



Managing Community Impacts

The Synergy Alberta Conference 2012

Red Deer, Alberta

October 30, 2012



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Negative Community Feelings

Industry's Licence to Operate:

“Is it possible that the truck from Texas could be carrying a load of pipe for the Marcellus Shale natural gas industry...why not us”

“Do we want to have another industry that doesn't provide safety for workers or affected communities?”

“People are impacted by industry who pays for out of state drivers by the load, incentivizing dangerous faster driving to get in more loads per day?”

“Who will be the next victim? May children waiting at the bus stop?”

“Oil and Gas workers don't respect my land!”

■ Shell General Business Principles

- Principle 1: Economics
- Principle 2: Competition
- Principle 3: Business Integrity
- Principle 4: Political Activities
- Principle 5: Health, Safety, Security and the Environment
- Principle 6: Local Communities
- Principle 7: Communication and Engagement
- Principle 8: Compliance

■ Shell Onshore Operating Principles

- Shell Health Safety Security Environmental and Social Performance Control Framework
- Shell Social Performance Handbook
- Asset specific plans and strategies that meet our principles, control framework and guidelines

SHELL ONSHORE TIGHT/SHALE OIL & GAS OPERATING PRINCIPLES



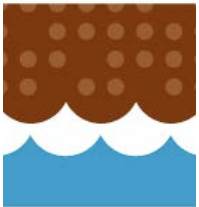
Safety & Well Integrity

Shell designs, constructs and operates wells and facilities in a safe and responsible way.



Footprint

Shell works to reduce its operational footprint.



Water

Shell conducts its operations to protect groundwater and reduce water use as reasonably practicable.



Community

Shell engages with local communities regarding socio-economic impacts that may arise from our operations.



Air

Shell conducts its operations in order to protect air quality and control its fugitive emissions.

Social Performance in the Control Framework



Social Performance

1. Social Investment strategy & Disaster Relief Donation Plan
2. Appoint SP Authorised Person
3. Define the Social Environment
4. Assess Social Impacts and identify mitigation and enhancement measures
5. Engage Stakeholders
6. Develop Social Performance Plan
7. Appoint Expert in Resettlement if necessary
8. Develop Vulnerable Peoples plan if necessary
9. Avoid or minimise impact to Cultural Heritage
10. Document actions and responsibilities in Social Performance Plan

Good Neighbour...Good Business

- The Impacts of Shell operations on communities and other Stakeholders are assessed and considered in Business decisions
- Respectful engagement with Stakeholders is maintained throughout the Business lifecycle
- Negative Impacts of Business activities are minimized, and positive Impacts maximized, in a sustainable manner
- In the communities and societies where we operate, we have to create a positive presence and legacy... so we gain community acceptance for our objectives

So how does Shell Listen and Respond to Stakeholders?



- Land Use – Footprint of our operations
 - multi well planning and long term planning for ROWs
 - Utilizing previously disturbed lands
- Flaring, Emissions, Spills and Noise
 - In line testing, noise suppression, compression electrification
- Water Use
 - recycling & minimize fresh water
- Pipeline Safety
 - Scheduled pipeline inspection
 - Preventative maintenance activities
- Other mitigation measures to minimize environmental risk

- Logistics plans and strategies – roads and temporary workforce accommodations
 - Monitoring of road transport mitigation efforts:
 - Dust control, noise, safety, congestion and maintenance
 - Prescribed routing, scheduling for transport trucks & rigs
 - Compliance to traffic safety laws > *Life Saving Rules*
 - Water hubs, pipelines and water re-use
 - Strategic use of camps versus subsistence
versus worker travel to/from residence
- Government infrastructure and services
- First Nations traditional land uses and rights
- Employment and Contracting opportunities



- Quality of Health, infrastructure and services > offset through:
 - Minimizing flaring, fresh water use and water recycling
 - Selection of qualified contractors and management
 - Improved onsite case management & remote medical support
 - Compliance to HSE standards and Shell Life Saving Rules
 - monitoring, feedback & management
 - Human Health/Quality of Life- collaboration with local initiatives
- Implementation of HSE management system, leadership, compliance, training, assessment and management
- Alcohol and Drug testing as well as fitness for duty assessment of workers

Good Neighbour Principles

- Signatories and implementation of Good Neighbour Principles:
 - Living Together Working Together – Energy Services BC
 - Community Partners Program – Petroleum Services Alliance of Canada initiated program, supported by all industry associations
- Developing implementation plan for employees and contract workers
- Shell's Goal and Desired Outcomes:
 - Contractor and Worker compliance to these principles
 - Respectful behaviour towards land owners, local residents, Aboriginal traditional lands and recreational users

