

Particulars

Organisation Name	Royal Dutch Shell plc		
Corporate Website Address	http://www.shell.com		
Primary Activity or Product	Processor and/or Trader		
Related Company(ies)	Company	Primary Activity	RSPO Member
	Shell International Eastern Trading Company	Processor and/or Trader	No
	Shell Trading Rotterdam	Processor and/or Trader	No
	Shell Trading Canada	Processor and/or Trader	No
	Shell Trading US Company	Processor and/or Trader	No
	Shell Indonesia	Wholesaler and/or Retailer	No
	Shell Italy	Wholesaler and/or Retailer	No
	Shell Malaysia	Wholesaler and/or Retailer	No
	Shell Thailand	Wholesaler and/or Retailer	No
	Shell Chemicals	Manufacturer	No
	Shell Lubricants	Manufacturer	No
Country Operations	Australia, Argentina, Austria, Barbados, Belgium, Brazil, Brunei Darussalam, Bulgaria, Canada, China - People's Republic of, Colombia, Denmark, Egypt, France, Gabon, Germany, Hong Kong, Hungary, India, Indonesia, Ireland, Italy, Japan, Kazakhstan, Kuwait, Luxembourg, Malaysia, Netherlands, New Zealand, Nigeria, Norway, Oman, Pakistan, Philippines, Poland, Qatar, Russian Federation, Saudi Arabia, Singapore, South Africa, Switzerland, Thailand, Turkey, Ukraine, United Kingdom, USA, Vietnam		
Membership Number	2-0059-07-000-00		
Membership Type	Ordinary Members		
Membership Category	Palm Oil Processors and Traders		

Primary Contacts

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Person Reporting

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Related Information

Other information on palm oil:

[Click here to visit the URL](#)

We aim to ensure that we do not source biofuels that may have involved a violation of human rights (including child or forced labour) or the clearing of areas of high biodiversity value.

Where there are regulatory requirements in place, such as the European Union, then Shell will comply by purchasing biofuels that meet the regulatory requirements. The preferred approach for compliance is via certification against recognised credible voluntary sustainability standards. The RSPO is Shell's preferred standard for Palm oil. However, neither the RSPO standard, nor Greenpalm can be used in the EC to meet the RED, so Shell has been obliged to use the ISCC standard instead for Europe. ISCC operate a mass balance standard so all of the volume is physically tracked rather than compensated for by certificates. The RSPO RED standard has recently been approved by the EC, however at this time we are seeing no volumes of RSPO RED certified material available on the market.

Apart from these ISCC mass balance volumes in Europe, 100% of Shell's Palm oil purchases are RSPO certified. We prefer to purchase mass balance certified material, but where this is not available (or insufficient), we will purchase Greenpalm credits to compensate for the Palm oil purchases.

Reporting Period

01 July 2012 - 30 June 2013

Palm Oil Processors and Traders

Operational Profile

1. What are the main activities of your organisation?

- Trader
- Other

Other:

Blender/end user

Operations and Certification Progress

2. Do you have a system for calculating how much palm oil and palm oil products you use?

Yes

3. Total volume of all palm oil products handled in the year:

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3.1. Total volume of Crude Palm Oil handled in the year:

13

3.2. Total volume of Palm Kernel Oil handled in the year:

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3.3. Total volume of other Palm Oil Derivatives and Fractions handled in the year:

453523

3.4. Total volume of all palm oil and palm oil derived products handled in the year:

453536

4. Volume of Crude Palm Oil that is RSPO-certified

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4.1. Book & Claim

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4.2. Mass Balance

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4.3. Segregated

13

4.4. Identity Preserved

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4.5. Total volume of Crude Palm Oil handled that is RSPO-certified:

13

5. Volume of Palm Kernel Oil handled in the year that is RSPO-certified

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5.1. Book & Claim

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5.2. Mass Balance

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5.3. Segregated

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5.4. Identity Preserved

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5.5. Total volume of Palm Kernel Oil handled that is RSPO-certified

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6. Volume of all other palm-based derivatives and fractions handled in the year that is RSPO-certified

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6.1. Book & Claim

125463

6.2. Mass Balance

32901

6.3. Segregated

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6.4. Identity Preserved

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6.5. Total volume of palm-based derivatives and fractions handled that is RSPO-certified

158364

7. Do you ask your suppliers if the palm oil supplied comes from growers who disclose their GHG emissions within the RSPO P&C 5.6 & 7.8?

No

Report on suppliers if the palm oil supplied comes from growers who disclose their GHG emissions within the RSPO P&C 5.6 & 7.8

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Time-Bound Plan

8. Date of first supply chain certification (planned or achieved)

2011

9. Time-bound plan - Year expected to achieve 100% RSPO certification of all supply chains

2013

10. What are your interim milestones towards achieving this RSPO certification commitment (year and progressive CSPO%)?

We are already 100% supply chain certified where needed.
 We are assuming that certification of final end-users of RSPO Mass Balance CSPO is not needed. This is spelled out clearly in the RSPO-RED standard for fuel users. Therefore, only our Trading companies that physically receive RSPO certified palm derivatives require supply chain certification. Our European Shell Trading RSPO supply chain certification is currently on hold pending availability of RSPO-RED material. However, we maintain a number of other supply chain certifications (eg. ISCC-EU, etc.)

11. Timebound plan - Year expected to only 'handle/supply' RSPO certified oil palm products

2020

12. What are your interim milestones towards achieving this RSPO certification commitment (year and progressive CSPO%)?

Today it is not possible to only handle/supply 100% RSPO certified material and be compliant with government regulations and mandates in Europe. In Europe, RSPO Mass balance or Greenpalm are insufficient to meet the Renewable Energy Directive and we are obliged to purchase ISCC-EU mass balance certified material. When material certified to the recently EC approved voluntary add-on standard, the RSPO RED, becomes available on the market, we will endeavour to meet European volumes with this. The availability of RSPO-RED is entirely dependent on producers switching from ISCC-EU to RSPO-RED (or obtaining it in addition).
 Apart from Europe, Shell's use of palm oil derived material is already 100% RSPO certified (by either mass balance or Greenpalm).
 Of Shell's total volume of palm oil derived material handled (including Traded volumes), more than 97% is certified; 280,000t is certified to ISCC-EU standards. The remaining volume (3%) is covered by Shell's own sustainability requirements which are detailed in the contractual agreements between buyer and seller.
 We continue to make good progress in Malaysia and Thailand in purchasing RSPO mass balance palm derivatives for domestic use with the objective of reducing our dependence on Greenpalm certificates. The progress is slow in Thailand due to the large number of smallholder farmers who need support in obtaining RSPO certification. We hope to see our first volumes of RSPO Mass Balance certified palm oil methyl ester in Thailand in 2014. See below for further details of this programme.

13. How do you promote RSPO and RSPO certified sustainable palm oil to your customers proactively?

We do not actively promote RSPO directly to our fuel customers as the diesel purchased at the pump will be a mix from many sources and the biodiesel in the fuel will typically be made from many different feedstocks in addition to palm. However, we explain our membership and support of the RSPO in our Annual Sustainability Report, Corporate website and other external communications.

14. Do you plan to use the RSPO trademark?

No

If yes, when do you plan to apply for the trademark license?

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15. Which countries that your organization operates in do the above commitments cover?

Australia, Argentina, Austria, Barbados, Belgium, Brazil, Brunei Darussalam, Bulgaria, Canada, China - People's Republic of, Colombia, Denmark, Egypt, France, Gabon, Germany, Hong Kong, Hungary, India, Indonesia, Ireland, Italy, Japan, Kazakhstan, Kuwait, Luxembourg, Malaysia, Netherlands, New Zealand, Nigeria, Norway, Oman, Pakistan, Philippines, Poland, Qatar, Russian Federation, Saudi Arabia, Singapore, South Africa, Switzerland, Thailand, Ukraine, United Kingdom, USA, Vatican City State, Vietnam

Actions for Next Reporting Period**16. Outline actions that will be taken in the coming year to promote sustainable palm oil**

Shell has been active in supporting the RSPO on the GHG working group, the Trade and Traceability standing committee, the RED task force, the P&C review task force and the Claims and Communications standing committee. Shell continues to engage externally with many key stakeholders advocating the benefits of robust multi-stakeholder roundtable standards. We also have a joint programme with Patum Veg Oil in Thailand to support smallholder certification.

17. Does your company have a public commitment relating to the GHG emissions of your operations?

No

Public commitment relating to the GHG emissions

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18. Does your company have a public commitment to only purchase palm oil from suppliers that disclose their GHG emissions?

No

Public commitment to only purchase palm oil from suppliers that disclose their GHG emissions

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Reasons for Non-Disclosure of Information**19. If you have not disclosed any of the above information please indicate the reasons why**

Confidential

- Other reason:

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Application of Principles & Criteria for all members sectors**20. Related to your sourcing, do you have (a) policy/ies, that are in line with the RSPO P&C**

- Water, land, energy and carbon footprints
 - Land Use Rights
 - Ethical conduct and human rights
 - Labour rights
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Water, land, energy and carbon footprints policy

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Land use rights policy

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Ethical conduct and human rights policy

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Labour rights policy

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Stakeholder engagement policy

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20.1. If none, please specify if/when you intend to develop one

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21. What steps will your organization take to minimize its resource footprints?

Shell is committed to a more sustainable future which requires cleaner energy and more efficient use of energy. More details on our activities in this area can be found in our Sustainability Report:

[Click here to visit the URL](#)

22. What steps will your organization take to realize ethical conduct using business-applicable regulations and industry practices?

[Click here to visit the URL](#)

23. Has your company supported any community programmes on its own or through partnerships? How do you benchmark the impacts of these programmes?

Shell support a vast number of community programmes. However of relevance to palm oil is our project in Thailand. Shell Thailand and Patum Vegetable Oil Co. Ltd (Patum) are collaborating in a joint project to train independent Thai smallholders in sustainable palm oil production. The project, expected to run for 2-3 years, will involve preparing eight palm crushing mills and over 1000 palm smallholders in line with the standard set by the RSPO. The initial phase of the project involves setting up field teams for smallholder groups and providing intensive training. Systems will be put in place to constantly improve and monitor farming practices and enable group certification according to the requirements of RSPO.

It is estimated that the collective annual output of the mills will be approximately 50 kilo-tonnes of RSPO certified palm oil over the next two years.

24. Where relevant, what prevents you from trading/processing only CSPO?

For Trading, there is not always market demand for CSPO and therefore the costs incurred are not recoverable. These costs can make-up/erode a significant proportion of the available margin.

25. Are you sourcing 100% physical CSPO?

No

Details your organization's plan to cover sourced palm oil and palm kernel oil, which is not yet segregated or identity preserved, through Mass Balance. If you have not committed to sourcing 100% of palm products under the Mass Balance supply chain system until the goal of 100% segregated or identity preserved CSPO can be achieved, please explain why

NA – we are aiming to increase our proportion of purchased Mass Balance, backing out of Greenpalm/Book and Claim.

26. Has your company integrated aspects of traceability into any other products handled? If so, how?

Yes, we are working on improving traceability for all biofuels in EU and high risk feedstock outside the EU such as soy and sugarcane, through other robust multi-stakeholder voluntary schemes such as RTRS, RSB, Bonsucro & ISCC plus other EC approved voluntary schemes in Europe.

Challenges

1. Significant economic, social or environmental obstacles

- The lack of an 'entry level' certification for smallholders means it will take several years for smallholders in Thailand to be certified and for any RSPO material to be available.
- The total lack of availability of certified material, especially RSPO RED is a major issue for European imports. It is therefore not possible to make any cost comparisons with other parallel standards.
- The lack of knowledge of the bio-fuels industry exhibited by Certification Bodies and auditors means gaining CoC certification can be burdensome. There are often expectations of food industry standards.

2. How would you qualify RSPO standards as compared to other parallel standards?

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Cost Effective:

No

Robust:

Yes

Simpler to Comply to:

No

3. How has your organization supported the vision of RSPO to transform markets?

We have a 3 tiered approach:

Internal governance: Introduced policies and positions relating to the sourcing of our biofuels, and as such have ensured that 100% of the palm oil derived biofuels purchased for Shell use are RSPO certified. We monitor compliance and report on our progress.

Work with Suppliers: Ask our suppliers to sign up to sustainability clauses in new and renewed term contracts. These cover bio-components and feedstocks not knowingly linked to violation of human rights or cultivated, produced or manufactured in areas of high biodiversity value, development and implementation of supply chain traceability systems, the joining of relevant international bodies

developing sustainability criteria for the production of particular feedstocks and the right to audit. **Wider Industry:** Engaging industry by supporting robust multi-stakeholder roundtables and industry associations such as IPIECA, governments and regulators, both at a regional (EU) level and also individual Member State governments, intergovernmental agencies such as IUCN, UNDP, UNEP and policy makers to encourage sustainability standards in the biofuels supply chain.

Partnership in Thailand is a great example - Shell Thailand and Patum Vegetable Oil Co. Ltd (Patum) are collaborating in a joint project to train independent Thai smallholders in sustainable palm oil production. The project, expected to run for 2-3 years, will involve preparing eight palm crushing mills and over 1000 palm smallholders in line with the standard set by the RSPO. The initial phase of the project involves setting up field teams for smallholder groups and providing intensive training.

Systems will be put in place to constantly improve and monitor farming practices and enable group certification according to the requirements of RSPO.

It is estimated that the collective annual output of the mills will be approximately 50 kilo-tonnes of RSPO certified palm oil over the next two years.
