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Shell Quest

2013 Stakeholder Engagement

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Part 1 – Approach to Stakeholder Engagement

Shell Canada is committed to building and maintaining respectful relationships with our stakeholders for our current operations and future projects. We recognize the interest that stakeholders have in our business and understand how our operations and plans could potentially affect them. Shell has entered into an ongoing dialogue with stakeholders and seeks appropriate ways to contribute to the well-being of the communities in the vicinity of our operations and planned future developments. Shell takes the time to listen to what stakeholders have to say and provides a timely response in adherence to the principles of shared process, respect, timeliness, relationships, communication, responsiveness, and accountability.

1.0 Principles

The Athabasca Oil Sands Project developed Consultation Principles to provide a framework for our consultation strategies which include:

Shared Process – Design consultation programs based on public input, taking into consideration their knowledge in areas where Shell operates or plans to operate.

Respect – Respect individual values. Consultation recognizes the legitimacy of peoples’ concerns and the valuable input they could provide.

Timeliness – Start consultation early. Provide social and environmental information and resources to ensure that the public and regulators are informed when participating in the consultation process. (Disclose all relevant information as long as it does not affect Shell’s competitive position.) Use appropriate methods of communication to proactively provide frequent updates to all stakeholders and respond to questions and requests for information in a timely way.

Relationships – Establish and maintain long-term relationships with key stakeholders through interaction, working teams and general involvement in the project. Meet and work with stakeholders face-to-face whenever possible.

Responsiveness – Adapt plans based on stakeholder input and provide feedback on how input has affected plans and decisions. Establish feedback mechanisms to ensure that input is being captured and concerns addressed on an ongoing basis.

Accountability – Trust that representatives of interest groups are accountable to the organizations they represent.

Communication – Consult closely with communities and interested parties affected by the project and regulatory process. Gather and listen to feedback and work with people to resolve any concerns that might be identified.

1.1 Good Neighbour Policy

Shell's objective is to develop a mutually prosperous, long-term relationship with our neighbours living in close proximity to our operations.

- We will use the following principles as a guide in developing such a relationship:
- We will earn trust and respect at an early stage through honest, open and proactive communication.
- We will, on an ongoing basis, involve our neighbours in decisions that impact them with the objective of finding solutions that both parties view as positive over the long term.
- We will construct and operate our operations in an environmentally responsible and economically robust manner.
- We will use and encourage local businesses – where they are competitive and can meet Shell's requirements.
- We will ensure that the jobs created by our operations are filled by its neighbours whenever possible – but always on a strictly merit basis. To help make this happen, we will as necessary work with our neighbours, contractors, educational institutions and other producers to develop the skills required.

1.2 Dialogue, Decide & Deliver Model

A consultation tool that Shell uses is the 'Dialogue, Decide and Deliver' model.

Dialogue – input is gathered in consultation with communities, individuals and groups. We consult with stakeholders to identify and understand their issues and concerns through:

- Individual stakeholder meetings
- Multi-stakeholder committees and meetings
- Workshops and open houses
- Project updates and presentations

Decide – we have learned to involve our neighbours in decisions regarding their concerns so that opportunities are identified to mitigate their issues and concerns. A decision is made on what can and cannot be implemented and reviewed with stakeholders. Our experience demonstrates that their involvement improves the sustainability of our decisions.

Deliver – once we take a clearly defined decision, we then strive to deliver faultlessly what has been promised. This is important to Shell's reputation in the stakeholder community.

Part 2 – Context

2.0 Consultation Environment

2.0.1 Consultation History

Consultation for the Quest CCS Project began in 2008 and included face to face meetings with landowners along the pipeline right of way, open houses which were publicly advertised, Quest café meetings which were facilitated meetings with community leaders to discuss issues and concerns, Shell presence at local community events to provide an opportunity for dialogue about the project to stakeholders who may not have been able to attend open houses, updates to town and county council, and project updates via letter and newsletter. Throughout the consultation process, not many concerns were raised which was reflected at the ERCB hearing with few interveners. Regulatory applications were submitted for the project in November 2010, and a regulatory hearing was held in March 2011. The project received regulatory approval in 2011 and Shell (and joint venture partners Chevron and Marathon) made a final investment decision to go ahead with the project in Sept 2012. Quest construction has begun with the capture portion of the project at the Scotford site, and to date there have not been any concerns related to this activity.

Shell continues to build and maintain relations with key county representatives and opinion leaders. Understanding the community and how best to work together to ensure community concerns and project impacts are managed and mitigated wherever possible is central to Shell's ongoing approach to Quest and Scotford communities. One key aspect of Shell's stakeholder engagement centres on the Quest community advisory panel (CAP) which was set up in the fall of 2012 for the measurement, monitoring and verification program for Quest. Members of this group are a cross-section of the local community, and also include academics, representation from Energy Resources Conservation Board, and Thorhild Emergency Services. The CAP's mission is to help communicate updates about Quest including the reporting from the measuring, monitoring and verification (MMV). CAP members were provided with a tour of the Quest pipeline river crossing site, the Scotford capture facility and the Scotford fire hall facility in September 2013. Shell continues to engage with the community and stakeholders through face to face communication at open houses, visits to landowners and occupants along the pipeline, community coffee sessions, county and municipal government updates, a newsletter and being responsive to community concerns, should they arise.

2.0.2 Quest Community Sensing:

2012 Quest Community Survey:

Shell conducted a benchmark community survey in the Quest CCS Project area of Thorhild County in fall 2012. A total of 211 randomly selected adult residents within the towns of Radway and Thorhild were interviewed via telephone.

After reviewing survey results Shell developed plans to improve in areas such as; community awareness of Shell's social investment contributions to the community, knowing how to contact Shell and more information about the work Shell is doing in the area.

Shell uses internal/external audits, and community surveys to better understand community issues and concerns. This information is used to help focus stakeholder engagement efforts and to identify and manage impacts on the community.

2.0.3 Aboriginal History

Some Aboriginal groups have expressed interest in Shell's growth plans. Shell's representatives have met with Saddle Lake Cree representatives who were interested in the Quest CCS Project. Shell's engagement was responsive, as would be the case for any interested party.

2.0.4 NGO Engagement

Shell has engaged with local and national NGOs on a strategic basis depending on the project needs and area of activity.

Shell has a process for managing key global stakeholder groups and appointed Shell personnel who are responsible for managing stakeholder relationships on an ongoing basis, coordinated by the NGO Engagement Specialist. The global stakeholder groups include inter-governmental organisations, socially responsible investors, think tanks, international foundations and non-governmental organisations, including environmental pressure groups.

Part 3 – Process

3.0 Stakeholder Identification

3.0.1 Stakeholder Identification

Stakeholders and/or Communities of Interest are defined as any individual or group who have an interest in, or believe that they may be impacted by, or who is in a position to influence Shell's business, and/or the regulatory approval of the project.

Shell Scotford and Quest CCS Project stakeholders include the following:

Stakeholder

Scotford Residential and Industrial neighbours
(incl. those within HVP EPZ)

Commercial Industrial landowners

Local Communities (Fort Sask, Radway, Thorhild, Bruderheim, etc.)

Quest residential neighbours (incl. 450m EPZ for pipeline and well site)

Quest industrial neighbours (incl. 450m EPZ)

Quest Community Advisory Panel

Others interested;

 Citizens for Responsible Development

 Multi Land Users (snowmobile association)

NGO/ENGO

Provincial Govt (regulators & agencies) ERCB, AENV,
ASRD, AB Energy, Alberta Health & Wellness)
Federal Govt (regulators & agencies) -DFO,
Transport Canada, Environment Canada
Municipal Govt and Town Councils
Emergency Responders (County / City)
Aboriginal (interested parties)
Regional Associations (AIHA, Land Trust, NCIA, NRCAER, FAP)
Joint Venture Partners (Marathon and Chevron)
Employees
Local Businesses & Associations (Chamber, Rotary, Lions etc.)
Media (local, Provincial, National, Intl.)

3.1 Issues Identification

Issues of concern are most often identified by our stakeholders in regular consultation, engagement activities such as community meetings, update presentations, open houses and community surveys. Top priority issues have been identified, and a corresponding action plan developed. New and existing issues will continue to be assessed on a regular basis. Those that need higher consideration will be identified and when needed, an action plan will be developed accordingly.

3.1.1 Issues Management Process

During the process of consulting with stakeholders, issues may arise that impact the project. These concerns are brought back to the project team who may consider various options for mitigating the concern. These options are assessed and evaluated by the project team (as well as the stakeholder) until a decision is reached. This is an iterative process and may require one or more feedback loops before a solution is arrived at that is acceptable to all.