

Particulars

Organisation Name	Royal Dutch Shell plc		
Corporate Website Address	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 Malaysia	Wholesaler and/or Retailer	No
	Shell Thailand	Wholesaler and/or Retailer	No
	Shell Chemicals	Manufacturer	No
Country Operations	Argentina, Austria, Barbados, Belgium, Brazil, Brunei Darussalam, Bulgaria, Canada, China, Colombia, Denmark, Egypt, France, Gabon, Germany, Hong Kong, Hungary, Indonesia, Ireland, 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, United States, Vietnam		
Membership Number	2-0059-07-000-00		
Membership Type	Ordinary Members		
Membership Category	Palm Oil Processors and Traders		

Palm Oil Processors and Traders

Operational Profile

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

- Trader
- Other

Other:

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 handled in the year (Tonnes)

--

1.3.1 Total volume of Crude Palm Oil (CPO) handled in the year

--

1.3.2 Total volume of Palm Kernel Oil (PKO) handled in the year

--

1.3.3 Total volume of other Palm Oil Derivatives and Fractions handled in the year

544272.00

1.3.4 Total volume of all palm oil and palm oil derived products handled in the year

544272.00

1.4 Volume handled 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 handled in the year that is RSPO-certified (Tonnes)
1.4.1	Book & Claim			162427.00
1.4.2	Mass Balance			53070.00
1.4.3	Segregated			
1.4.4	Identity Preserved			
1.4.5	Total volume of Oil Palm handled that is RSPO-certified:			215497.00

1.5 Do you plan to 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

Do you plan to 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?

--

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. 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 (e.g. ISCC-EU, etc.)

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

2020

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

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 insufficient to meet the renewable Energy Directive and we are obligated to purchase ISCC-EU mass balance certified material. When material is certified to the recently EC approved voluntary add-on standard, the RSPO-RED, becomes available on the market, we will endeavor 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), approximately 90% is certified; 260,000t is certified to ISCC-EU standards. The remaining volume (~10%) 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 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 Q4 2014. See below for further details of this programme.

2.6 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.

GHG Emissions

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

No

Please upload related report:

--

Add link to website

--

Please explain why:

--

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

No

Please upload related report:

--

Add link to website

--

Please explain why:

--

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 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 round table standards. We also have a joint programme with Patum Veg Oil in Thailand to support smallholder certification.

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

Water, land, energy and carbon footprints

--

Land Use Rights

--

Ethical conduct and human rights

--

Labour rights

--

Stakeholder engagement

--

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?

No

- Please explain why:

In terms of the fuels industry 100% RSPO CSPO through physical supply chains or otherwise is not possible in Europe due to the EU renewable energy directive, which does not recognise classic RSPO certification. Until such a time when RSPO-RED certified material is widely available, Shell will continue to purchase ISCC certified material for use in Europe – as detailed previously.

- Please specify:

--

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

No

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

--

- Please explain why:

In regions outside of Europe, Shell will use book and claim where mass balance RSPO CSPO is not available, however inside of Europe, ISCC certification (or equivalent as recognised by the EU) is deemed sufficient, and as such we will not cover these purchases with Greenpalm certificates.

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), 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.

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

--

Cost Effective:

No

Robust:

Yes

Simpler to Comply to:

similar

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: 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, 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 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 3 years, will involve preparing 9 palm crushing mills and over 1800 palm smallholders in line with the standard set by the RSPO. The initial stage of the project has involved setting up field teams for smallholder groups and providing intensive training. Systems have been put in place to constantly improve and monitor farming practices and enable group certification according to the requirements of RSPO. It is hoped that the collective annual output of the mills will be approximately 50 kilo-tonnes of RSPO certified palm oil upon completion of the project.

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

<http://www.shell.com/global/environment-society.html> [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), 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. The majority of Shell's traded volumes are not currently certified since with lack of market demand, the costs incurred can significantly erode the available margin.