

# Our reporting

How we are meeting our stakeholders' needs for honest and transparent reporting on our environmental and social performance.

## The findings of our External Review Committee



Jermyn Brooks

DIRECTOR OF PRIVATE SECTOR PROGRAMMES  
TRANSPARENCY INTERNATIONAL

Aron Cramer NEW MEMBER

PRESIDENT AND CEO  
BUSINESS FOR SOCIAL RESPONSIBILITY  
REVIEW COMMITTEE CHAIRMAN

Roger Hammond

DEVELOPMENT DIRECTOR  
LIVING EARTH

### What we did

For the second successive year, Shell has invited an External Review Committee to review its Sustainability Report. We concentrated on three main questions.

1. Has the company selected the most important topics for the Report?
2. How well has the Report dealt with these topics and responded to stakeholder interest?
3. Did Shell give us sufficient information and access to do our job effectively?

### How we worked

We provided input into issue selection in 2006, and reviewed the Report outline late in 2006. Successive drafts of the Report were reviewed between December 2006 and March 2007. The Committee met in person twice; interviewed senior executives, including the Chief Executive and the head of Exploration & Production, and provided direct feedback to the Chief Executive and the Board's Social Responsibility Committee. The Committee's access to senior Shell decision-makers was exemplary, and Shell responded well to our questions and concerns.

Our review is limited to the printed Report. We welcome the additional links to supplementary information published on the web, but we have not reviewed them.

This is our own assessment of Shell's 2006 Sustainability Report. We express our views as individuals, not on behalf of our organisations. In addition to our comments on the company's reporting, we offered during our discussions with Shell staff our observations about how the company deals with key sustainability challenges.

In recognition of our time and expertise, an honorarium was offered, payable to us

individually or to the organisation of our choice, and Shell reimbursed us for the expense of our travel and accommodation.

### Shell's reporting

Shell remains a leading reporter in this area and its 2006 Sustainability Report makes a valuable contribution to the welcome evolution of sustainability reporting.

We believe the Report includes the topics of greatest interest to Shell's stakeholders, and those with the greatest material impact on the company. The focus on the "energy challenge," particularly as it relates to climate change, prioritizes the most significant sustainability question facing Shell.

We are pleased that Shell has been responsive in the current Report to most of the comments provided in the Committee's letter reviewing the 2005 Sustainability Report. This applies particularly to Shell's clearer statement on the importance of meeting the energy challenge, and how it intends to do so. We refer again this year to the transfer of learning between projects, and the investment in renewables, which have not been addressed as fully as we would have hoped.

### Dealing with the energy challenge

Shell's Report spells out the energy challenge very clearly, and explicitly acknowledges the need for concerted action to tackle climate change.

We welcome Shell's assertion that the debate on the science of climate change is over. The company has reported clearly on the emissions reductions achieved in its own activities in recent years, as well as the challenges that lie ahead. And it has said what types of government actions are needed to establish policy frameworks supporting effective action on climate. These are very important statements.