



RESPONSIBLE CARE[®]
OUR COMMITMENT TO SUSTAINABILITY

RESPONSIBLE CARE:

The Shell Chemicals approach to driving continuous HSSE improvement



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3 QUESTIONS TO COVER

1. How is Shell Chemicals delivering its Responsible Care® commitment in logistics?
2. And how is this interfacing with our approach to LSP's?
3. What practical guidance can we further give for LSP's to deliver their Responsible Care® commitments?



Responsible Care® starts at the top!

- Our EVP Ben van Beurden has committed Shell Chemical to supporting the [Responsible Care® Global Charter](#) and reaffirmed Shell Chemical's Commitment to the International Council of Chemical Associations.
- Knowledge of Responsible Care is expected!

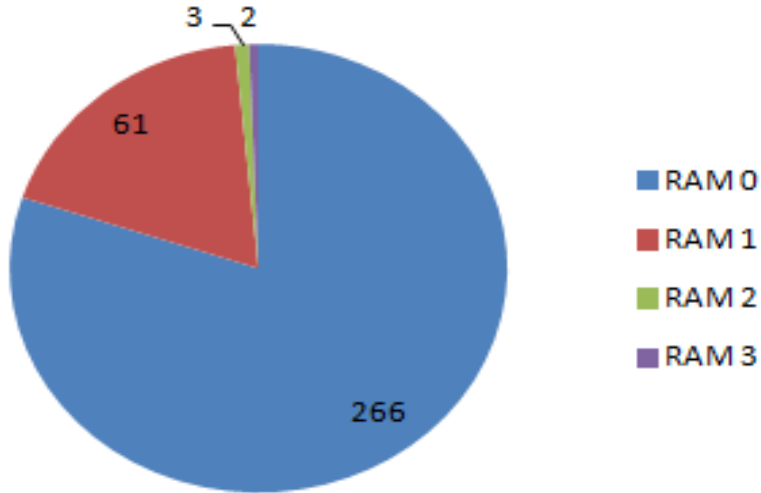
“...I would particularly like to be sure **everyone** in our organization has a basic understanding of Responsible Care, follows its principles raises the profile of Responsible Care® externally”:

-- Ben Van Beurden



Incidents – overview (1)

Global



RAM 0/RAM 1+ Ratio:

- 2011 YTD SEPT: 4.0
- 2010: 3.2

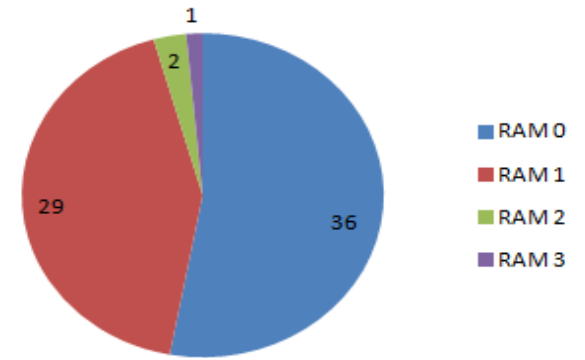
(Status: Based on report from 11 October 2011)

AMER

RAM 0/RAM 1+ Ratio:

2011 YTD SEPT: 1.13

2010: 0.67

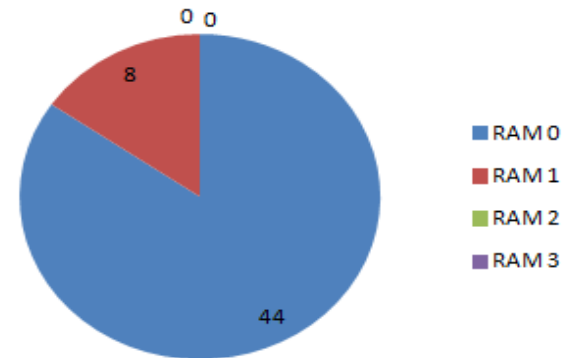


APME

RAM 0/RAM 1+ Ratio:

2011 YTD SEPT: 5.5

2010: 5.5

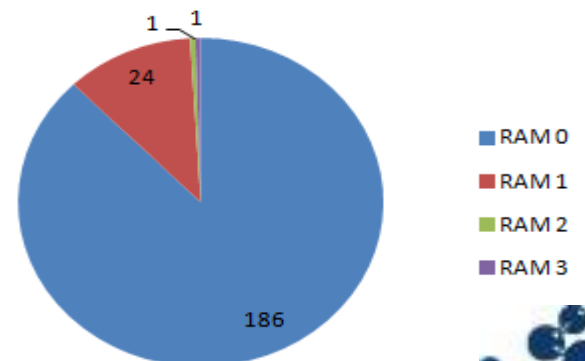


EUAF

RAM 0/RAM 1+ Ratio:

2011 YTD SEPT: 7.15

2010: 5.66



Incidents – overview (2)

Region	RAM 0 (266 YTD)
All	NM PI Reporting – Incentive program
	RAM 1 (61 YTD)
All	42 LOPCs (21 AMER, 19 EUAF, 2 APME)
	RAM 2 (3 YTD)
AMER	Rollover /LOPC 1,000kg
AMER	RTC Damage - Shunting
EUAF	LTI, injury of fingertip during lowering handrail – independent surveyor
	RAM 3 (2 YTD)
AMER	Rollover / LOPC > 1,000 kg
EUAF	Rollover / Major injury



HOW ARE WE DELIVERING ON OUR COMMITMENT?

Working towards Goal Zero



Charter requirement met

1. Adopt Responsible Care core principles

- Goal Zero expresses the aspiration to operate without any significant incidents occurring. It is playing an important part in helping Shell and its contractors to raise HSSE performance.
- Goal Zero encourages everyone to think it is possible to work safely and minimise harm to the environment.
- When incidents happen, learning's are widely shared and acted upon, and effort refocused on moving towards zero, one day at a time.
- Current Shell Chemicals days at zero: 568 (1 November 2011)



HOW ARE WE DELIVERING ON OUR COMMITMENT?

Embedding Life-Saving Rules



- The 12 Life-Saving Rules are the next step in Shell's journey to Goal Zero, the journey that aspires to eliminate all significant incidents.
- The Life-Saving Rules set out clear and simple “dos and don'ts” covering activities with the highest potential safety risk. For example, no one should work at height unprotected and seat belts must be worn at all times. *In 2011 we are working to eliminate working on height on TDI tankers unloading at customer sites.*
- They help to make sure that rules are followed and people are protected.

Charter requirement met

1. Adopt Responsible Care core principles



HOW ARE WE DELIVERING ON OUR COMMITMENT?

Innovating to keep drivers safe



Charter requirement met

1. Adopt Responsible Care core principles

- Shell has developed a Rollover Warning Device in collaboration with Bertocco, an automotive components manufacturer, and Studio Merli, an engineering company.
- It provides early in-cab signals of the potential for a rollover, allowing the driver to avoid a potentially serious incident.
- The Rollover Warning Device gained external recognition in 2010, winning the UK Freight Transport Association's EuroTra Safety and Innovation Award.
- Shell Chemicals offering rollover warning devices to our carriers to promote risk reduction associated with rollovers.



HOW ARE WE DELIVERING ON OUR COMMITMENT?

Managing risks at customer's premises



Charter requirement met

1. Adopt Responsible Care core principles

- Shell Chemicals has for some time had processes in place to appraise customer unloading facilities, given the high risks at this point in the delivery chain. **The customer EO appraisal process has been reported by some customers to be the best.**
- A reassessment of the approach being taken showed that encouraging drivers to report unsafe situations and sharing best practices is more effective than visits by Shell staff. *See outcome near misses over incident ratio.*
- The current process manages risks by:
 - Embedding Mandatory HSSE and Responsible Care requirements in sales processes and contracts and
 - **Sharing** essential Product Safety and Responsible Care information with customers.



HOW ARE WE DELIVERING ON OUR COMMITMENT?

Taking a standard approach to safe deliveries



Charter requirement met

1. Adopt Responsible Care core principles

- Evidence shows that non-standard operations increase the likelihood of errors or incidents happening. To protect both people and the environment, action is taken to prevent these operations occurring.

- Examples of non-standard operations include:

- unloading a road tanker directly into IBCs or drums
- discharging a load into more than one receiving tank
- sample taking by drivers

- Drivers working for Shell-contracted hauliers are advised not to continue deliveries if a non-standard operation is requested by a customer.



HOW ARE WE DELIVERING ON OUR COMMITMENT?

Reducing transport emissions



Charter requirement met

3. Commit to advancing sustainable development

- Shell Chemicals has played a leading role in a study undertaken by European Trade association, CEFIC, to understand the carbon footprint of the European transport industry and the issues and challenges involved in reducing it.
- Almost half of the product volume delivered by Shell Chemicals is shipped by pipeline, a low impact mode of transport.
- While road transport accounts for less than 15% of total volume delivered, it has the highest environmental footprint and Shell Chemicals will be working with its partners to consider a range of options for improvement.



HOW ARE WE DELIVERING ON OUR COMMITMENT?

Sharing our learning's



Charter requirement met

4. Continuously improve and report performance

- The Learning From Incidents (LFI) process captures the circumstances, underlying causes and learning's from HSSE incidents and helps to identify process improvements, as well as share best practice.
- Since 2006, LFI reports on incidents relating to the storage, transport and unloading of products have been shared with partners such as logistics service providers, storage terminal operators and customers.
- The open, two-way sharing of incidents is the mark of a mature, trusting partnership and is a critical factor in raising safety standards.



- Shell Chemicals is expecting but observed following:
 - Pro activeness
 - Shell had to reach out to the LSP's to understand their commitments and actions in place;
 - Hesitation to sharing best practices to Shell (trust?);
 - No real challenges back to Shell as 'shipper' from LSP's where to improve;
 - Performance Monitoring
 - Quite a few of RC actions for closure 2011 were still open year-to-date November 2011;
 - No under laying data yet from LSP's to show where improvement has been made, lack of trust?
 - Qualification and verification
 - ECTA's performance matrix not yet shared with Shell.



How we further improve? Some ideas for discussion.

- Put RC more actively and firmer on the review agenda's between shippers and LSP's;
- Select on the basis of the ECTA RC 'performance data' a common 'industry theme' where the industry will actively working on solutions. E.g. create incident spills prevention policies based on best practices to move to *zero* in that field;
- Improve on sharing best practices (like the Shell Chemicals near misses reporting performance and follow up to building the 'safety' pyramid) between LPS' and Shippers;
- Mature the different RC plans and commitment more into SMART actions.

How is Shell building RESPONSIBLE CARE® Partnerships with LSP's?



- We further encourage a responsible approach by:
 - Sharing safety initiatives with LSP's
 - Offering 'free' 'Hearts and Minds' coaching
 - Providing financial incentives to improve
 - Hosting conferences with our supply chain partners to learn from one another on best practices
 - Making joint HSSE commitments/annum
 - Ask for report out on RC commitments and do follow up on action plans made

- We encourage logistics providers to sign-up to Responsible Care and prefer to do business with the companies that have signed-up. 95% of our LSP's in Americas and Europe have signed up.





RAM explanation

■ RAM rating (=reference for next slides) recap intro:

Severity	Consequences				Increasing likelihood				
	People	Assets	Environment	Reputation	A	B	C	D	E
					Never heard of in the Industry	Heard of in the Industry	Has happened in the Organisation or more than once per year in the Industry	Has happened at the Location or more than once per year in the Organisation	Has happened more than once per year at the Location
0	No injury or health effect	No damage	No effect	No impact					
1	Slight injury or health effect	Slight damage	Slight effect	Slight impact					
2	Minor injury or health effect	Minor damage	Minor effect	Minor impact					
3	Major injury or health effect	Moderate damage	Moderate effect	Moderate impact					
4	PTD or up to 3 fatalities	Major damage	Major effect	Major impact					
5	More than 3 fatalities	Massive damage	Massive effect	Massive impact					