

**THE VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS: OVERVIEW OF IMPLEMENTATION BY SHELL IN 2018**

**Introduction**

1. Since their development in 2000, companies in the Shell Group<sup>1</sup> have actively implemented the Voluntary Principles on Security and Human Rights (VPSHR, or VPs), which guide companies in assessing human rights risks when working with public and private security. Security staff and contractors have been trained in the VPs and we have incorporated them into our core security-related processes and contracts.
2. In 2018, implementation of the VPs continued across Shell companies. Practical implementation included: conducting and updating VPSHR risk assessments; briefing key internal and external stakeholders on human rights risks; delivering VPSHR training to staff and contractors; and ensuring that we monitored for any incidents, allegations or grievances related to our security operations. This report summarises our overall approach and key activities, with several country-specific examples.

**Commitment**

3. As a participant in the Voluntary Principles Initiative (VPI) and a member of IPIECA, Shell is actively engaged in the ongoing global dialogue around business and human rights. Respect for human rights is fundamental to Shell’s core values of honesty, integrity and respect for people, and Shell’s General Business Principles include an explicit commitment to human rights: to *“respect the human rights of our employees”* and to *“support fundamental human rights in line with the legitimate role of business”*. Shell’s Code of Conduct states that, *“conducting our activities in a manner that respects human rights as set out in the UN Universal Declaration of Human Rights and the core conventions of the International Labour Organization supports our license to operate”*.
4. In 2018, Shell actively participated as the chair (until March) of the Corporate Pillar of the Voluntary Principles Initiative (VPI) and (for the whole year) as a member of the VPI’s Steering Committee. Working with the other members of the Steering Committee, we

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<sup>1</sup> Royal Dutch Shell plc and the companies in which it directly or indirectly owns investments are separate and distinct entities. The collective expressions ‘Shell’ and ‘Shell Group’ may be used for convenience where reference is made in general to those companies. Likewise, the words ‘we’, ‘us’ and ‘our’ are used in some places to refer to the companies of the Shell Group in general. These expressions are also used where no useful purpose is served by identifying any particular company or companies.

took the lead in organising and convening the Annual Plenary meeting in Washington DC, with an agenda focused on sharing experience and best practice across participants. Shell was also actively involved in supporting the in-country implementation working groups in Nigeria and Myanmar. As part of that effort, we supported, enabled and participated in the VPI Steering Committee visit to Nigeria, which aimed to raise awareness of the VPs. We also participated in a series of VPSHR workshops with government, civil society, corporate and private security stakeholders in Myanmar, sharing some of the lessons and experience we have learnt from implementing the VPs in other locations.

5. Our implementation of the VPs forms part of our wider approach to human rights and to conducting responsible and sustainable business. For insight into Shell’s work in this area, please refer to our [Sustainability Report](#).

### **Policies, Procedures and Related Activities**

6. The Shell General Business Principles require our employees and contractors to respect the human rights of fellow workers and communities where we operate. Shell’s human rights approach focuses on four areas - communities, labour, supply chain and security. Shell’s Human Rights Working Group (HRWG), on which Corporate Security is represented, co-ordinates our overall approach.
7. Requirements for the implementation of the VPs are included in the Security Standards and Security Manual section of Shell’s Health, Safety, Security, and Environment & Social Performance (HSSE & SP) Control Framework. In line with Shell’s Security Standards, security risk management is conducted in accordance with applicable national legal requirements and internationally recognised standards, including the VPs. Compliance with the security standards is reviewed regularly through audits and business assurance processes.
8. Shell’s Corporate Security team provides functional support on the VPs by developing policies, processes, guidance and training. In addition, it provides advice and support to the various companies to implement the VPSHR, including support in risk assessments, risk mitigation, training, briefings, audits and self-assessments.
9. In 2018, country level VPSHR risk assessments were completed or updated where appropriate given the prevailing security environment. These country-level VPSHR risk assessments were completed using a risk assessment template derived from the VPI’s Implementation Guidance Tool (IGT), designed to help companies, their employees and contractors to implement VPSHR.

10. Language on the VPs and the Shell Group requirements on the Use of Force are included in our private security contracts.
11. Shell operates an incident management system through which HSSE & SP incidents, including VPSHR incidents, can be reported. Shell’s External Relations teams also manage community feedback mechanisms to ensure that concerns, grievances or questions can be raised.
12. Awareness of the basic principles of the VPs and the risk profile at country or region level is a key requirement for the successful implementation of the VPs. We deliver training and awareness briefings on VPSHR – such as online modules, regional workshops, onsite training delivered by independent third parties, and train the trainer sessions – to both our own staff and third party security providers.

### Country Implementation

13. Progress was made on the in-country implementation of the Voluntary Principles throughout the Shell Group. Below are summaries of activities carried out in 2018 by Shell companies in some of countries we operate in.

#### Nigeria

14. The Shell Companies in Nigeria (‘SCiN’) have their main operations located in the Niger Delta.
15. Implementation of the VPs in Nigeria included the following steps:
  - The VPSHR risk assessment was reviewed in 2018.
  - VPSHR training was conducted for previously untrained SCiN staff, with refreshers for other employees, using a package developed with a third party human rights organisation.
  - Private security forces were briefed on VPSHR prior to deployment on Shell operations, and with quarterly refresher briefings thereafter.
  - VPSHR was discussed at monthly security operations workshops with the Government Security Agencies (GSAs) protecting SCiN operations. This was reinforced by regular, quarterly engagement with Senior and Operational GSA commands.
  - Training was also conducted for GSA personnel prior to deployment on Shell operations, with briefing cards issued on key VPSHR requirements.

## VPSHR – Overview of Shell’s implementation in 2018

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- The SCiN security team liaised with the Civilian Military Co-operation Unit of The Operation Delta Safe regarding the impact of military support to Shell operations in host communities.
- Community outreach continued through community relations platforms, to discuss security issues and allow communities to raise concerns that they may have, with mechanisms in place to provide access to remedy.
- SCiN representatives continued to participate in the Nigeria VPI in-country working group, contributing to that group’s work plan and supporting the VPI Steering Committee’s activities.

### Indonesia

16. Shell Companies in Indonesia are involved in the marketing and distribution of oil products to commercial and retail customers, and also run a number of retail stations.

17. Implementation of the VPs in Indonesia included the following steps:

- The VPSHR risk assessment was reviewed and updated in 2018.
- Engagement was conducted on VPSHR with key internal stakeholders, including the site manager for retail sites, and the team managing anti-counterfeiting operations.
- An awareness raising session on VPSHR and the Use of Force was held with a new private security provider at the Gresik Terminal.
- Private security personnel protecting Shell facilities were trained on VPSHR by the security provider.
- Though they are not directly engaged in protecting Shell operations, engagement sessions were held with local police forces in the vicinity of Shell facilities. This included sharing of Shell’s Use of Force guidelines.

### Iraq

18. Shell’s operations in Iraq centre on the Basrah Gas Company (BGC), a joint venture with the Iraqi government.

19. Implementation of the VPs in Iraq included the following steps:

- The Iraq VPSHR risk assessment was reviewed and updated in October 2018.
- Regular engagements were held on VPSHR for staff within BGC, with a VPSHR component also included as part of their broader security training.
- Close relationships were maintained with the Oil Protection Force (the responsible government security agency), allowing for regular engagement on VPs-related

## VPSHR – Overview of Shell’s implementation in 2018

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issues. As well as day-to-day operations, formal meetings were conducted with the OPF Unit Commander on a fortnightly basis, and with the Commanding General every quarter.

- Shell’s External Relations teams conducted regular outreach to local communities, as well as engaging with local civil society organisations.
- Private security forces continued to be trained on VPSHR as part of their contractual obligations, with input as appropriate from the Shell security team.
- As part of a wider package of capability development, all OPF students continued to receive a briefing session on VPSHR.
- Strong relationships were maintained with the highest levels of the Iraqi government and armed forces, allowing for discussion on VPs-related issues where required.