



Connecting for Greater Impact

A Review of 2013 Social Investment
by the Shell U.S. Regional Coordination Team



Environment

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“I like to

give back. It makes me feel good to do something for other people.”

Carlos Reyes

Electrical Turnaround Planner, Shell Deer Park

SHELL HERO STORY:

If there is a Shell and Motiva volunteer opportunity, chances are Carlos Reyes is there in the midst of things. From volunteering at the Shell Houston Open and Shell Eco-marathon, to helping with registration at the Mayor's Back to School Fest, Reyes is there in his bright yellow shirt with the red Shell pecten logo, ready to lend a hand. Reyes is one of more than 7,000 Shell and Motiva employees, retirees and family members who together devoted more than 40,000 hours of volunteer service in the community in 2013.



A LETTER FROM FRAZIER WILSON



QUESTION:

- › **Can a school-lunch program that provides young students with a hot meal each day lead to healthier, more productive employees?**
- › **Does a project to restore a coastline's barrier protection create more safe and vibrant cities along the Gulf Coast where Shell has major oil and gas operations?**
- › **Can support of cultural programs help build sustainable communities that attract a qualified workforce?**

At Shell, we believe the answer is yes. That is why our social investments are more than monetary donations to worthwhile organizations. Instead, they are partnerships with environmental, education and community agencies that help us achieve our business goals while improving local communities where we live and work.

Last year, Shell introduced a way of looking at our social investments that focuses on the interaction between social and business results to drive shared value. What exactly does this mean? We believe that connecting our company's success with social programs, and tracking their interdependency, will provide opportunities for greater innovation, growth and sustainable social impact. We also encourage our partners to work together to form new collaborations for even greater reach.

For example, if our efforts to encourage students to pursue careers in science, technology, engineering and math (STEM) result in a larger qualified talent pool for our future workforce needs, then we have succeeded in creating shared value for both for our company and the community at large. If our contributions to health and human services programs and fine arts help strengthen the social fabric of the communities where we live and work, we have helped build stronger, sustainable communities for our employees and future workforce members.

— Continued next page.



◀ EDUCATION

Gary Koppelman, Shell 2013 Science Teacher Award winner, and his wife, Beverly, review the Shell 22 car with Todd Gordon, crew chief for driver Joey Logano, prior to the NASCAR Brickyard 400 race at the Indianapolis Motor Speedway.



◀ COMMUNITY

Shell partnered with the Houston Fire Department's *Operation Stocking Stuffer* to brighten the holidays for less-fortunate children.



▶ ENVIRONMENT

Shell works with The Nature Conservancy in rebuilding shoreline to reduce erosion in the Intercoastal Waterway, benefitting the environment and local economy near Matagorda, Texas.



▶ EDUCATION

Science teachers experiment with polymers at Science of Racing training by NEED during the 2013 Shell and Pennzoil Grand Prix of Houston.

 ENVIRONMENT

Over 1,000 riders raise money for the Galveston Bay Foundation's *Bike Around the Bay*.



And, if our efforts to restore and preserve critical habitats along the coastline where we have major operations help support energy, tourism and shipping industries, we're bolstering local economies where we live and work. That's what we mean by shared value.

Last year, Shell businesses in the U.S. invested more than \$20.4 million in social investment activities. This includes the Shell U.S. Regional Coordination Team investment of \$9.8 million with 136 national and local nonprofit organizations.

In order to truly measure the impact of these programs, we recently began linking social progress directly to our business success. The shared value measurement is a four-step process that begins with identifying the social issue to target. The second step involves making the business case based on research and analysis of how social improvement will directly improve business performance. Using the business case as a roadmap, step three measures progress against the desired target.

The fourth and final step validates the anticipated link between social and business results to determine whether our corporate resources and efforts produced measurable impact for our business and the community at large.

Over the pages of this report, you will see how this method identifies both the process and outcomes of a program and shows the relationship of program outputs to our business success. It connects the dots, so to speak, of what problem is being addressed and how that relates to our overall business and society goals.

We are on a journey to frame our future together. Our ultimate goal is to achieve measurable results that improve our society and our business.



Frazier Wilson, Ed. D.

Vice President, Shell Oil Company Foundation
Manager, Social Investment

Environment

OVERVIEW

Helping to protect the endangered wetlands along the Gulf Coast, where Shell has major oil and gas exploration and production operations, is important from an environmental perspective. These wetlands support the lifecycle needs of more than 900 species of waterfowl and wildlife. They also serve as important filters of pollutants from our oceans, help replenish groundwater supplies and increase flood storage during storms. But their protection is also a business imperative. Ensuring vibrant local economies is vital to our continued successful operations.

In 2013, Shell invested in 22 environmental nonprofits to protect more than 13 million acres of wetlands and conserve more than 1.8 million acres of land. We also promoted conservation-awareness education, reaching 3,542 teachers and impacting 77,578 students.

The impact: Shell-supported environment programs and projects have resulted in conservation and protection of wetlands that provide increased protection from storms, protected thousands of acres of conservation land, preserved important species, educated more than 600,000 community members, and reduced risk to Shell assets.



The Problem

Erosion

The U.S. loses 80,000 acres in wetlands each year due to coastal erosion. This loss of land exposes pipelines and other infrastructure that are important to Shell operations.



The Collaboration

CCA

Shell is partnering with agencies like the **Coastal Conservation Association (CCA)** to conserve, promote and enhance present and future availability of coastal resources for the benefit and enjoyment of the general public and also to reduce risk to infrastructure that can impact operations.



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COASTAL STATE CHAPTERS

The Strategy

Going Local

Through CCA – an organization with 17 coastal state chapters spanning the Gulf of Mexico, the Atlantic seaboard and the Pacific Northwest – Shell is working with state scientists and state-based reefing and restoration experts on projects to revitalize and restore habitats.



The Impact

Grassroots Results

CCA and Shell recently announced an extension of their unique partnership that has already produced more than a dozen significant marine habitat restoration projects along the Gulf Coast over the past two years. Shell's decision to fund \$500,000 over each of the next three years will enable CCA's Building Conservation Trust (BCT) to continue providing vital funding for grassroots-driven marine habitat projects. In one of its more innovative projects, BCT was able to advance marsh restoration science with "floating islands" technology in Terrebonne Parish, Louisiana. The project brought together students from local schools, members of a local Native American tribe, CCA volunteers and Shell employees to rebuild 2,500 linear feet of shoreline.



The Goal

Restore & Educate

- > **Restore** degraded habitats and create new ones.
- > **Advance** the science of habitat restoration and marine fisheries conservation.
- > **Educate** communities about the value of conservation.
- > **Promote** protection and reduced risk for pipelines.

By improving the shoreline through projects like this, Shell:

- > **Reduces** erosion and provides increased protection to its infrastructure.
- > **Records** baseline health measurements on key marine life that will serve as future reference points in assessing the impacts of climate change, oil and gas exploration and other threats.
- > **Builds** a reputation as an environmental leader.



Environment

SHELL HERO STORY:

Andre Gaines says volunteering is just a part of who he is. Last year, he and his family joined more than 400 Shell and Motiva employees to collect trash along Galveston beaches. Each piece of trash is documented and sent to the state government. Data collected from previous Adopt-A-Beach cleanups have played an important role in the passage of an international treaty (MARPOL Annex V) restricting the dumping of plastics in the world's oceans. "It's about doing small things to make a big difference," Gaines says.

“It’s great

to work for a company that places value in caring for the environment and helping the surrounding community.”

Andre P. Gaines

Risk Control Analyst, Shell Trading



AGENCY PROFILE 2:

Ducks Unlimited

THE PROBLEM

More than 1 million acres of U.S. coastal prairies and marshes have been lost due to erosion, the majority of this loss occurring in Louisiana. U.S. Geological Survey studies have found that Louisiana's coastline has been losing wetlands at a rate of 16.57 square miles a year during the past 25 years, equal to the loss of about a football field of coastline every hour.

THE GOAL

Conserve and protect 10,000 acres of coastal habitat in Louisiana, a key location for the company, employees, customers and stakeholders.

THE STRATEGY

- Install breakwater structures to reduce shoreline erosion along navigation channels.
- Construct marsh terraces to provide habitat for waterfowl, water birds and fish.
- Use dredge materials to stabilize wetland shorelines or nourish subsiding wetlands.
- Seek public and private funding to match with Shell investment to increase impact.

THE RESULTS

Thousands of acres are conserved and natural habitats are protected. The most important is the role of the Louisiana shoreline during a hurricane. The coastal regions function as a key storm surge protector, better than any man-made device.

AGENCY PROFILE 3:

National Fish and Wildlife Foundation

THE PROBLEM

Degraded ecosystems reduce shoreline protection, water filtration and wildlife habitat, which, in turn, impact Shell infrastructure and the communities in which it operates.

THE GOAL

Support conservation and restoration activities that result in measurable benefits to key species and their habitats within geographies that are a priority to Shell.

THE STRATEGY

Since 1998, the National Fish and Wildlife Foundation's (NFWF) Shell Marine Habitat Program has addressed the declines in the health of the Gulf of Mexico's marine ecosystems. One notable project has been the restoration of oyster reefs. Not only do they increase oyster and associated fish/wildlife populations, but the newly restored reefs also protect coastal marsh and wetlands.

THE RESULTS

Of the nearly \$12 million Shell has invested through the Shell Marine Habitat Program, NFWF has leveraged these non-federal funds with an additional \$3.2 million in federal and non-federal funds, as well as over \$48 million in grantee matches, to generate more than \$63 million for on-the-ground conservation. These projects prevent shoreline erosion for increased protection of local infrastructure, including Shell assets. The baseline measurements on key marine life provided by these efforts also help Shell and the oil and gas industry gauge and improve environmental impact.

2013 SHELL ENVIRONMENT ACTIVITIES AND PROJECTS

- 1 "Floating islands" protect vulnerable Louisiana coastline in a project with the Coastal Conservation Association & America's Wetland Foundation.
- 2 Shell and Motiva volunteers participate in annual international beach cleanups across the U.S. Here volunteers clean up a beach in Galveston in partnership with the Texas General Land Office.



Education



OVERVIEW

In order to remain competitive, the United States and companies like Shell depend on a future supply of highly qualified scientists, technologists, engineers and mathematicians.

Shell supports initiatives that increase achievement in science, technology, engineering and mathematics (STEM). We're investing in classroom teachers to provide them with the professional development, skills and support they need to deliver innovative and engaging lessons that improve student achievement and inspire more students to pursue STEM-related education. Because we believe that a diverse workforce is fundamental to innovation and productivity, we also support Workforce Development Initiatives (WDI) designed to stimulate student interest and passion in STEM, especially among historically underrepresented populations.

During 2013, Shell invested in partnerships with 29 educational organizations who support programs to ensure that the future workforce is highly skilled and competitive. As a result, 35,470 teachers received professional development in STEM-related subjects to impact more than 13 million students in more than 278,500 schools. Our WDI initiatives impacted more than 140,000 students, educators and parents across the U.S. through pre-college and college internships, externships, academies and dual-credit programs. Shell awarded 152 two- and four-year scholarships and supported 652 WDI programs in 18 states across the U.S.

The impact: By investing in education efforts, Shell increases and improves the quality of talent for Shell's workforce.

The Problem

Shortage

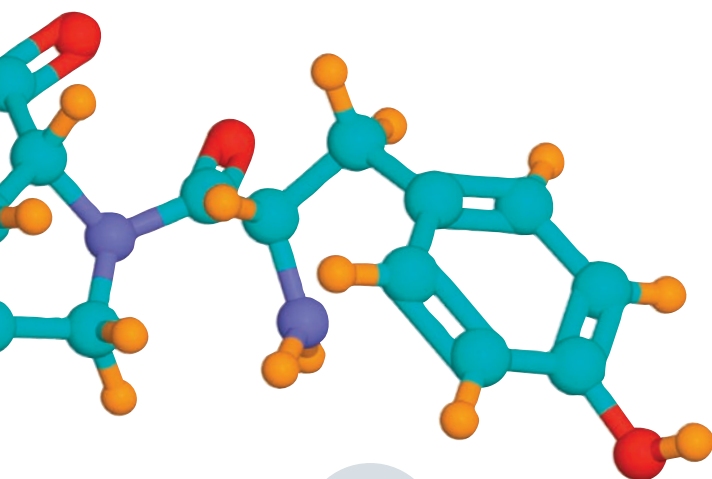


The lack of interest, awareness and preparation in math and science has resulted in a decline in the number of students pursuing STEM degrees, and the reduced number of technical talent impacts Shell's ability to provide a sustainable pool of technical talent needed for future innovation and discovery in the energy industry.

The Strategy

Development

- > **Improve** K-12 educator content knowledge through energy curriculum and STEM instructional materials.
- > **Engage** K-12 students in a mentoring approach that cultivates and improves critical thinking in energy and STEM education, creating improved energy consumers.
- > **Increase** career awareness in energy and STEM disciplines to help fill Shell talent pipeline.



The Collaboration

Partnership

Shell partners with the **National Energy Education Development (NEED) Project** to improve energy education by engaging K-12 students and teachers in a deeper understanding of energy fundamentals. With greater information to career pathways, NEED helps to create a pipeline of qualified and skilled technical talent to meet Shell future workforce needs and further educate influencers to make informed decisions regarding energy policy that impacts the industry.



The Measurement

Improvement

After **10,000** teachers attended the Shell-supported NEED curriculum, Usage of Fossil Fuels to Products, and **5,000** teachers attended the Chemistry of Energy Efficiency course, teacher knowledge on topics grew from **30%** to **88%**.

98%

of educators indicate the curriculum and training are on grade level and useful in their classrooms.

99%

of educators would recommend a Shell-sponsored NEED Training to a colleague.

The Impact

Educated

An improved talent pool of workers with technical skills for Shell workforce needs and a better understanding in the community of how science and energy impacts society.





Education

“Meeting

with students, talking with them about the energy challenge and encouraging them to think innovatively keeps me inspired about our future leaders and provides me with a unique opportunity to give back to my community. To be effective in solving the energy challenges of the future, students need to stay in school and consider STEM-related subjects. ”

Jennifer Emerson

Global Supportability Manager, Downstream

SHELL HERO STORY:

The president-elect of WAVE, Shell's women's employee network, Jennifer Emerson is an active community volunteer with the Houston Area Women's Center. As a member of Shell's Speaker Resource group, she presents talks on the energy challenge and also sits on STEM education panels to share the importance of STEM-related careers. "I have two children and I want them and other children to find science fun. We need our young people to bring about future innovation, and to do that, you really have to start early," she says.



2013 SHELL EDUCATION ACTIVITIES AND PROJECTS

- 1 Students attending a Shell-sponsored NEXUS performance at the Houston Grand Opera.
- 2 Shell career awareness speaker at HENNAC in New Orleans.

AGENCY PROFILE 2:

Rice University's
Baker Institute**THE PROBLEM**

Progress, innovation and the overall well-being of society depend on knowledge and innovations resulting from advances in science and technology. However, U.S. student proficiency and achievement in STEM has declined, creating a deficiency in knowledge to develop and understand relevant energy policies and meet the future workforce needs of Shell.

THE GOAL

By partnering with the Baker Institute for Public Policy Civic Scientist Program, Shell will create a more informed and engaged public, improving science policy in both the private and public sectors. Leading scientists will bridge the gap between science and society as they discuss their fields and careers, promoting science and technology to the next generation of STEM leaders and influencers while supporting Shell's objective to be the most competitive and innovative energy company.

THE STRATEGY

- Scientists and engineers from Rice University engage with local middle and high school students to spark their interest in science.
- Through bi-annual lectures, leading scientists share the broader impacts of science and technology and their policy relevance outside of the laboratory.

THE RESULTS

- Approximately 2,400 students are impacted through engagements with scientists and engineers from Rice University, the Texas Medical Center and industry, with topics ranging from tissue engineering to introduction to nanotechnology and hands-on projects, including a brain lab and a civil engineering bridge-building session.
- Of female students, 80% indicated increased knowledge of STEM as a result of participating in these lectures.
- 75% of all students reported that the lectures made them more aware of the real-life applications of STEM.

AGENCY PROFILE 3:

Houston Museum of
Natural Science Shell
Educator Previews
Program**THE PROBLEM**

According to the National Math and Science Initiative, the U.S. is facing drastic challenges in STEM education and may be short by as many as 3 million high-skilled workers by 2018. Two-thirds of those jobs will require at least some post-secondary education to meet future workforce needs. With the great crew change coming with retirement of the Baby Boomer generation, access to a qualified workforce is critical to Shell businesses.

THE GOAL

Shell partners with the Houston Museum of Natural Science to expose a broad cross-section of students and teachers in Houston to museum exhibitions to encourage learning and support positive attitudes toward science and careers in STEM.

THE STRATEGY

- Actively engage teachers through free exhibit previews where they can explore educational content that improves science delivery in the classroom, supports positive attitudes toward science, and promotes interest in STEM careers.
- Provide teachers with networking and collaboration opportunities and curriculum for exhibits that tie to state of Texas testing objectives that improve student achievement and teacher instructional methods.

THE RESULTS

Over 900,000 students from 54 Texas school districts improved understanding and application of science concepts in the exhibits by 1,000 teachers participating in the Shell Educator Previews.

Community

OVERVIEW

The strength of our nation lies in the health of our local communities. Shell supports programs that help build strong communities where we live and work.

In 2013, Shell invested in 21 programs that served more than 3.9 million people. The programs foster civic engagement, support health and human services, increase participation in the fine and cultural arts, provide relief after natural disasters and increase volunteerism.

The impact: Social investment that facilitates community improvement and participation by a diverse population helps us build sustainable communities that attract a qualified workforce. It also provides opportunities for our employees to grow as individuals and leaders.



The Problem

Chronic Hunger

A critical component to a healthy and productive life is nutrition, yet more than 50 million individuals in the U.S. do not have resources to consistently access nutritious and adequate amounts of food. Children at nutritional risk are sick more often, recover from illness more slowly and are hospitalized and miss school more frequently, contributing to a workforce pool that is less competitive, with lower levels of educational and technical skills.



Backpack
Buddy 

The Collaboration

Buddy Program



Shell works with agencies like the **Houston Food Bank's Backpack Buddy Program** to provide nutritious food to low-income, food-insecure children.

The Strategies

Commitment

- > **On Fridays**, participating schools send children home with child-friendly, nonperishable, easily consumed and vitamin-fortified food. The food is given to the children discreetly to avoid inviting unwanted attention.
- > **Provide nutrition education** on various health topics so families can provide nutritious food for themselves and their families.
- > **Engage volunteers**, including Shell employees, in supporting the program.



The Measurement

Our Success

In 2013, more than 280,000 backpacks were distributed, improving students' ability, once back in the classroom, to concentrate, excel and live up to their full potential.

The Goal

Weekend Meals

Provide children who rely on free or reduced-priced lunches during the school year to have healthy food to take home on the weekends, which will improve their overall health and academic outcomes.



The Result

Better Prepared

Multiple studies have indicated that food insufficiency is associated with significantly poorer cognitive functioning, decreased school attendance or diminished academic achievement. Both Shell and the communities in which we operate benefit from a pool of educated and healthy workers, ranging from high school and vocational school through higher education.



Community

SHELL HERO STORY:

Myrna Velez has a passion for volunteering. She can be found assisting families with small children during the Random Act of Kindness Day at the Houston Livestock Show and Rodeo or giving tours during the Shell Eco-marathon and Shell Houston Grand Prix. Velez was introduced to the concept of sustainable development when she joined the company in her native Puerto Rico 27 years ago. "Helping people and teaching them about energy is what really gets to me," she says.

“Shell has a true interest in helping the community.

I love

being a part of it.”

Myrna Velez

*Global Human Resources
Account Manager*



AGENCY PROFILE ②:

Interfaith Ministries Meals on Wheels Program

THE PROBLEM

Homebound seniors without caregivers lack access to healthcare and nutritional meals. By providing daily contact with seniors through home visits in which volunteers deliver meals as well as check on the safety and well-being of seniors, more aging adults can live independently, reducing health care costs and creating stronger communities.

THE GOAL

Reduce food insecurity and increase access to nutritious food for seniors.

THE STRATEGY

- Provide fleet and volunteers to prepare and deliver meals to homebound seniors.
- Provide pet food to animals (aniMeals on Wheels) that serve as companions to seniors and help increase their mental health.
- Address hunger by implementing evidence-based programs to promote self-sustainability.

THE RESULTS

Meals on Wheels for Greater Houston is able to serve seniors, with the help of partners like the Harris County Area Agency on Aging. In conjunction with the Harris County Community Services Department, Interfaith Ministries is able to reach out to the remote areas of Harris County, serving seniors across the county. Such collaborations between government, NGOs and business often can solve a problem more effectively than acting alone.

AGENCY PROFILE ③:

Casa de Esperanza de los Ninos Inc.

THE PROBLEM

According to the Texas Department of Family and Protective Services, Texas has one of the highest rates of child abuse and neglect. Each day, 176 children are confirmed victims, with seven children abused or neglected every hour, and more than four children dying from abuse or neglect each week. Children who survive often suffer lifelong trauma, impeding their ability to develop into adults equipped with the necessary skills to contribute to a vibrant and innovative workforce.

THE GOAL

Create a stronger community by breaking the family cycles of abuse and other risk factors to children of families in crisis and foster home environments that allow children to reach their full potential and become contributing members of our community.

THE STRATEGY

- Early intervention to provide a safe home and services to promote safety, good health and nutrition and age-appropriate development.
- Family intervention so parents obtain services they need to provide a safe, stable home for their children, including those affected by HIV/AIDS.

THE RESULTS

Children receive medical care and nutrition for optimum health and attain age-appropriate development milestones. The resulting stable home environment encourages growth and development and future educational success, which positively impacts the future talent pipeline for companies like Shell and Motiva the community at large.

2013 SHELL COMMUNITY ACTIVITIES AND PROJECTS

- ① Shell and Neighborhood Centers Inc. (NCI) kicked off the For Good Initiative at the 2014 Urban Harvest Farmers Market in front of Houston City Hall.
- ② More than 250 Shell and Motiva volunteers participated in the Fourth Annual Mayor's Back to School Fest to help students start the school year ready to learn.

At Shell and Motiva, heroes come in all shapes and sizes. They are found helping out at community charity events – such as fun runs or beach cleanups. They serve on boards of local nonprofits or volunteer their time mentoring young students.

That's the beauty of the Shell and Motiva HERO employee giving Campaign. Standing for Helping Employees Reach Out, the campaign provides a wide variety of opportunities for employees to give back, from participating in the annual United Way campaign to volunteering time and financial resources to local and national nonprofits. Shell and Motiva match employee contributions up to \$7,500 per employee per calendar year.

Since the HERO campaign was introduced two years ago, both employee giving and employee participation have increased by 43%. In 2013, Shell and Motiva employees raised more than \$9.9 million in employee and corporate match contributions and volunteered more than 7,000 hours in the community.

“Our employees

play a key role in our social investment activities. HERO employee giving and volunteering provides them with many opportunities for engagement and to make our communities better places to live and work.”



Bruce Culpepper

*Executive Vice President HR
Upstream Americas / Americas Ops*

✓ ENVIRONMENT

Volunteers, such as this one at the Nicholls State University Farm in Louisiana, work to replant native plants critical to improving local habitats.



✓ COMMUNITY

Volunteer projects, such as the MLK National Day of Service at the Houston Food Bank, can be a family event.



⬆ EDUCATION

2013 TAME Trailblazer II
Launch - Houston, Texas



⬆ ENVIRONMENT

Floating islands can gradually reduce (attenuate) wave action which can help protect shorelines at projects in partnerships with the Coastal Conservation Association & America's Wetland Foundation.