Sustainability assessment for projects and other business decisions in Shell Canada

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SD in the business culture of Shell

- Integrating economic, environmental and social considerations in the decision-making process across all our business activities
- Addressing both short-term and long-term needs
- Meeting our SD commitments and working with stakeholders
- Providing products and services in a profitable and environmentally and socially responsible manner

Defining the business case for SD

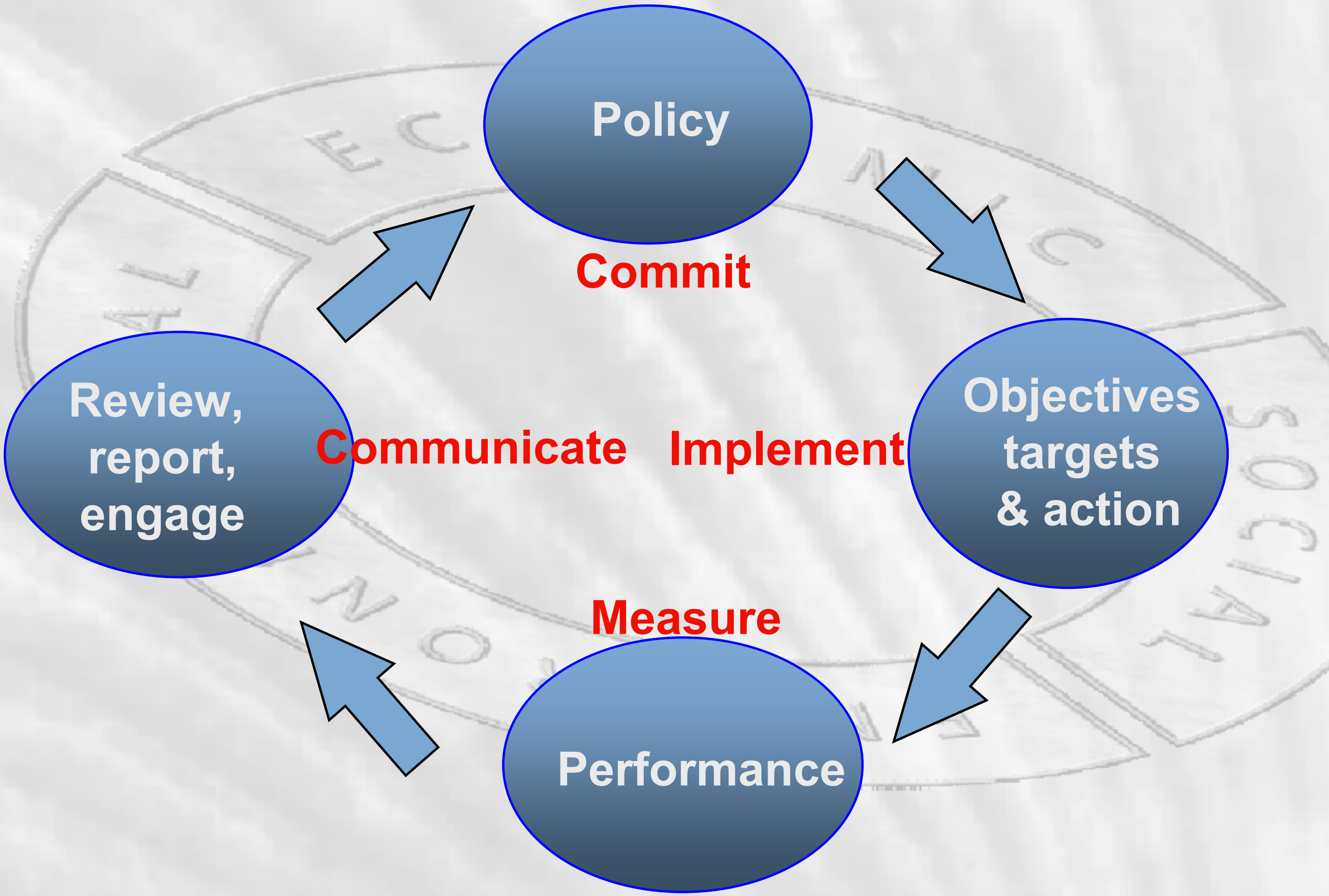
- Improving eco-efficiency
- Reducing risk
- Influencing product and service innovation
- Attracting people and customers
- Enhancing reputation

Leadership in profitability and profitable growth with an overarching commitment to SD

Progress toward SD

1990	First SD Policy adopted
1991	First SD Report published
1997	Commitment to dialogue, decide and deliver embedded into Oil Sands Project planning
2000	Shell Canada Climate Change Advisory Panel established
2001	ISO 14001 registration achieved
2003	Revised Commitment to SD

SD integration



Sustainability assessment

- An analysis of a project plan/other business proposal to determine how sustainable are its objectives, outcomes and overall goal
- Sustainability may be gauged by the project/proposal's capacity for delivering economic, environmental and social benefits while controlling or minimizing any negative impacts associated with its development, implementation and, ultimately its termination

Scope

- The sustainability assessment tool is designed for use during the initial planning phase of a project/proposal

Method

- Sustainability is measured against seven SD principles
- For each principle, a guide is given on what would be considered sustainable
- Each component is evaluated against this guide and performance measures/indicators and recorded as a risk benefit assessment
- Decisions are reached (ideally) following group discussion

Generate robust profitability

Deliver value to customers

Protect the environment

Respect and safeguard people

Manage resources

Work with stakeholders

Benefit communities

Sustainability analysis

Shell SD Principle	Description	RBA *
ECONOMIC ASPECTS		
1. Generate robust profitability	Successful financial performance is essential to our sustainable future and contributes to the prosperity of society	
2. Deliver value to customers	Customers are the lifeblood of our business. We seek constantly to strengthen existing customer relationships and develop new ones.	
ENVIRONMENTAL ASPECTS		
3. Protect the environment	The natural environment supports all human activity. We continually look for new ways to reduce the environmental impact of our operations, products and services throughout their life.	
4. Manage resources	Efficient use of natural resources, for example, energy, land and water, reduces our costs and respects the needs of future generations. We constantly look for ways to minimize their use.	
SOCIAL ASPECTS		
5. Respect and safeguard people	We aim to treat everyone with respect. We strive to protect people from harm from our products and operations	
6. Benefit communities	Wherever we work we are part of a local community. We will constantly look for appropriate ways to contribute to the general well being of the community and the broader societies who grant our license to operate.	
7. Work with stakeholders	We affect, and are affected by, many different groups of people, our stakeholders. We aim to recognize their interest in our business and to listen and respond to them.	
Overall SD Evaluation		

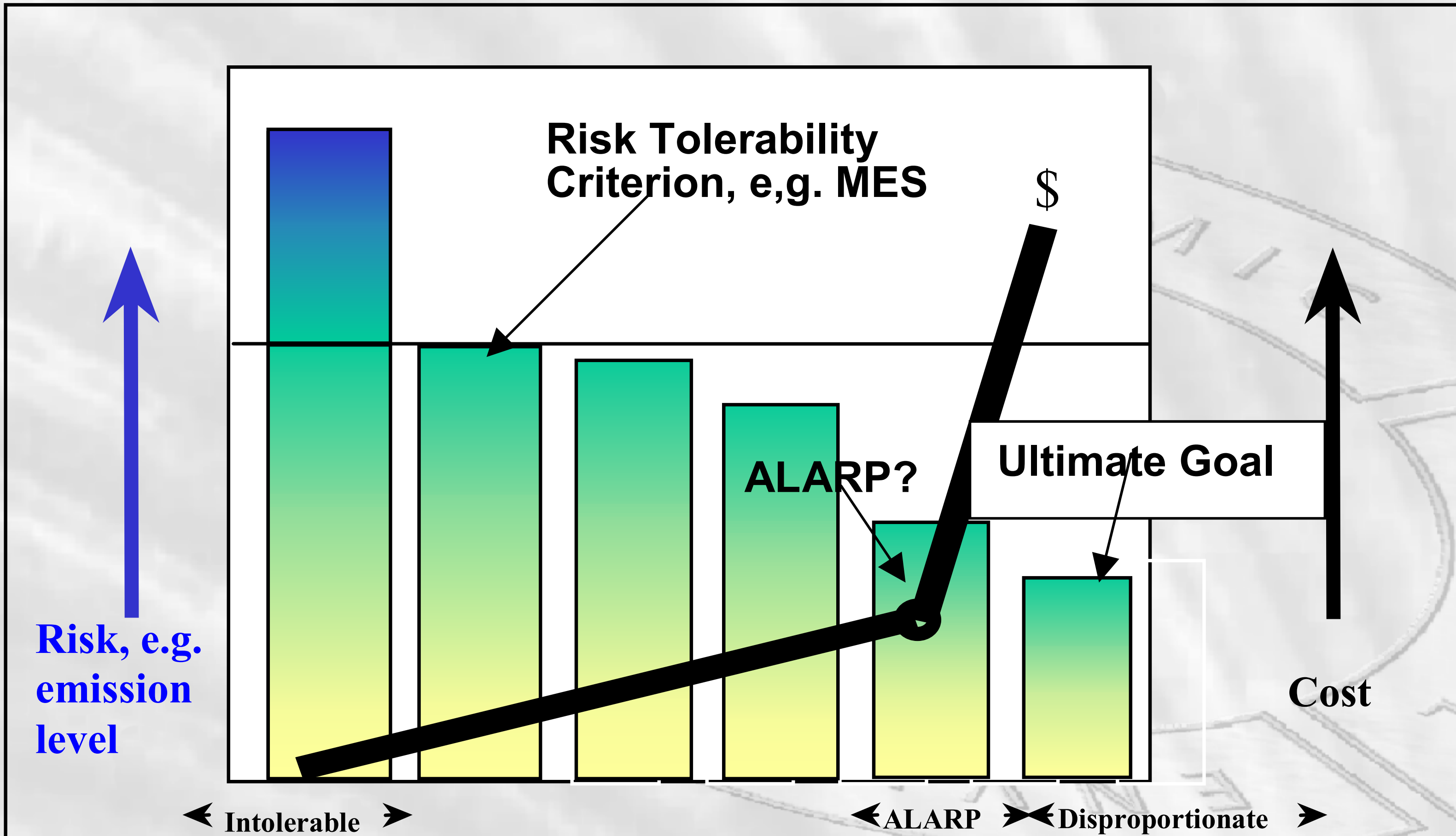
ALARP

- A process to reduce a risk to a level, which is "*as low as reasonably practicable*"

- ALARP involves balancing reduction in risk against the time, effort, difficulty and cost of achieving it

- This level presents the point, objectively assessed, at which time, effort, difficulty and cost of further reduction measures become unreasonably disproportionate to the additional risk/emission reduction achieved

ALARP concept



Sustainability analysis: scoring

Score	Significance
Very positive (++)	Acceptable, benefits clearly outweigh risks
Positive (+),	Acceptable, benefits outweigh risks
Neutral	Acceptable
Negative (-),	Requires further investigation and/or risk mitigation
Very Negative (- -)	Unacceptable unless adequate risk mitigation can be demonstrated

Closing remarks

- External inputs (stakeholder engagement) should be accommodated in sustainability analysis where this does not compromise confidentiality
- ALARP provides a useful framework for risk analysis. A similar approach for “benefit analysis” is needed
- Sustainability is strongly coupled to the consequences of development. Sustainability analysis is also required post-planning- throughout the whole project cycle

Contacts and references

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