

“Meeting the needs of the present without compromising the ability of future generations to meet their own needs”.

The most widely used definition of Sustainable Development is that of the Brundtland Commission.

## WHAT IS SUSTAINABLE DEVELOPMENT?

At the heart of Sustainable Development (SD) is the simple idea of ensuring a better quality of life for everyone, now and for generations to come. Pressing societal concerns - such as increasing extremes of poverty and wealth, exponential population growth, biodiversity loss, deteriorating air and water quality and climate change – are all seen as threats to the quality of life.

If society is to advance and develop without jeopardising the prospects for future generations, then we must take into account the environment and social consequences of our activities, as well as the economic benefits.

We must all think about both the long and short term implications of our decisions. These are the challenges of sustainable development.

### SHELL MALAYSIA'S APPROACH

Globally Shell companies seek to contribute to sustainable development in three closely interconnected ways.

First, by helping to meet the global energy challenge. This means providing the extra energy the world needs to develop, including more oil and natural gas; helping to provide access to modern energy for the two billion people who currently live without it; and offering more and more customers cleaner products. It also means helping the world gradually shift to a low-carbon energy system by providing more natural gas, and by lowering the unit costs of alternatives such as wind, solar power, and fuels from plants (biofuels).

Second, by working to improve the environmental performance of our operations, reducing our emissions and our impact on biodiversity, and using less energy, water and other resources and by greening the supply chain.

Third, by taking steps to improve our social performance. This means safeguarding the health and safety of our employees and neighbours, reducing disruptions to the community, and creating lasting economic benefits, for example by employing and developing local people and using local contractors and suppliers.

To embed these considerations into our daily activities and to help turn this approach into practical action, we have defined seven SD Principles, which have been adopted Group-wide.

In this report, Shell Malaysia seeks to communicate openly and transparently on the activities that we have undertaken over 2005 to ensure the continued integration of these principles into our Company's activities.

We believe that taking a broader, more integrated approach to our business not only reflects our values, but it will also create value and provide us with a competitive advantage.

