



Shell's Sustainable Development Journey

European Network of Enterprise for Health

Berlin, 3 October, 2005

Mark Weintraub





Shell at a glance

Exploration and Production

17,000 employees
\$9.3 billion earnings

Gas & Power

2,000 employees
\$2.2 billion earnings

Oil Products

76,000 employees
\$7.5 billion earnings

Chemicals

8,000 employees
\$930 million earnings

Other industry segments

9,000 employees
-\$141 million earnings

Source: Annual Reports, May 2005





Economic engine for development

***Supplier of
3% world's
oil and gas***

**Social
Investmen
t
\$106
million**

**Royalties &
Corporate Taxes \$17 billion**

**Procurement \$6.3 billion
(invested locally in
developing countries)**

Direct employment 112,000

Indirect employment 1 million+





SD in Business Principles

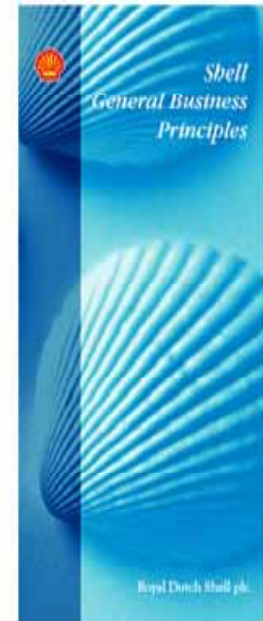


Shell General Business Principles

PERSONAL integrity honesty CORPORATE
VALUES ENTERPRISE PRINCIPLES
FIRST respect

Sustainable Development : an overarching concept

“As part of the Business Principles, we share a commitment to contribute **to sustainable development**. This requires balancing short and long term interests, integrating economic, environmental and social considerations into business decision-making”





Our SD Journey

1997

2000

Today

2010+

Commitment made to contribute to SD



First Shell Report & Tell Shell initiated

HSE KPIs & targets

Shell Foundation established



Social performance unit established

SD in investment proposals

'Publish what we pay' in Nigeria

Hot spot reporting introduced



Diversity target: Country Chairs



Venting target met



Diversity target: gender

GHG emissions target due

Social

Values & systems

Financial



Renewables business established

Environmental minimum standards

Hydrogen business established



Carbon costs in investment decisions

SD learning programme

SD fifth of scorecard



Health minimum standards

Commitment not to operate in World Heritage sites

Flares out target due

Social performance plans due in major facilities





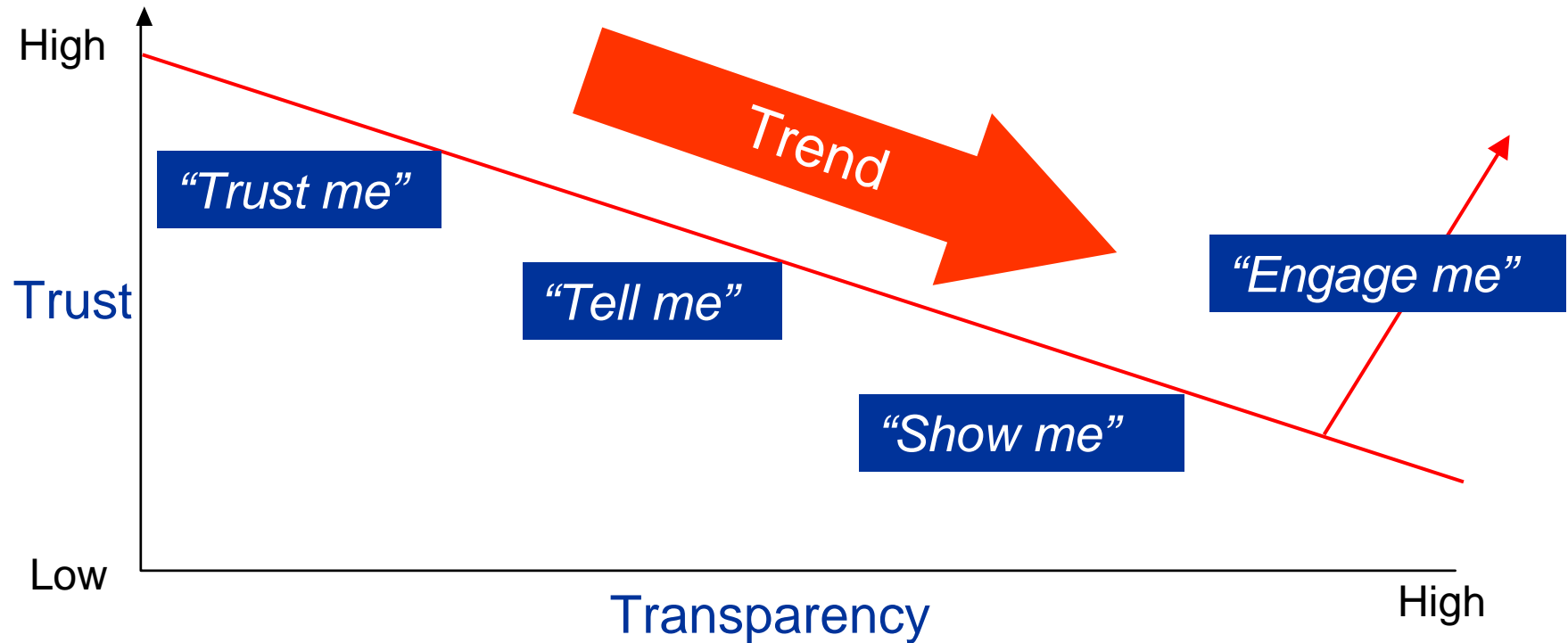
Shell leadership

- In DJSI & FTSE4Good since inception
- Top 5 sustainability reporter since 1997
- First company with a biodiversity standard
- Leader on carbon trading (inhouse pilot scheme, 1st EU trades, carbon cost premises)
- GHG reduction target since 1997
- Broadest new energy portfolio
- Largest blender of biofuels
- First to include SD on company scorecard (20%)
- Human rights & revenue transparency
- Operational safety
-
-





What drives us? A low trust world



As trust diminishes, the demand for partnering with stakeholders, for open reporting and external assurance increases.

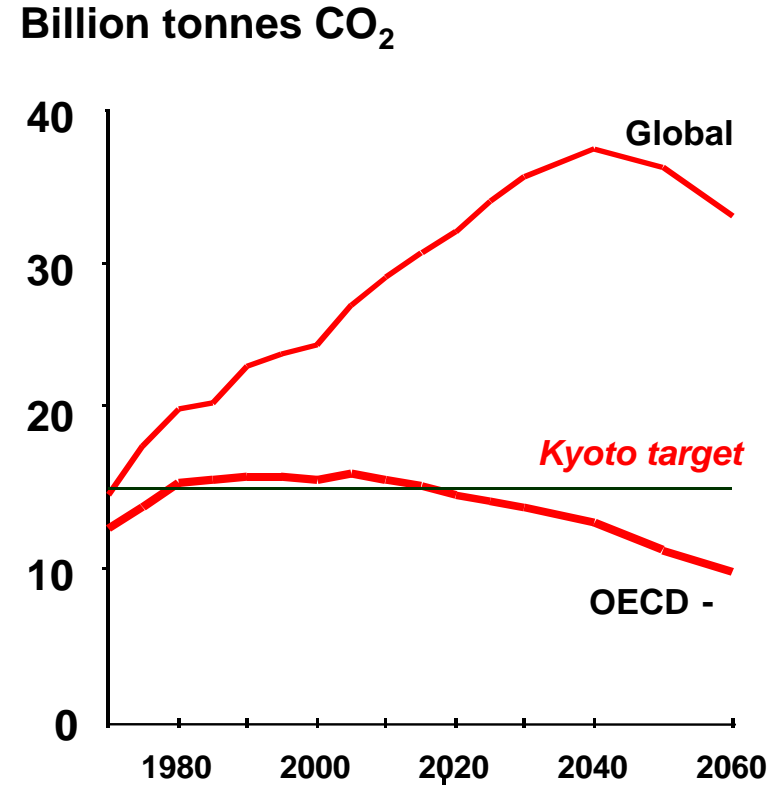
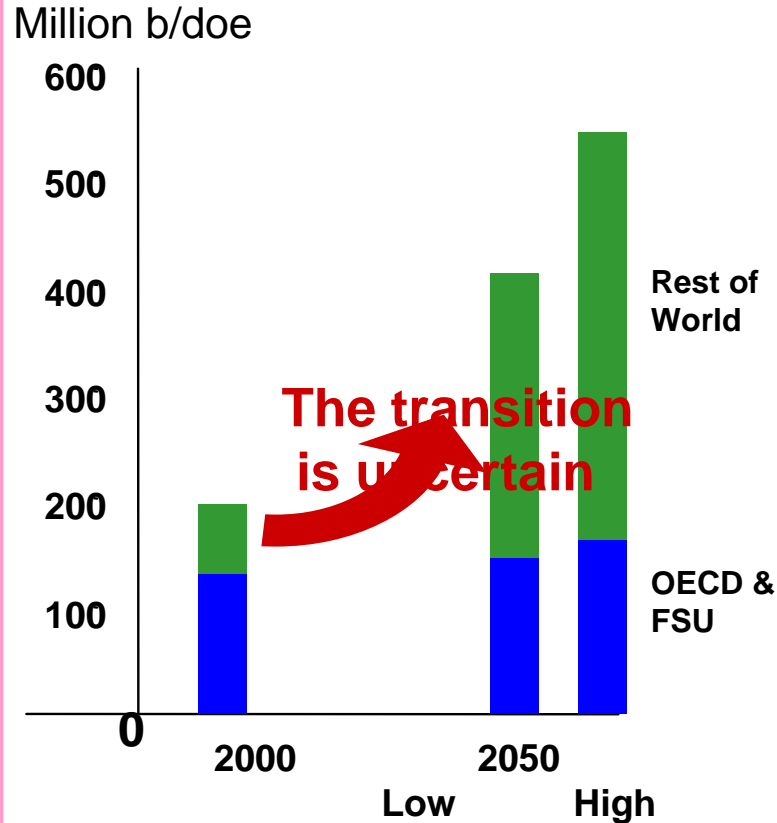




What drives us? Energy Challenge

1. Exploding non-OECD demand

2. Carbon constrained future

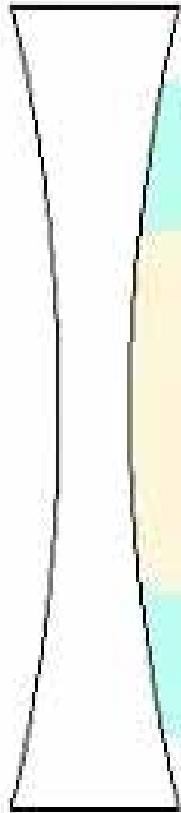


Source: Shell Long Term Energy Scenarios





Business value from sustainable development



Sustainable Development Lens



Talent

Innovation

Eco efficiency

Reputation

Customers

Risk

Portfolio

Access

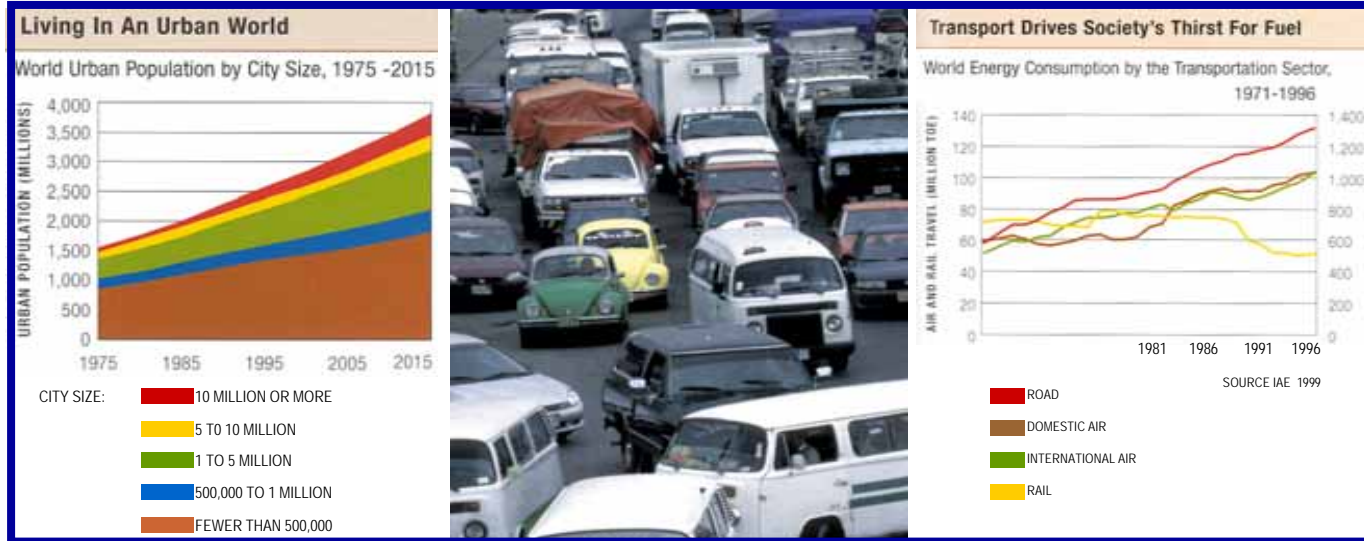
Operational excellence

Acceptance





Health – Products & Local Air Quality



- There are 60 million new urban citizens a year – the equivalent of adding another Paris, Beijing or Cairo every other month
- Health consequences of urban air pollution cost an estimated \$150-750 billion per year





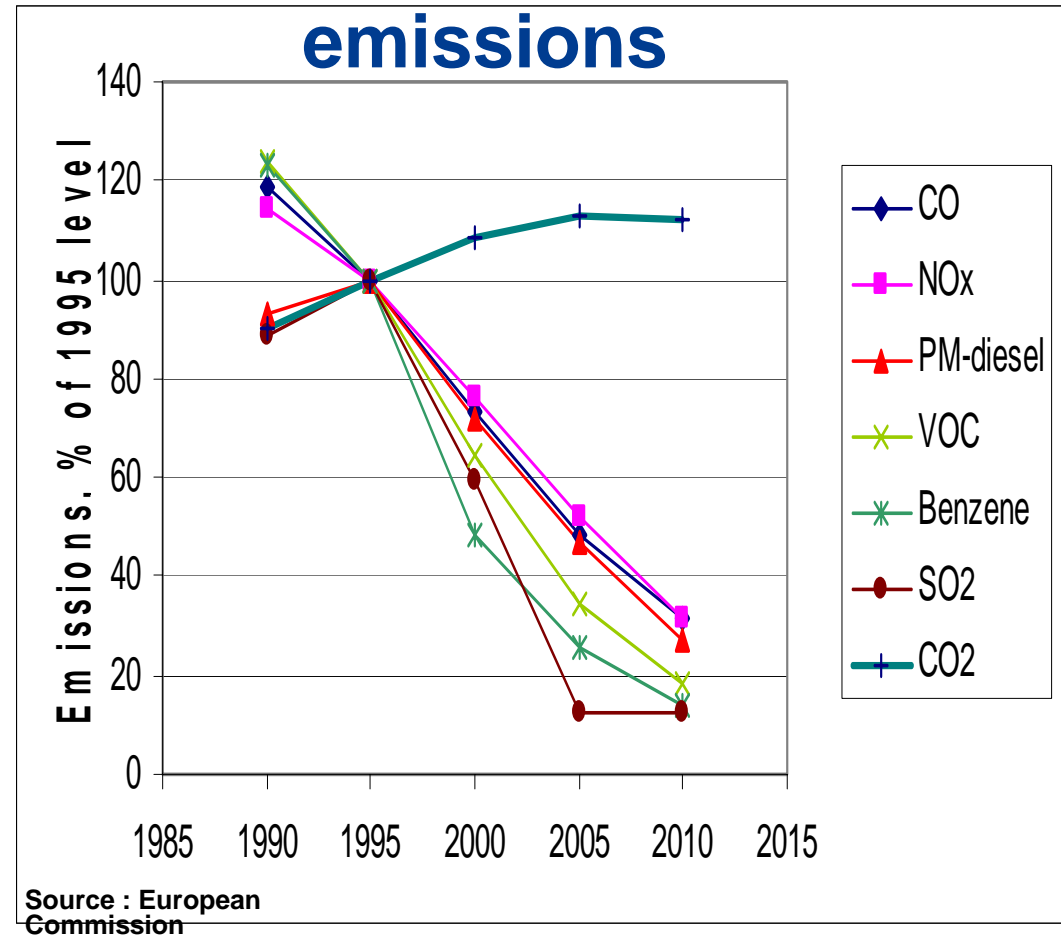
Health – Products & Local Air Quality

Emissions reduced by 50%
Further drops expected by 2010

Shell

- . Premium fuels (V-Power) in 40 countries
- . Clean Fuels and Vehicles Partnership with UNEP
- . Clean Air Initiatives in Asia and Africa

EU: Total vehicle fuel emissions





Health – Operations & Local Air Quality

Engagement → Trust → Knowledge

The issue

- What is in the air?
- Is my neighborhood different than others in Norco?
- Are the levels safe?



Our response

- Consistent air quality monitoring managed by local communities
- Results well below Louisiana air quality standards





HIV/AIDS

HIV/Aids guidelines piloted in 5 countries (Gabon, Ivory Coast, Kenya, Nigeria, S. Africa)

- No discrimination
- Medical treatment for employees (incl. Retrovirals)
- Education & prevention programmes for families & community
- In impact assessments
- Work with others





SD & Health: Parting thoughts

Parallels

- Rebuilding trust
- Value from values
- Success from integrating into processes & culture
- Critical role of leaders who 'get it'

Implications of SD for health – a wider agenda

- Health doesn't stop at the factory gate
- It doesn't even stop with our products
- Environmental health, Climate change+++

