

Shell in the Niger Delta: A Framework for Change

Action guide



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As ECCR's report *Shell in the Niger Delta* shows, impacts of oil extraction have been severe for Niger Delta communities and for the natural environment on which they depend. While Western society remains highly oil-dependent, virtually all of us - one way or another - benefit from the oil extracted by Shell in Nigeria.

In addition to our role as consumers of oil, those of us who own shares in Shell individually, institutionally or through managed funds¹ - or whose pension fund, bank or insurance company holds such investments - have moral responsibility for what is done in our name by Shell in the Niger Delta.

This report offers 10 recommendations² to Royal Dutch Shell Plc and SPDC (Shell Petroleum Development Company of Nigeria) to address the problems identified.

What you can do

Institutional and individual investors and concerned citizens can help raise awareness and engage with the company and other stakeholders on the issues. You can share concerns raised in the report and the recommendations offered directly with Shell, and/or with your fund manager, pension fund, bank or insurance company - almost all of whom will have invested in Shell or considered doing so.

Encourage Shell to implement the report's recommendations by writing to the company and/or by asking a question at its next Annual General Meeting (AGM). A model letter is provided below. You can also write to your fund manager, pension fund, bank or insurance company, asking them to raise the recommendations with Shell.

You could also write a letter or article about the issue for your church or local newsletter or newspaper, and/or raise your concerns in any other group you are involved with, using points from the executive summary or full report.

For more help with the practicalities of taking action, see ECCR's free publication, *Investment and Engaging with Companies: A Guide for Faith Communities*, available for download at www.eccr.org.uk/Publications or on request from ECCR.

Let ECCR know about any action you take. Please inform ECCR of any dialogue you have with Shell and/or fund managers or other financial institutions on this issue and any response you receive. If possible, send us copies of your correspondence.

Institutional investors may have an existing relationship with Shell and be readily able to secure a meeting. Discuss company policy and practice regarding the Niger Delta and urge Shell to adopt the report's recommendations. Make it publicly known - for example, in your annual report - that your institution is aware of the difficult situation in the Delta, so helping raise awareness among your customers and other stakeholders.

People investing indirectly through managed funds can draw the issue to the attention of fund managers. Alert your fund manager to the report and its recommendations. Ask whether your

¹ Managed funds are where an investor buys into a fund managed by professional investment managers who choose which investments are bought. This type of investment includes some pension funds, unit trusts, and stocks and shares ISAs.

² See report pp. 79-81 and executive summary.

money is invested in Shell and if so ask that they engage with the company on your behalf by encouraging it to adopt the recommendations.

Individual investors can raise concerns in writing or by asking a question at Shell's AGM. We recommend that you highlight no more than two or three of the recommendations.

- Write to Shell Chief Executive Peter Voser (contact details below). State whether you have shares in the company.
- Asking an AGM question is a good way to draw your concerns to the attention of board members and many other shareholders. Carefully prepare your question (ECCR can assist with this).

Individuals and institutions holding shares through nominees³ will need the co-operation of their nominee company to attend Shell's AGM.

Model letter to Shell

Use or adapt this letter when writing to Shell. Tailor your letter on the basis of your particular concerns and your relationship with the company.

Peter Voser
Chief Executive
Royal Dutch Shell Plc
Carel van Bylandtlaan 16
2596 HR The Hague
The Netherlands

Dear Mr Voser

Shell in the Niger Delta

The report *Shell in the Niger Delta: A Framework for Change*, published by the Ecumenical Council for Corporate Responsibility (ECCR), raises serious concerns about the impact of the oil industry - and especially Shell's operations - on communities and the environment in the Niger Delta.

I am / we are concerned that Shell's operations in the Delta have not fully met international social and environmental standards and have contributed to pollution and poverty, while local communities have been excluded from decisions affecting their lives and have become bitterly disillusioned.

Steps that you could take to make improvements include:

[list two or three recommendations made in the report]

As (a) Shell shareholder(s) / concerned citizen(s), I / we would like to know what steps you will take to act on these recommendations and over what time frame. I / we encourage you to report publicly so that stakeholders can make informed assessments of Shell's progress on these issues.

I / we look forward to your reply.

Yours sincerely

³ Shares are held through an intermediary known as the nominee when the nominee's name features in the company register, and the investor (known as the beneficiary) receives the shareholder's dividend. Both individuals and groups can be nominee investors; shares can be held as an individual account or in a pooled account.