

**Shanghai Benzene
Stakeholder Engagement and Management Strategy
Draft – June 18, 2003**

Background/Situation Assessment: (To be included)

Objectives of Engagement (Shell)

- To identify potential/emerging concerns prior to publication of the study (I am not sure what this means)
- To promote Shell Product Stewardship diligence, with the Shanghai benzene study as one of several current studies with global Shell involvement.
- To protect reputation of Shell – in China/around the world
- To protect relationships/investments in China
- To meet commitment to transparency and ethics
- To protect credibility of project and participants
- To raise awareness and understanding of the project
- To secure buy in and constructive feedback into process

Project Timelines: *Project estimated 9 months behind original schedule [so are the times below allowing for the 9 month delay or do you need to add on 9 months?]*

- 1st quarter, 2003- Case recruitment begins (*recruitment or laboratory assessment with case examples possibly as early as June 2003.*)
- Spring 2003: Laboratory opening,
- June 19: API Board Meeting – funding and project management to be discussed (DC) – subject or prior note – API Board did not agree to provide funds
- July 9: Meet with communications committee to discuss stakeholder engagement protocols (DC) – as per funding plan, executive session should precede First Annual meeting as well as stakeholder engagement.
- August 25-27: First annual meeting (Monterrey, California)
- Research, analysis expected 2003-2007

Reputation Management:

Key Considerations: China

- **Social Investment:** Project dollars represents more than over half of ‘social investment’ dollars for Shell China – Shell China’s budget is only \$250,000 a year
- **Government Affairs:** Strong and positive relationships with local and national government officials
- **Business Investment:** Significant existing and prospective investments for Chemicals, E&P, G&P in China
- **Shanghai Presence:** M. Brinded sits on Mayor’s Council; Foundation supports EMBARQ program; Gas and Power assessing project related to W-E pipeline
- **Corporate Identity Campaign:** looking to raise profile of brand in 5 cities including Shanghai
- **Anti-Foreign sentiment/N. Caspian issue:** Shell and others blocked Petrochina/Sinopec participation

Key Considerations: Chemicals/Shell

- **External interest in Shell's impact on public health:** High-level dialogue with stakeholders with concern about impact of Shell's products and operations (consider discussion of Shanghai benzene study as part of larger global benzene research plan)
- **Results of Study**
- **Legal exposure:** TBD
- **Regulatory Impacts**
- **Financial Oversight**
- **Ethical treatment of patients**
- **Commitment to transparency and independence of project**

Internal Communication Protocol

Objectives: To ensure **consistency of message**; **preempt concerns** throughout project cycle; **prevent surprises**; **protect the reputation** of affected region/businesses; **leverage opportunities** from project investment.

Approach: Ensure quarterly updates to internal stakeholders; discuss at quarterly Issues meetings with CEC; brief during U.S. and global IMF; constant information to China/EA; establish Livelink folder for internal stakeholders.

The following table outlines the key internal stakeholders, information requirements and responsibility for ensuring that these audiences receive the information.

Audience	Requirements	Responsibility
CEC	Quarterly updates	BB/Patsy
Nick Wood/China EA	Stakeholder/EA materials/Project updates	Lauren
Chemicals issue team (Susan, Nancy, Stuart, Patsy, Lauren)	All distributions	Patsy
Nela/Vincent Cosgrove OP	API actions; Stakeholder/EA materials/Project updates	Patsy
Robin Aram/Social Responsibility	Stakeholder/EA materials/Project updates	Lauren
Nick Welch/Bill Arnold (DC)	Stakeholder/EA materials/Project updates	Lauren
Rene Gibson	Stakeholder/EA materials/Project updates	Lauren
PX Issues Team	Stakeholder/EA materials/Project updates	Lauren/BB
China CChr	Stakeholder/EA materials/Project updates	Nick Wood
Legal (need info)	Stakeholder/EA materials/Project updates	Patsy
ID for region (need info)	Stakeholder/EA materials/Project updates	BB
All Media	Media materials	Sarah/Sung

Issues Matrix

Issue	Action	Focal Point
Results of study	Active oversight of process and results of study	Patsy
Cost Management	Recommending additional controls and oversight	Patsy
Concern about lack of NGO participation in process (seen in W-E)	Gauge interest via engagement Identify options for possible participation	Lauren
Ethical treatment of patients- follow up re treatment of cases	Indep. Ethics Committee Ethics audit? for on-ground activities	Patsy
Transparency of study	Stakeholder engagement strategy	Lauren/Sarah/Sung
Independence of PIs		Consortium?
High expectations of other Shell businesses in China regarding health studies		
Litigation	The study TBD	Nancy Sullivan
Additional regulatory requirements on exposure levels of benzene (Italy is concern also)	TBD	TBD – DC/China Government Affairs
Demands to treat patients	TBD	PI
Concern about human rights practices at factories where recruiting patients	Require information/data about target factories	TBD
Withdrawal from study	Ensuring caveats on additional funding	Nancy
SARS	Project delayed	Principal Investigators
AIDS		Principal Investigators
Government Affairs – China	- Define key messages - Gauge interest of local and national officials - Identify opportunities to brief/discuss by building on	Nick

	existing dialogue	
Multinationals lightening rod for anti-foreign sentiment	Establish proactive media strategy in China; focus on common interests	Sarah/Sung
Impact on biz development	Internal Comm Plan Engagement w/China biz	Nick

Engagement Strategy:- Shell

Approach:

- Build on existing dialogue and relationships
- Proactively manage Shell's reputation
- Maintain control over relationship with key NGOs
- Focus on engaging local and national governments; NGOs
- Establish awareness with media via APCO China
- Others to engage – low key

Timeline:

- Pending go ahead on project funding
- Subject to China engagement program in-country and in U.S.

Participants:

- **Nick Wood – China stakeholders**
- **Nick Welch – DC focus**
- **Robin Aram – Int'l global NGOs**
- **Nela Brown - API**
- **BB/LI: support to above**
- **Sarah Colletti (+ Yean-Sung Wang) - Media**

Next Steps:

- Refine key messages and Q&A
- Define engagement schedule
- Maintain Livelink for information/engagement management

Messages:

- TBD

Options for Engagement – Consortium

Approach:

- Recommend a proactive approach for engagement with technical stakeholders; low-medium approach with the media
- APCO: should provide a plan for engagement in China
- NGOs: recommend that agree on key messages and empower organizations to utilize their relationships with stakeholders/NGOs to discuss the project

Timeline:

- Once the funding issue resolved; the group should identify some key milestones prior to the August meeting – no NGO engagement

Messages - generic

- As part of their ongoing individual product stewardship and safety and health programs, a consortium of petroleum and chemical companies is sponsoring a scientifically rigorous, unique research project to further the current understanding of the human health effects of benzene.
- The research project's purpose is to gain a more refined understanding of the relationship between benzene exposure and associated cancer risks.

Note again that the Shanghai benzene study is part of a larger global benzene research program

- This new approach to better define the risks from benzene exposure could underpin future decisions on health-based air, water and occupational standards for benzene worldwide.
- The study is a project of Fudan University Medical Center, the University of Colorado Health Sciences Center, and Applied Health Sciences (an independent U.S. research firm).
- A state-of-the-art clinical and molecular laboratory is being built on the Fudan Medical University campus.
- The data from a wide range of benzene exposures in Shanghai, China provides a rare opportunity to conduct meaningful research on the health effects of human exposure to benzene.

Consortium Communication Protocol

API:

- Serves as 'clearinghouse' of information;
- Routes inquiries to appropriate 'spokesperson';
- "first responders" -- primary avenue for handling general information requests about the SHS, either directly or by referrals to appropriate experts or spokespeople;
- Requests for very technical information and/or research details will be referred appropriately;

- Experts (API or company) discuss technical details to the extent they are knowledgeable about/comfortable with the subject matter.
- Principle Investigators are responsible for briefings on the research program, status, or other subjects regarding protocol implementation.
- API and the companies are not required to be technical experts on the detail of the study beyond that expected for sound study management.
- Maintains log of inquiries to facilitate responses and to help identify potential problem areas and gauge necessity of additional materials.

Consortium Companies:

- Consortium companies are responsible for information about their company, its role in the SHS, and its practices with regard to benzene
- *Report inquiries or contacts to API.*

APCO China:

- Available to facilitate inquiries in China or Asia.

Principle Investigators

- Responsible for briefings on the research program, status, or other subjects regarding protocol implementation.

Scientific and Technical Organizations

- API, company scientists or principle investigators will address scientific and technical organizations.

Next Steps:

- Provide Nick with all government agencies/contacts made by Consortium; APCO China contact for project - Lauren
- Finalize strawman communications strategy; circulate for comment – Lauren/Sarah
- Present recommendations and secure agreement with Consortium – Lauren/Sarah
- Conduct additional due diligence – gauging interest and ‘mood’ of govt vis-à-vis study – Nick
- Agree on strategy and Shell participants for August Meeting

**Shanghai Benzene
Stakeholder Engagement and Management Strategy
Draft - December 2003**

Internal:

Objectives: To ensure **consistency of message**; **preempt concerns** throughout project cycle; **prevent surprises**; **protect the reputation** of affected region/businesses; **leverage opportunities** from project investment.

Mechanisms: *To achieve the objectives, the team will employ the following tools:*

- Quarterly Email Updates to internal audiences
- Issues Management Process/Issues and Crisis Management Committee
- Quarterly meetings with project team
- Ongoing work with Shell China external affairs team:
- Quarterly SD Updates
- E-news (on quarterly basis)

The following table outlines the key internal stakeholders, information requirements and responsibility for ensuring that these audiences receive the information.

Audience	Requirements	Communication Tool	Responsibility
CEC	Quarterly updates	Written brief ICMC brief	Nancy Sullivan/Patsy Clegg Barnaby
Nick Wood/China EA	Stakeholder/EA materials/Project updates	Ongoing discussions	Lauren
Chemicals issue team (Susan, Nancy, Stuart, Patsy, Lauren)	All distributions	Regular meetings	Patsy
David Sexton/Vincent Cosgrove OP - Lynn Elsenhans	API actions; Stakeholder/EA materials/Project updates Quarterly brief for Lynn	Ongoing discussions/written briefs Discuss with David Sexton	Lauren Nancy
Robin Aram/Social Responsibility	Stakeholder/EA materials/Project updates	Ongoing discussions	Lauren
Nick Welch/Bill Arnold (DC)	Stakeholder/EA materials/Project updates	Ongoing discussions	Lauren
Employees	quarterly updates	E-news	Lauren
SD professionals	Quarterly SD updates	SD quarterly update	Lauren
US Corporate Affairs	Stakeholder/EA materials/Project updates	Ongoing discussions/update	Lauren
PX Issues Team	Stakeholder/EA materials/Project updates	Issues forums	Lauren/BB
China CChr	Stakeholder/EA materials/Project updates	Line communication	Nick Wood
ID for region (need info)	Stakeholder/EA materials/Project updates	regular meetings between PX and ID	BB/Jeremy Frearson
All Media	Media materials	TBD	Sarah/Sung

External:

Objectives of External Engagement (Shell)

- To identify potential/emerging concerns prior to publication of the study
- To protect reputation of Shell – in China/around the world
- To protect relationships/investments in China
- To meet commitment to transparency and ethics
- To protect credibility of project and participants
- To raise awareness and understanding of the project
- To secure buy in and constructive feedback into process

Project Timelines: *Project estimated 9 months behind original schedule [so are the times below allowing for the 9 month delay or do you need to add on 9 months?]*

- 2nd quarter, 2003- Case recruitment begins
- Spring 2003: Laboratory opening,
- June 19: API Board Meeting – funding and project management to be discussed (DC)
- July 9: Meet with communications committee to discuss stakeholder engagement protocols (DC)
- August 25-27: First annual meeting (Monterrey, California)
- December 9, 2003: Kickoff ceremony (Shanghai)
- Research, analysis expected 2003-2007

Reputation Management:

Key Considerations: China

- **Social Investment:** Project dollars represents more than over half of ‘social investment’ dollars for Shell China – Shell China’s budget is only \$250,000 a year
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Key Considerations: Chemicals/Shell

- **External interest in Shell's impact on public health:** High-level dialogue with stakeholders with concern about impact of Shell's products and operations
- **Results of Study**
-
- **Regulatory Impacts**
- **Financial Oversight**
- **Ethical treatment of patients**
- **Commitment to transparency and independence of project**
- **Shell's presence/operations in Shanghai and China**

Issues Matrix

Issue	Action	Focal Point
Results of study	Active oversight of protocol peer review process and observer status of results of study	Patsy/Stuart/Shan
Lack of Funding	Identify risk management strategy if project collapses Budget allocation for Shell's contribution to shortfall; based on caveats re: financial oversight	Nancy
Cost Management	Recommending additional controls and oversight	Patsy/Stuart
Concern about lack of NGO participation in process (seen in W-E)	Gauge interest via engagement Identify options for possible participation	Lauren
Ethical treatment of patients- follow up re treatment of cases	Indep. Ethics Committee Ethics audit? for on-ground activities	Patsy/Stuart
Transparency of study	Stakeholder engagement strategy	Lauren/Sarah/Sung
Independence of PIs		Consortium?
High expectations of other Shell businesses in China regarding health studies		
Importance of study for global benzene regulation and advocacy for science based regulation	Engagement with regulatory stakeholders	US: Patsy/Stuart EU: G. De Jong,G. Veenstra Canada: G. Granville
Additional regulatory	TBD	TBD – DC/China

requirements on exposure levels of benzene (Italy is concern also)		Government Affairs
Demands to treat patients	TBD	PI
Concern about human rights practices at factories where recruiting patients	Require information/data about target factories	TBD
Withdrawal from study	Ensuring caveats on additional funding	Nancy
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Timeline:

- 1st quarter 2004

Participants:

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- **Nick Welch – DC focus**
- **Robin Aram – Int'l global NGOs**
- **BB/LI: support to above**
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- The research project's purpose is to gain a more refined understanding of the relationship between benzene exposure and associated cancer risks.
- This new approach to better define the risks from benzene exposure could underpin future decisions on health-based air, water and occupational standards for benzene worldwide.
- The study is a project of Fudan University Medical Center, the University of Colorado Health Sciences Center, and Applied Health Sciences (an independent U.S. research firm).
- A state-of-the-art clinical and molecular laboratory completed on the Fudan Medical University campus for the study and for future community use.

- The data from a wide range of benzene exposures in Shanghai, China provides a rare opportunity to conduct meaningful research on the health effects of human exposure to benzene.

Consortium Communication Protocol

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Principle Investigators

- Responsible for briefings on the research program, status, or other subjects regarding protocol implementation.

Scientific and Technical Organizations

- API, company scientists or principle investigators will address scientific and technical organizations.

Next Steps:

- Agree with Nick on Washington based NGO strategy
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Shanghai Benzene Study

Q1 '04

Description Shell is currently one of five sponsors of three interrelated studies in Shanghai China. These studies are managed by the American Petroleum Institute (API) and the study consortium sponsors are Shell, ChevronTexaco, ExxonMobil, ConocoPhillips, and BP. The studies are termed Disease Progression (DP), Case Control (CC), and Molecular Epidemiology (ME), and they have been designed to clarify uncertainties with regard to hazards and risks associated with benzene exposures. These studies are managed by API for the sponsors (consortium), but are programs developed via grants to the University of Colorado, Fudan University (Shanghai), and Applied Health Sciences. Time Frame – Studies are ongoing with expected completion by 2007. Scope – Chemical & Oil Major Linkage – Benzene product stewardship/responsible care® Legislative Impact – regulatory as per hazards to be included in Shell MSDS and labels as well as added information for more informed risk assessments (EPA and others)	Impact Analysis Business Consequences – Improved understanding of benzene hazards and risks for more informed risk assessments that would/could apply to reasonable regulatory limits. In addition, demonstration to customers that Shell is an HSE leader. Impact on Chemicals – Aromatics PBU and locations have additional opportunities to publicize HSE leadership. Chemical locations with potentially more informed risk regulation. Affected Country/Region – U.S., EU, and China (as per recognition of HSE leadership). Current Investment – Shell cost to date Extramural \$ 3.0 million USD, an additional \$ 1.155 million USD by the end of the study (~ 2007). Estimate 0.5 FTE/year via PC and SC. Potential Investment – 0.5 FTE via PC and SC for the next several years (until ~ 2007).
Approach Objective - Participation as member of the funding consortium. Effective study management to ensure focus of study goals within budget. Maximize Shell recognition via stakeholder engagement. Strategy – Shell leadership within consortium; PC Oversight Committee Chair, SC Technical Budget Committee Chair and vice-chair of Technical Committee, LI a member of communications committee. Internal Shell communication regular and broad via EA (LI), including Shell China as well as alignment of this study with other global benzene research efforts (Shell Oil Products and Shell Group). Plan - Lead consortium. Internal communication plan with regular updates to internal stakeholders, including Shell China. Triggers - Continued diligence to consortium goals and process. Appropriate oversight of investigators, and API study administrators.	Commentary