

## **Communication on Progress - Engaging with the UN Global Compact**

The Royal Dutch Shell plc Sustainability Report covers Shell's progress on the 10 principles of the UN Global Compact. This document specifically describes how Shell has engaged with UN Global Compact activities in 2011.

### **Local Networks and Subsidiary Engagement**

Shell is involved in local networks in the Netherlands, where it is headquartered, as well as the domicile of its plc status, the UK. In the Netherlands Shell contributed to and promoted the UN Global Compact book: "How to do business with respect for human rights", which is considered a best practice initiative and provides guidance to companies on how to integrate human rights into the business. In 2011, Shell sponsored an event in conjunction with the Dutch Ministries of Foreign Affairs and External Affairs, to raise awareness on the subject of business and human rights.

With regards to reporting, for reasons of business efficiency, Shell reports on progress at a Royal Dutch Shell plc level and not at an operating unit level.

### **Global and Working Groups**

In 2011 we took part in the Catalyzing Transformational Partnerships working group, which aims to enhance cooperation between business and UN agencies.

### **Issue Based and Sector Initiatives**

Shell is an active member of the Global Business Initiative on Human Rights. In 2011, we started new community grievance pilot projects, based on the UN principles. What we learn from these pilots will guide our efforts to put new grievance mechanisms in place, or improve existing programmes, at our major projects and facilities in the future. This work builds on experiences of working with Professor John Ruggie, the former UN special representative on business and human rights, in piloting community grievance mechanisms at the Sakhalin 2 project in Russia.

In 2011, we developed the Shell Supplier Principles. These set out what we expect from our suppliers and contractors in the areas of business integrity, HSSE & SP, and labour and human rights as set out in the UN Universal Declaration of Human Rights. For example, we require our suppliers to use energy and natural resources efficiently, and to continuously look for ways to minimise waste. Beyond what we consider minimum requirements, we will conduct due diligence checks starting in 2012 to identify the level of compliance of our suppliers and contractors with the principles.

### **Promotion and Support of the UN Global Compact**

Shell supports advocacy related to GC goals on various levels. We work through national trade bodies such as CBI (UK), VNO-NCW (NL), BDA (Germany) where we promote UNGC principles. We are part of the International Business Leaders Forum (IBLF) which works with businesses on redefining growth for long-term sustainability, and are pursuing sustainability issues such as the food-energy-water nexus, through the World Economic Forum (WEF).