

Minutes of the Issues Review Team Meeting ~ 7th June 2007

Attendees:

Lauren Iannarone – DS Issues & Crisis
Kirsty Johnson – DS Issues & Crisis
Paloma Berenguer – DS SD Manager
Stevie Jamieson – DS Comms MA
David Brotzen – Lubes Comms
Sarah Lockhart – DS Comms
Penny Roberts – Retail Comms
Janine Elliott - Legal

Sedick Samodien – SOPAF Comms
Dominique Issa Konate – SOPAF
CommsShawn Frederick – Group Issues
Johan Zaayman – Manufacturing Issues
Phil Snyder – DS Product Stewardship
Tim Morrison – DS Risk
Bert Fokkemer – NL Issues
Rob Colmer - Chemicals Issues

1. Issue Audit

SF provided an update on the Group issues audit in May. Audit report is still draft but provided 'Fair' rating. No major gaps identified, but there are a number of areas for improvement, including ensuring clear roles and responsibilities, responsibilities of Issue Management Forum meetings, sharing learnings and links to new business, mergers and acquisitions.

2. New Group issues matrix template

LI summarised the key changes to the new Group issue matrix template. *Full details of the changes and the new template are available to download from the DS Issues & Crisis Livelink area:*
<https://swwww-knowledge.shell.com/knowhow/livelink.exe?func=fl&objId=53066605&objAction=browse&sort=name>

Key changes are:

- Likelihood of reputation impact (instead of likelihood of occurrence)
- Circles next to issues – to demonstrate issue management strategy

Downstream will roll-out the new template for next quarter, ie Q4. Regional CX webcasts will be held to support this to explain changes and to advise on how to engage leadership teams on the changes.

Actions:

- LI/SJ to schedule webcasts
- SF to provide LI with training presentation

3. Work streams

3.1 CO2

- ToR now outlined with objectives and work plan. Niel Golightly will take issue to June DLR meeting. Key discussion areas: how can Downstream engage with customers and consumers re energy efficiency and how can we respond to climate change through our products and businesses? Also linking workstream into the refinery efficiency and CO2 reduction work.
- RC noted that Dow had contacted Shell for an update on CO2 work.
Action: RC/PB to discuss
- Janine noted that CO2 might also be a consideration when considering remediation options.
Action: PB to follow-up

3.2 Environmental Health

- PS provided overview of progress, working with Health Services.
- JE highlighted importance of consistent communication on this sensitive issue.
- JZ advised that Manufacturing have developed draft guidance documents to help site CX communicate on risk.

Actions:

- JE to review guidance to ensure consistency with Downstream/Group position/messages.

- JE/LI to circulate new Group data disclosure document once approved by HSD review council.
- PS to provide update at next IRT mtg about the Benzene strategy committee meeting in July.

3.3 Antitrust

- Antitrust Monthly Issue Discussions held for CX community. Antitrust CX toolkit in development; issue brief available on Livelink. LI holding workshop with Legal and DS Antitrust focal point on 20th June for scenario-planning over next 2 years.

3.4 Perception of safety

- Draft TOR to be sent to LI by SF end of this week. Timeframe for output end August.
- PB advised that social performance (SP) reviews are showing that there is a real need from the business to be able to communicate the risk-based approach to safety to the community. Therefore how we approach messaging and communication needs to be investigated; consistency of message is crucial.
- JZ advised that Manufacturing is working on a process safety guideline document for its sites – internal comms leading on this. **Action: JZ to discuss with PB/LI.**

3.5 Soil and Groundwater Contamination

PR is now providing CX support to this workstream and provided an update. Denise Viola (GM Environmental Services, Retail) is leading the workstream for Downstream. Team is identifying top S&GW issues (incl, sites, advocacy). Aim to use model for fuels communications strategy to develop structure and materials. LI advised that the learnings from the crop protection legacy issue should be used to inform approach.

3.6 Air quality

Janine suggested Air Quality monitoring issues should be seen as a separate workstream that links into Environmental Health and CO2. Objectives of this work stream would be: What we say, do we have consistent approach to managing air quality, how we engage with government etc on policy on this area.

Action: JE/LI to talk offline to define ToR and to understand Rob Taalman (Shell Health Services) work in this area.

3.6 Business Model Changes (low involvement model)

- LI, PR and Jacky Freer are working to identify potential gaps and reputation risks.
- Key issues: crisis management process, S&GW, ethics/compliance.
- JE advised to ensure this workstream includes Joint Ventures too. Agreed.

4. Q3 changes to issues matrix

- LI advised that no changes had been proposed prior to the meeting. However, in the meeting, the following changes were agreed or for further consultations:

Agreed changes:

- New issue: IMO (sulphur in marine fuels): International Maritime Organisation (IMO) is reviewing fuel specifications for marine fuels – potentially huge impact on manufacturing requirements if low-sulphur/distillate fuels specified. Issue owner is Mark Gainsborough, Issue Focal Point is Joanna Pedley. Active issue so needs to be middle top.

- Pressure to reduce CO2 emissions: agreed to re-name 'Climate change/CO2 management' – to reflect Group issue terminology and DS needs. Moved to red box to indicate growing reputation implications. Action: LI to ask DLT if owner should be Ken Fisher or Rob Routs.
- Butadiene and Shanghai Benzene Study: move to key workstreams within Environmental health.
- Security: Propose increase to middle-right to reflect growing focus on security. Action: PS to consult Security Focal Point to confirm position on matrix and management strategy.
- Cracker reliability: For chemicals the issue remains unchanged. Needs to reflect other assets too – so rename 'Cracker/asset reliability'.

Actions:

- LI to discuss status of 'Employee/industrial relations' issue with Ronald Schellekens (HR) – should this be covered within 'Portfolio Changes' issue.
- PR to consider position of 'Dealer Relations (OPC)' issue for next quarter – consider whether it should be lower.
- All CoBs to send their issues matrix to LI.
- All CoBs to update their EVP on matrix changes prior to June DLT meeting.

5. Issue discussion at June DLT

- Niel Golightly (VP DS Comms) will discuss the proposed approach for CO2 for Downstream.

Actions:

- LI to distribute presentation to Issues Review Team prior to DLT meeting
- All to advise if any feedback/pushback following engagement with EVPs on updates to issues matrix.

6. Crisis update

- Downstream Crisis plan – KJ advised that Group is still finalising Group manual and producing template for use at business level. *[Update: DS CX has now received manual so DS updates are being made by end-June].*
- Group crisis exercise in May – Chemicals involved in response since included Chemicals facilities. Action: RC to provide feedback email to LI prior to next DS crisis meeting.
- DS Crisis Exercise in October– Group crisis team have asked to play a role in DS exercise. Awaiting confirmation from STASCO about whether they will participate. Crisis training is being scheduled, probably for September.

7. External issues & stakeholder monitoring report:

- KJ advised this is the quarterly monitoring report developed by Kirsty and Regester Larkin consultants. For next quarter, it is proposed that content is reduced to cover just those issues with clear cross business/cross country impact. CoB specific issues like Fuel Pricing will be dropped, though CoBs could pay for these sections to be maintained. Action: KJ to circulate new topic list.

8. AOB

- Goodbye to Kirsty, who leaves for a career break at end-June. Kirsty's successor will be announced shortly.