee believes that this is sufficient to incentivise the Investment Manager and external managers to make decisions that align with the Trustee's policies and are based on assessments of medium and long-term financial performance.

Where the Investment Manager or external managers are considered to make decisions that are not in line with the Trustee's policies, expectations, or the other considerations set out above, the Trustee will engage with the Investment Manager to bring matters into alignment. The Trustee would ultimately replace the Investment Manager for those assets should it not be able to accommodate the Trustee's requirements. Similarly, the Trustee would ask the Investment Manager to replace an external manager where this is deemed necessary.

There is no set duration for arrangements with the Investment Manager or external managers, although the continued appointment of the Investment Manager will be reviewed periodically, typically every three years. For certain closed ended vehicles, the duration may be defined by the nature of the underlying investments.

5. RISK MANAGEMENT

As the Trustee recognises that the SIPF is exposed to investment, funding, sponsor covenant and operational risks, its approach is to integrate management of those risks. The Investment Manager and the Investment Adviser give quantitative and qualitative consideration to operational, funding and investment risk when advising on investment policy, strategic asset allocation, investment strategy and manager selection. The ESG Adviser provides quantitative and qualitative consideration on ESG-related risks, in particular climate change.

It is the case that although it may be theoretically possible to select investments producing income flows broadly similar to the estimated liability cash flows, the Trustee also recognises the constraints and costs in seeking to do so. In order to meet the long-term funding objective of paying the SIPF benefits as they fall due, while managing the level of contributions and overall risk within acceptable parameters, the Trustee takes a degree of investment risk relative to the SIPF's liabilities. This targets a greater return than the liability-matching assets would provide while maintaining a prudent approach, as required by the funding regulations, to meeting the SIPF's liabilities.

The overall investment risk taken by the Trustee is diversified across a range of different investment opportunities, which in aggregate are expected to provide excess returns relative to bonds and Fund liabilities over time.

The Trustee aims to diversify the asset allocation exposures geographically and by asset class. In terms of the management of currency risk, the Trustee's policy within its SAA is to leave the foreign currency exposure of its investments unhedged versus the Euro which is the Fund's base currency. This is because the Fund's liabilities are denominated in multiple currencies.

The categories of risk, relevant to the investment strategy, identified by the Trustee are:

Risk	Definition, Controls & Mitigants
Asset-liability (matching) risk	Definition: The SIPF's assets do not achieve the expected returns relative to the growth in its liabilities stemming from, for example, inflation, deflation and longevity. Controls and mitigants: Diversify the return-seeking assets exposure. Increase the exposure to lower risk, liability-hedging or liability-matching assets, in physical or derivative form. Longevity risk is currently unhedged.
Currency	Definition: The SIPF may have material exposures to overseas assets, denominated in currencies which may fluctuate relative to the currencies of the SIPF's liabilities. Controls and mitigants: Monitoring of currency exposure. The Trustee's policy within its SAA is to not hedge its foreign currency exposure.
Returns of the Fund	Definition: Actual returns of the SIPF may lag behind those required, as a result of market conditions, the SIPF's active management, its costs or the inability to access desired exposures. Controls and mitigants: Ensure that there is sufficient expertise, resource and oversight within the Investment Management and Investment Advisory functions. Adopt realistic assumptions regarding risk parameters, costs and implementation of specific asset strategies, with those assumptions being embedded in strategic benchmarking and in strategic decision-making. Cost and investment performance monitoring including portfolio tracking error and risk scenario analysis.
Liquidity	Definition: The SIPF may have insufficient liquid funds to meet its obligations as they fall due. Controls and mitigants: Monitor the amount of cash and other liquid instruments held and maintain robust and timely disinvestment procedures in order to ensure that all liabilities e.g. benefits, collateral, margin, expenses and other cash calls can be paid as they fall due. New investments in illiquid assets may not be made above an upper limit set by the Trustee on the proportion of such assets in the SIPF.
Operational	Definition: Loss or error arising from the failures of people, processes and systems, or disruption due to an external event. Controls and mitigants: Operational risk is managed at all levels. Appropriate processes, controls and due diligence are integrated into all activities. Key controls and mitigants include segregation of duties, organisational structures, appointment of external custodians, authorisation routines, physical access, supervisory controls, internal and external audit, personnel management and managerial oversight and review.
Strength of the Sponsor covenant	Definition: The SIPF's Sponsor may be unable to provide the required level of future support to the SIPF. Controls and mitigants: Structured covenant assessment and monitoring processes.
Climate risk	Definition: The funding level of the SIPF may be affected by the physical and transition risks of climate change, or through systemic changes arising either directly or indirectly from climate change. Controls and mitigants: The Trustee has set a climate policy, including a target of net zero by 2050 or earlier for relevant assets in its portfolio. Climate risk is taken into account by the Investment Manager when selecting assets and external managers.

6. INVESTMENTS TO BE HELD

The Trustee wishes to invest in a wide range of quality assets appropriate for the SIPF and apply a range of investment strategies. Investments can be made across listed equity, government and non-government debt, money market instruments, and other financial instruments. Investment may be undertaken directly, indirectly, in physical assets or through derivatives.

The Trustee's policy is to review investments and to obtain written advice from its Advisers at regular intervals.

The Trustee believes that, over the long term, the return seeking assets such as listed equity, will deliver higher financial returns than other assets which are expected to move more in line with the liabilities such as bonds. The investment management approach and choice of managers, and the SIPF's SAA, are intended to provide returns in excess of pure liability-hedging assets, while controlling the level of asset-liability risk.

An independent custodian appointed by the Trustee holds all securities owned by the SIPF.

7. RESPONSIBLE INVESTMENT

Environmental, Social and Governance (“ESG”) considerations

The Trustee is a responsible steward of the assets in which it invests. The Trustee's primary concern is to act in the best financial interests of its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk.

In taking material financial factors, including corporate governance, environmental (such as financial risks relating to climate change), and social considerations into account, the Trustee expects to both protect and enhance the value of the SIPF in the long term. The Trustee considers ESG considerations, including financial risk from climate change, in a manner which is consistent with the Trustee's investment objectives, legal duties and other relevant commitments. The Trustee considers these risks by taking advice from its Investment Adviser.

The Trustee expects the Investment Manager to:

- Include consideration of ESG factors in the investment process, where relevant;
- Use its influence to engage with external fund managers to ensure the SIPF's assets are not exposed to undue risk; and
- Report to the Trustee on its ESG activities as required.

Stewardship – Voting and Engagement

The Trustee requires the Investment Manager to:

- Either directly, or indirectly through a third-party Stewardship Services Provider (which the Trustee has appointed), exercise its delegated voting rights in all practicable cases. After due consideration, the Trustee has adopted the voting policy of its third-party Stewardship Services Provider and keeps this decision under review.
- Report to the Trustee on stewardship activity regularly as required by the Trustee.

[END]