

Our neighbours

We aim to be good neighbours in the communities where we operate. This means more than running our operations cleanly and safely. It also means working with local people to address their concerns and help them benefit from our activities.

Earning the trust of our neighbours starts with listening to the different points of view in a community. We typically use inputs from community panels, open days, surveys and local governments to understand what our main impacts are, and what matters most to the community. We then aim to work in partnership with communities to reduce the negative impacts from our operations and produce local economic benefits through our business activities and social investment (page 28).

In the past, some sites built excellent working relationships with their neighbours. Others lost community trust. Much depended on the personal interest and engagement skills of the local managers. In response, we have created a more structured approach and worked to share good practices across our operations.

By the end of 2006, more than 60 sites had social performance plans. These included all our major manufacturing and chemicals facilities and upstream operations where social impacts could be high. The plans are based on the guidelines provided by our social performance advisers. Implementing these plans requires facilities to identify and work with their main local stakeholders and assess and manage their impacts on the community in a systematic way.

There is more to be done. Spreading the needed engagement skills and commitment is a clear priority, especially to teams developing major new projects. To help, our social performance advisers work with external experts to provide coaching and support to existing operations and future projects. Social performance skills are part of our leadership training programmes and are being integrated into the curriculum of our Commercial and Project Academies (page 25).

Three examples of interactions with our neighbours follow. Information on our work with communities in Nigeria and Sakhalin is given on pages 32–35. Updates on other locations are on our website.

Additional web content:

- How we work with local communities.
- More on the locations described in this Report.
- Updates on locations described in previous Shell Sustainability Reports.

 www.shell.com/neighbours



Corrib, Ireland

WHAT IS IT?

- Project to bring natural gas from 80km offshore to the west coast of Ireland, where it is processed and fed into the national gas grid.
- Will meet up to 60% of the country's gas needs at peak production. (Ireland currently imports more than 85% of its natural gas).
- Largest investment ever in County Mayo, creating 700 jobs during construction and over 100 during operation.
- Operated and 45% owned by Shell.

The Corrib natural gas project gained planning permission and government consent in 2004. However, local people have remained worried about the safety of the pipeline and the benefits for them. Regretfully, in June 2005, five local people were jailed after illegally blocking project work. Shortly afterwards, construction was suspended to allow an independent safety review and further dialogue with the community. The safety review was completed in May 2006. We accepted all its findings and agreed to limit the maximum operating pressure of the onshore pipeline.

On the recommendation of the government-appointed mediator, we agreed to change the onshore pipeline route to address concerns that it was too close to some people's houses. We have established a process to decide on an alternative route that involves extensive consultation with landowners and the community.

Having made these public commitments and apologised for the hurt caused to the local community, in October 2006, we restarted work on the terminal. This drew some protestors who blocked the road to the site. Police have kept the road open and work continues.

We are pleased that local people are benefiting from the project. Over 200 local people are currently working on site with a further 500 expected by the end of 2007. The national natural gas distribution company recently announced that 11 towns in County Mayo would be connected to the national gas supply. This means that Corrib's natural gas will eventually flow into towns in the West of Ireland, as well as throughout the country. An independent survey in November 2006, showed that the majority of local residents supported the project.

While we cannot change the past, we have learned from it. We remain committed to the project, which we know can only succeed in partnership with the local community.

“VOICES”



We are heartened that Shell has realised the path for this terminal could have been much smoother. It is always most important to gain the support and understanding of the local community in order to achieve project goals. It helps the community to feel at ease, have a sense of ownership for the project and ensures that they benefit from the infrastructure improvements and economic spin-offs that such a project can provide.

Nicholas Whyte and Gerard McDonnell
COMMUNITY REPRESENTATIVES ON THE PROJECT MONITORING COMMITTEE

