

Particulars**About Your Organisation****Organisation Name**

Royal Dutch Shell plc

Corporate Website Address<http://www.shell.com>**Primary Activity or Product**

- Processor and/or Trader

Related Company(ies)

Yes

Company	Primary Activity	RSPO Member	Plantation?	Files	
				GHG Report	Map file
Shell International Eastern Trading Company	<input type="radio"/> Processor and/or Trader	Yes	No	-	-
Shell Trading Rotterdam	--	Yes	No	-	-
Shell Trading US Company	<input type="radio"/> Processor and/or Trader	Yes	No	-	-
Shell Indonesia	<input type="radio"/> Processor and/or Trader	Yes	No	-	-
Shell Malaysia	<input type="radio"/> Wholesaler and/or Retailer	Yes	No	-	-
Shell Thailand	<input type="radio"/> Wholesaler and/or Retailer	Yes	No	-	-
Shell Chemicals	<input type="radio"/> Wholesaler and/or Retailer	Yes	No	-	-
Shell Lubricants	<input type="radio"/> Manufacturer	Yes	No	-	-

Membership

Membership Number	Membership Category	Membership Sector
2-0059-07-000-00	Ordinary	Palm Oil Processors and/or Traders

Palm Oil Processors and Traders

Operational Profile

1.1 Please state your main activity(ies) within the supply chain

- Trader
- Others:
Blender/end user

1.2 Operation and Certification Progress

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

Yes

1.3 Total volume of all palm oil products processed and/or traded in the year in the year (Tonnes)

1.3.1 Total volume of oil palm and palm oil derivatives processed and/or traded in the year

346,896.00 Tonnes

1.3.2 Total volume of palm kernel oil and palm kernel oil derivatives processed and/or traded in the year

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1.3.3 Total volume of other Palm Oil Derivatives and Fractions processed and/or traded in the year

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1.3.4 Total volume of all palm oil and palm oil derived products processed and/or traded in the year

346,896.00 Tonnes

1.4 Volume processed and/or traded in the year that is RSPO-certified (Tonnes):

No	Description	Crude Palm Oil (Tonnes)	Palm kernel oil (Tonnes)	All other palm-based derivatives and fractions processed and/or traded in the year that is RSPO-certified (Tonnes)
1.4.1	Mass Balance			82510.00
1.4.2	Segregated	24.00		
1.4.3	Identity Preserved			
1.4.4	Total volume of Oil Palm processed and/or traded in the year that is RSPO-certified:	24.00		82510.00

1.5 What is the percentage of certified sustainable palm oil in the total palm oil your company sells in:

- Europe --%
- India --%
- China --%
- South East Asia --%
- North America --%

1.6 What is the percentage of certified sustainable palm kernel oil in the total palm kernel oil your company sells in:

Europe --%
 India --%
 China --%
 South East Asia --%
 North America --%

Time-Bound Plan**2.1 Date of first supply chain certification (planned or achieved)**

2011

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

2013

2.3 What are your interim milestones towards achieving this RSPO certification commitment (year and progressive CSPO%)? Please state annual targets/strategies.

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. 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, classic RSPO mass balance or Greenpalm are not sufficient to meet the renewable energy directive and we are obliged to purchase ISCC-EU mass balance certified material. When/if material certified to the RSPO-RED standard becomes available on the market, we will endeavour to meet European volumes with this. Apart from Europe, Shells use of palm oil derived material is already 100% RSPO certified (by either mass balance or Greenpalm). Of Shells total volume of palm oil derived material handled (including Traded volumes) 99% is certified; 48,799t is certified to ISCC-EU standards. The remaining volume (1%) is covered by Shells own sustainability requirements which are detailed in the contractual agreements between buyer and seller. We continue to make good progress in Malaysia in purchasing RSPO certified mass balance palm derivatives for domestic use with the objective of minimising the contribution by Greenpalm certificates. Challenges exist however in both Malaysia and Indonesia due to the producers requesting a \$30-40/t premium for certified products. Progress is slow in Thailand due to the large number of smallholder farmers who need support in obtaining RSPO certification. We successfully supported ~800 farmers to become certified in 2015, and we hope to see increasing volumes of RSPO mass balance material available in Thailand throughout 2016.

2.4 Timebound plan - Year expected to only "handle/supply" RSPO certified oil palm products

2020

2.5 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. We are also continuously engaging our suppliers to encourage uptake of the standard.

2.6 Which countries that your organization operates in do the above own-brand commitments cover?

- United Kingdom

GHG Emissions**3.1 Are you currently assessing the GHG emissions from your operations?**

Yes

3.2 Do you publicly report the GHG emissions of your operations?

Yes

Actions for Next Reporting Period

4.1 Outline actions that you will take in the coming year to promote CSPO use along the supply chain

Shell continues to engage externally with many key stakeholders advocating the benefits of robust multi-stakeholder round table standards. We also have also partnered with our supplier Patum Veg and assisted ~800 smallholder farmers in Thailand achieve RSPO certification. We continue to look for other opportunities to promote the standard and increase the proportion of RSPO mass balance certified material in our supply chains.

Reasons for Non-Disclosure of Information**5.1 If you have not disclosed any of the above information please indicate the reasons why**

Confidential

Application of Principles & Criteria for all members sectors**6.1 Related to your sourcing, do you have (a) policy/ies, that are in line with the RSPO P&C such as:**

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

6.2 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.

Commitments to CSPO uptake

As you don't source 100% CSPO through physical supply chains (IP/SG/MB), please answer the following questions: Do you have plans to?

Yes

Please specify:

In terms of the palm oil derivatives purchased for Shell use, 100% are certified, either through physical supply chains (RSPO or ISCC-EU), or by Greenpalm certificates. We continuously work with our suppliers and advocate for increasing supply of mass balance certified products however this is a difficult and slow process for the reasons outlined previously.

7.1. Do you have plans to immediately cover the gap using Book & Claim?

Yes

How and when do you plan to immediately cover the gap using Book & Claim?

See above - already integral to Shell policy.

Concession Map

Do you agree to share your concession maps with the RSPO?

No

Please explain why: --

Challenges

1 What significant economic, social or environmental obstacles have you encountered in the production, procurement, use and/or promotion of CSPO and what efforts did you make to mitigate or resolve them?

The lack of availability of certified palm oil methyl ester in the regions where we are mandated to blend it (e.g. East Malaysia, Indonesia & Thailand), is a significant issue. We continuously engage with our suppliers in these regions, to try and encourage take up of the standard however the regulated market in some countries does not provide any incentive for producers to become certified. We also have the challenge of the magnitude of the premiums being requested by the suppliers.

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? (e.g. Funding; Engagement with key stakeholders; Business to business education/outreach)

We have a 3 tiered approach; internal governance: policies and positions relating to the sourcing of our biofuels, and as such have ensured that 100% of the palm oil derived biofuels purchased from Shell use are certified. We monitor compliance and report on our progress; Work with suppliers: ask our suppliers to sign up to sustainability contract 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 bio diversity value, zero-burning in relation to land preparation, conversion or clearing, 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 round tables and industry associations such as IPIECA, governments and regulators, both at the 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. Our partnership in Thailand is an excellent example of where we have worked to facilitate a transformation in a market. We successfully supported ~800 farmers to become certified in 2015, and we hope to see increasing volumes of RSPO mass balance material available in Thailand throughout 2016. We are also continuously assessing the potential for other similar opportunities in the region.

4 Other information on palm oil (sustainability reports, policies, other public information)

We aim to ensure that we do not source biofuels that may have involved a violation of human rights (including child or forced labour), the clearing of areas of high biodiversity value or the use of open burning techniques for land preparation, conversion or clearing. 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 classic RSPO standard, nor Greenpalm can be used in the EC to meet the RED. Shell has therefore been obliged to use the ISCC standard instead for Europe until such a time that RSPO-RED becomes more widely available. ISCC operate a mass balance standard so all of the volume is physically tracked rather than compensated for by certificates. Apart from these ISCC mass balance volumes in Europe, 100% of Shell's palm oil derived 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. A proportion of Shell's traded volumes are not currently certified since with lack of market demand, the costs incurred can significantly erode the available margin.