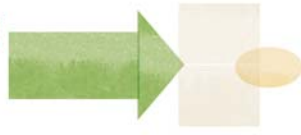


SUSTAINABLE DEVELOPMENT IN SHELL



We first made our commitment to contribute to sustainable development a decade ago, including it in the Shell General Business Principles in 1997. Since then, its importance to us has grown further.

WHAT THESE WORDS MEAN FOR SHELL

For us, contributing to sustainable development means helping meet the world's growing energy needs in economically, environmentally and socially responsible ways. In short, helping secure a responsible energy future.

This is a commitment to finding and delivering energy products that help meet the rapidly growing need for affordable, convenient and cleaner energy. In the words of our latest Strategic Energy Scenarios, it is about using our technology, experience and skill to help build a "Blueprints" world (see pages 4–7), that delivers economic development, energy security and CO₂ reduction. Part of this commitment is about our products today. We are already producing 3% of the world's natural gas – the cleanest-burning fossil fuel (see page 12); offering advanced transport fuels and lubricants that help our customers reduce their local emissions and improve the fuel efficiency of vehicles; and delivering better bitumen and chemicals products (see pages 16–17). Another part is about investing now for the future: in being leaders in developing low-CO₂ second-generation biofuels; in building our capacity in carbon capture and storage (CCS) technology, and in working to drive down the costs of renewable power.

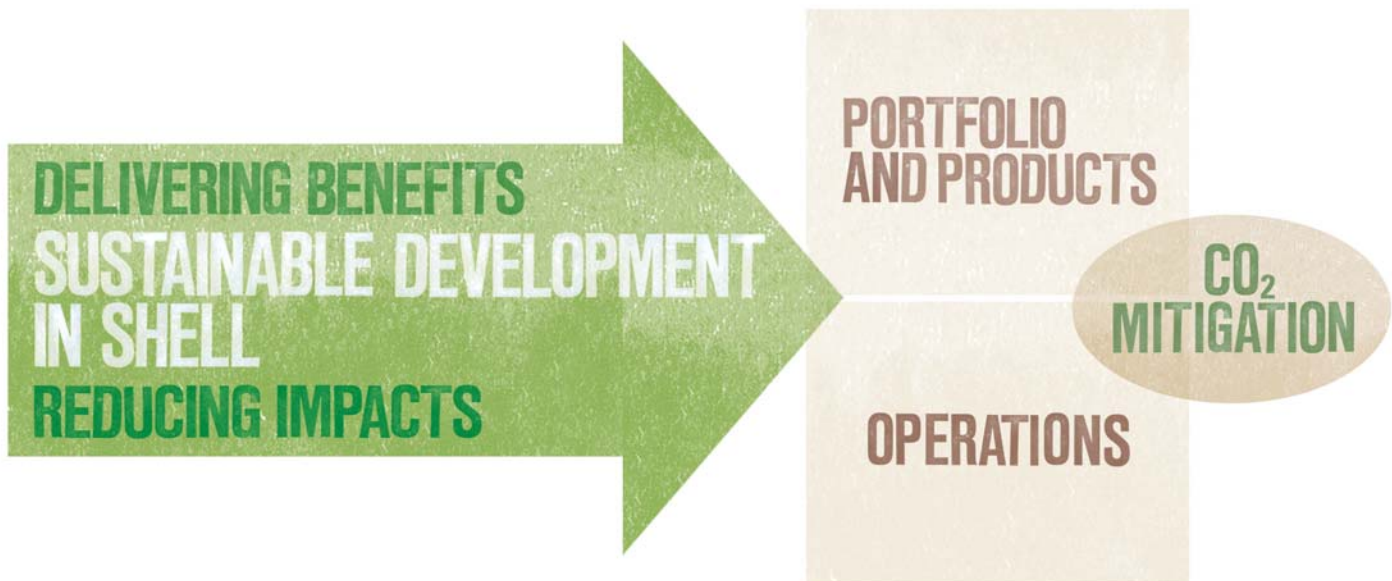
It is also a commitment to responsible operations: building our projects, running our facilities and managing our supply chain safely and in ways that reduce their negative environmental and social impacts and create positive benefits. It includes our work to employ local people and buy from local contractors and suppliers (see page 28). It is reflected in how we make safeguarding the health and safety of our employees and neighbours our first priority (see pages 22–23), and in our efforts to manage our emissions, including the GHGs from our activities, and our use of resources like energy and water. It is demonstrated by our efforts to reduce the environmental impacts of producing oil from unconventional sources like oil sands (see page 11).

A DIFFERENT MINDSET

Meeting this commitment requires us to consciously balance short- and long-term interests; integrate economic, environmental and social considerations into business decisions; and regularly engage with our many stakeholders. This mindset is also about being determined to tackle seemingly insurmountable environmental and social problems through creativity and perseverance.

THE BUSINESS CASE

We remain committed to contributing to sustainable development because it is aligned with our values. It makes us a more competitive and profitable company. It brings us closer to our customers, employees and neighbours, reduces our operating and financial risk, promotes efficiency improvements in our operations and creates profitable new business opportunities for the future.



ABOUT SHELL

Who we are and what we do

We are a global group of energy and petrochemicals companies, operating in more than 110 countries and employing approximately 104,000 people.

Our **Exploration & Production** business searches for and recovers oil and natural gas around the world. Many of these activities are carried out as joint venture partnerships, often with national oil companies.

Our **Gas & Power** business liquefies natural gas and transports it to customers across the world. Its gas to liquids (GTL) process turns natural gas into cleaner-burning synthetic fuel and other products. It develops wind power to generate electricity and invests in solar power technology. It also licenses our coal gasification technology, a cleaner way of turning coal into chemical feedstocks and energy.

Our **Oil Sands** business, the Athabasca Oil Sands Project, extracts bitumen from oil sands in Alberta, western Canada and converts it to synthetic crude oils.

Our **Oil Products** business makes, moves and sells a range of petroleum-based products around the world for domestic, industrial and transport use. Its Future Fuels and CO₂ business unit develops fuels such as biofuels and hydrogen and synthetic fuels made from natural gas (GTL Fuel) and potentially from biomass; and leads company-wide activities on CO₂ management. With 46,000 service stations, ours is the world's largest single-branded fuel retail network.

Our **Chemicals** business produces petrochemicals for industrial customers. They include the raw materials for plastics, coatings and detergents used in the manufacture of textiles, medical supplies and computers.

SHELL BY NUMBERS '07

➔ **INCOME – \$31.9 BILLION**

➔ **CAPITAL INVESTMENT – \$27.1 BILLION**

➔ **OIL AND GAS PRODUCTION – 3.3 MILLION BARRELS A DAY**

➔ **LNG SALES – 13.2 MILLION TONNES,
ENOUGH TO SUPPLY ELECTRICITY TO 34 MILLION HOMES A YEAR**

➔ **REFINING CAPACITY – OVER 40 REFINERIES**

➔ **SELLING ENOUGH PETROL AND DIESEL
TO REFUEL 16 MILLION CARS A DAY**