SUSTAINABLE DEVELOPMENT IN ACTION 2011
Shell companies in the Philippines
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Welcome to the Shell companies in the Philippines (SciP) Sustainable Development (SD) in Action 2011.

Being a global group of energy and petrochemicals companies with around 90,000 employees in more than 80 countries and territories, we in Shell help ensure that the world is ready to help tackle the challenges of the new energy future. The energy challenge facing the world is formidable: deliver much more energy; keep supplies secure; and reduce energy’s environmental and social impacts.

**SD Mindset**

Our commitment to contribute towards sustainable development requires us to balance short and long-term interests, and to integrate economic, environmental and social considerations into our business decision-making. It is how we do business and we believe that it requires a different mindset, or way of thinking – one that everyone in the company must have. This mindset is embedded in our Business Principles, which since 1997 have included our commitment to contribute to sustainable development.

In practice, we contribute to sustainable development by both delivering benefits and reducing our impacts. We look to create lasting social benefits, for example by employing local people and using local contractors and suppliers, and by setting a good example through our business practices and ethics.

At the same time, we work to reduce environmental and social impacts, safeguarding the health and safety of our employees and neighbours, reducing disruptions to the community, lowering our emissions, including GHGs, and our impact on biodiversity, and using less energy, water and other resources.

In all our operations, we never forget our primordial role to be a responsible corporate neighbour – providing not just affordable and environment-friendly source of energy and fuel-efficient technology but also giving support to programmes relating to educating the youth, increasing agricultural productivity, cleaning the environment, road safety, and improving healthcare to name a few.

**Access to cleaner energy and fuel efficient technology**

More access to affordable and cleaner energy is vital for powering national progress and economic development. In

2011, the Shell-operated Malampaya Deep Water Gasto-Power Project marked its 10th year anniversary. This trailblazing investment provides about 30% of the Philippines’ power generation requirements through cleaner-burning natural gas.

Moving forward, we have started implementing Malampaya Phase 2 and Phase 3. These phases of development aim to build additional wells and install compression platforms to extend Malampaya’s production beyond 2020.

In this period of highly volatile transitions and complex economic cycles, conserving energy and promoting energy efficiency remains an important goal to Shell. Hence, in 2011, we launched Shell FuelSave Unleaded and Shell FuelSave Diesel—the most advanced Shell fuel economy formula to date, designed to promote smarter mobility by helping customers save up to one litre of fuel per tank.

**Working with and accomplishing through others**

SciP continues to partner with international organisations, academia, business organisations, NGOs and government agencies to deliver and inculcate the benefits of innovation, safety, smarter mobility, and cleaner energy such as natural gas.

I am particularly proud of the many achievements of Pilipinas Shell Foundation, Inc. (PSFI) – SciP’s corporate foundation and social arm - as it has empowered more than five million Filipinos to lead more productive lives through its various social investment programmes in the country.

I am happy to report that our commitment to sustainable development has not gone unnoticed. In fact, Shell has been recognised by the Federation of Philippine Industries as the Most Outstanding Corporation in the Practice of Corporate Social Responsibility for 2011.

Shell’s commitment to sustainable development is, indeed, part of our core values. We could not have done all these, however, without the continued support of the men and women of SciP especially the selfless dedication of PSFI staff. We also gratefully acknowledge our many partners in the public and private sectors, our consumers, and all the non-government organisations that have

**BEING A GLOBAL GROUP OF ENERGY AND PETROCHEMICALS COMPANIES WITH AROUND 90,000 EMPLOYEES IN MORE THAN 80 COUNTRIES AND TERRITORIES, WE IN SHELL HELP ENSURE THAT THE WORLD IS READY TO HELP TACKLE THE CHALLENGES OF THE NEW ENERGY FUTURE. THE ENERGY CHALLENGE FACING THE WORLD IS FORMIDABLE: DELIVER MORE ENERGY; KEEP SUPPLIES SECURE; AND REDUCE ENERGY’S ENVIRONMENTAL AND SOCIAL IMPACTS.**

been supporting Shell for many, many years.

We hope you appreciate the stories featured in this publication which does not only showcase our milestones, but also shows how Shell promotes sustainable development for nation building and a better energy future for all.

*Mabuhay tayong lahat!*

Edgar O. Chua  
Country Chairman  
Shell companies in the Philippines
MOVING FORWARD:

EXPLORING NEW ENERGY SOURCES
AS A GLOBAL ENERGY COMPANY THAT HELPS POWER AND SUSTAIN LIVES, SHELL’S COMMITMENT IS TO DEVELOP NEW ENERGY SOURCES AND EXPLORE ADVANCED TECHNOLOGIES AND INNOVATIONS. THIS INTEGRATED APPROACH THAT ALLOWS THE DELIVERY OF AND ACCESS TO EFFICIENT, SMARTER, AND CLEANER ENERGY MITIGATES IMPACT, AND THUS, HELPS DELIVER A SUSTAINABLE ENERGY FUTURE.

From the cleaner-burning natural gas extracted from deep water and being processed by the Malampaya Deep Water Gas-to-Power Project to its continuing leadership in gas, energy and petrochemicals, it is Shell’s aim to bring innovative solutions to the Philippines as it commits to make the country a more progressive nation, rife with possibilities and opportunities.

**Our Joy Runs Deep**

The discovery of the Camago gas field in 1989 spurred Shell to pursue energy exploration and reduce the country’s dependence on imported fuel. Shell extracts and uses the country’s indigenous natural gas to provide the cleanest burning fossil fuel for use of the Filipino people.

As one of Shell’s prime technology and innovation, Malampaya is one of the largest and most significant industrial endeavours in Philippine history. The Shell-operated Malampaya Deep Water Gas-to-Power Project in offshore Palawan is spearheaded by the Department of Energy (DOE) in cooperation with Shell Philippines Exploration, B.V. (SPEX), which operates the project on behalf of joint venture partners Chevron Malampaya LLC and the Philippine National Oil Company Exploration Corporation (PNOC-EC). Through a diverse energy mix in the country, Shell is helping the government in nation-building and powering communities in the country in a more sustainable manner.

**Our Hopes Made Fresh**

Philippine President Benigno Simeon C. Aquino III acknowledged the massive role that the Malampaya Project plays in nation-building. On August 9, 2011, President Aquino visited the Onshore Gas Plant in Batangas, where he also witnessed the signing of the first contract awarded for the project by the Service Contract 38 (SC38) consortium, which
includes Shell as developer and operator. While maintaining current production levels, the next phase will look to maximise the recovery of indigenous natural gas from the Malampaya and Camago reservoirs. This was a concrete step towards the next phases in the development of the Malampaya Project, to maintain its overall productivity.

**Malampaya’s Next-Phase Development**

Malampaya Phase 2 (MP2) involves drilling and development of two additional wells by 2014, while Malampaya Phase 3 (MP3) involves the design, fabrication and installation of new depletion compression platform adjacent to the existing offshore Malampaya Shallow Water platform located 50 kilometres offshore Northwest Palawan.

These projects will not just generate additional government revenues but also ensure continuous supply of power for Luzon’s energy requirements in the coming years. With the implementation of the MP2 and MP3 projects, the level of gas production committed under existing contracts will be sustained, will generate more jobs, and will help the country’s quest for energy self-sufficiency.

**Opportunity Empowers People**

In addition to the economic benefits of the Malampaya Deep Water Gas-to-Power Project, Shell is committed to improving the standards of living of the people residing in nearby communities. The Malampaya Foundation, Inc. (MFI) provides sustainable health initiatives such as insurance and preventive healthcare programmes to the different communities under its purview.

Furthermore, as MFI adheres to the dictum “Teach them, they will forget. Show them, they may remember. Involve them, and they will understand,” MFI equips the community residents with skills and livelihood opportunities that will allow them to truly take charge of their destiny. The programmes range from providing different skills training projects aimed at helping out-of-school youths and unemployed residents, developing the industrial and agricultural skills essential for local and overseas employment, providing livelihood and enterprise development programmes that promote entrepreneurship and micro-financing, and strengthening cooperatives among the venture’s stakeholders including farmers, fishermen, out-of-school youths, and community residents.

**Driving the Filipino motorists to realise Extraordinary Change**

As part of Shell’s commitment to responsible stewardship of our planet’s natural resources through innovation in fuel technology, July 2011 saw the launch of the most advanced Shell fuel economy formula to date - Shell Fuelsave Unleaded and Shell Fuelsave Diesel. Shell Fuelsave is specially designed to help drivers save up to 1 litre per tank at the same price.
as standard fuels. The key to this new breakthrough in fuel products is the Shell Efficiency Improver. For gas, it works to reduce energy losses by lubricating parts of the engine where oils are less effective. In the case of diesel, it is designed to ignite and burn more effectively than regular diesel, helping to produce more efficient combustion in the engine.

The new Shell FuelSave Unleaded and Shell FuelSave Diesel are another example of Shell’s commitment to sustainable development and the careful cultivation of our natural resources. These products were developed due to the overwhelming customer interest in products that save fuel and reduce driving costs.

Shell FuelSave Unleaded and Shell FuelSave Diesel are innovations in fuel technology and contain the most advanced Shell fuel economy formula to date. These will replace Shell Super Unleaded and Shell Diesoline Ultra, and will become Shell’s most advanced fuel economy fuels in the country to help Filipino drivers be more fuel-efficient.

To educate the driving public about the many benefits involved in using these breakthrough fuel products, Shell tapped popular actor and television personality Ryan Agoncillo as the official Shell FuelSave Ambassador of the Philippines. He headed the country’s first Shell FuelSave Team composed of Mel Anthony Endozo, Adrian Mark Law, Vanessa Santos and Roland Patrick Villareal. These ordinary drivers used to spend a lot on fuel, but have undergone an extensive fuel economy course, boot camp, and training with Shell. The Philippines’ Shell FuelSave Team inspired Filipino drivers to be more fuel-efficient by using their own fuel economy training and experiences to show how saving fuel has helped them cut valuable pesos from their household bills.

Yet, the Shell FuelSave Team aims to do more than educate the driving public about the obvious economic benefits of using innovative fuel technology. In line with Shell’s vision to deliver access to efficient, smarter, and cleaner energy, initiatives such as these help deliver a sustainable future by engaging ordinary people in a continuous conversation about what matters most to them. Shell seeks to build relationships with the communities it serves by constantly developing advanced technologies and innovations that are relevant to the day-to-day lives of the people in these communities.

To further entrench in people’s minds the importance of fuel efficiency and conservation, Shell initiated a worldwide event that successfully set a Guinness World Record for the “Largest Fuel Efficiency Lesson.” Dubbed as Global Shell FuelSave Day, the successful Guinness World Record attempt involved 11 cities across Europe and Asia. Simultaneous training sessions were staged in which motorists learned how to save fuel and cut their driving costs. The simultaneous fuel efficiency lessons took place in Allerød, Denmark; Bangkok, Thailand; Hamburg, Germany; Hong Kong, China; Istanbul, Turkey, Kuala Lumpur, Malaysia; London, UK; and Valkenburg, Netherlands. A total of 3,243 participated in the historic Guinness World Record celebration.

In the Philippines, the Global Shell FuelSave Day was held in Metro Manila and Iloilo City, where 736 Filipino motorists participated in the event that was spurred by a worldwide drive for better fuel efficiency.

At Shell, we believe that our continuous research and development activities on new emerging solutions, advanced technology and innovations are shaping a better future for our customers. We also empower communities to realise their dreams, and make an impact in the lives of ordinary Filipinos. In the end, this wonderful vision of a world less dependent on fossil fuels, more attentive to the delicate balance of our environment, and more responsive to the needs of our people, can only come about when everyone pitches in and does his or her part.

“IT TAKES A VILLAGE TO RAISE A CHILD.” IN THE SAME WAY, THE BRIGHT PROMISE OF OUR SHARED TOMORROWS WILL BE NURTURED AND SUSTAINED BY THE PARTNERSHIP SHELL HAS CULTIVATED WITH ITS CUSTOMERS.

HILLARY CLINTON
ENVIRONMENT CARE AND PROTECTION ARE NEVER “SIDE” OR A “BY THE WAY” ISSUE IN SHELL. THEY ARE CENTRAL TO THE COMPANY’S COMMITMENTS TO ITS COMMUNITIES AND SHAREHOLDERS. AS THE COMPANY STRIVES TO MEET THE COUNTRY’S GROWING ENERGY NEEDS THROUGH INNOVATIONS, SHELL CONSIDERS THE IMPLEMENTATION OF GOOD ENVIRONMENTAL GOVERNANCE PROGRAMMES IMPORTANT. THE COMPANY TAKES EFFECTIVE STEPS TOWARD PROTECTING THE ENVIRONMENT. NURTURING NATURE REMAINS TO BE THE CORE MESSAGE OF SHELL’S ENVIRONMENTAL ADVOCACY.

In implementing its environmental programmes, Shell continuously forges partnerships with relevant institutions and organisations. In 2011, Shell Philippines Exploration, B.V. (SPEX) signed an environmental advocacy agreement with the Department of Environment and Natural Resources (DENR). The partnership involves extensive information campaign for projects such as the Clean Air Campaign, Saving Water Bodies Programme, Solid Waste Management Programme and strengthening the biodiversity protection efforts of SPEX in Mindoro.
CARING FOR THE LAND

Deforestation and soil erosion are constant problems in the country. This is why employees of various Shell companies and affiliates participate in tree planting activities around the country as part of Shell’s environmental stewardship. Planting trees helps in the efforts to curb deforestation and to prevent soil erosion. Even better, trees also absorb CO₂ emissions thereby purifying the air.

"A LITTLE ACT OF PLANTING DOES MAKE A CHANGE FOR OUR PLANET."

DAWN R. DE GUZMAN
BATANGAS COMMUNICATIONS ASSISTANT

Solid Waste Management

Shell launched the Triple B (Bawas Basura sa Barangay) solid waste management (SWM) programme in 2001 to help lessen the waste generated by the communities in Pandacan and to establish a materials recovery facility (MRF) in the barangays. To support the programme, regular technical and capacity-building trainings were conducted, as well as information and education campaigns. Triple B is regarded as one of the most effective waste management programmes in Manila. With approximate gross sales of Php 82,634.25 in 2010, gross earnings in 2011 reached Php 190,353 with net earnings at Php 173,101. Forty percent of the income goes to the salary of the project team while 20% is given to the barangay to fund other community projects. Another 40% is allocated to the revolving fund (See table 1).

### Integrated Farming Bio-Systems

Fourteen members of the Triple B programme underwent Integrated Farming Bio-Systems (IFBS) training at the Shell Training Center (STC) in Pililla, Rizal. IFBS is one of PSFI’s programmes designed to promote agricultural sustainability by promoting crop production, animal agro-forestry, conversion of farm wastes to bio-organic fertilizers, farm entrepreneurship and urban gardening. They were taught the essentials in putting up vegetable gardens, preparing bio-organic fertilizers for composting, and classifying vegetables based on their cultural management.

### Table 1

<table>
<thead>
<tr>
<th>TRIPLE B FINANCES 2011 (in Php)</th>
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<tr>
<td>Total Sales</td>
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<td>Total Cost of Sales</td>
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<td>Total Gross Income</td>
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<td>Total Operating Expenses</td>
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<td>Total Net Income</td>
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**Allocations**

- Project Team Salaries (40%)  | 69,240.48  
- Barangay Share (20%)          | 34,620.24  
- Reserve Fund (40%)            | 69,240.48  
- Total Triple B fund (December 2010) | 163,317.26  
- Total Triple B fund (December 2011) | 191,958.79  

**A LOVE AFFAIR WITH NATURE: TREE PLANTING ACTIVITIES**

- PSFI and MFI’s employees participated in the annual “Love Affair with Nature” in Puerto Princesa, Palawan. The event involved planting 7,000 seedlings to propagate mangroves in the seaside areas of Puerto Princesa.
- Volunteers from Shell Tagbilaran and DENR planted 2,500 mangrove propagules of Baccuau in Badascu Loon, Bohol.
- The Multiparty Monitoring Team (MMT) of Batangas and Shell Philippines Exploration, B.V. (SPEX), in partnership with DENR, conducted a tree planting activity at the front grounds of the Malampaya Off-Shore Gas Plant (MOGP).
- Employees of Tabangao and their families planted 140 Agoho seedlings in the area.
In Shell, Mother Earth holds a special place. For the 41st time, the world celebrated a whole day dedicated to protecting our environment. Every Earth Day is anticipated and celebrated. The celebration’s 2011 theme was “a billion acts of green”, and in line with it, Shell conducted activities as contribution to the movement. With the slogan “make every day earth day,” Shell companies and their employees, partner institutions, organisations and communities, and other stakeholders conducted various environmental preservation activities.

In 2002, Rosita Almazan joined the Bawas Basura sa Barangay (Triple B) programme as a Bioman. Prior to that, she worked as a warehouse caretaker, a laundrywoman, a governess, a barangay tanod, a street sweeper and a janitress. As a Bioman, Aling Rosita collects waste materials in their neighbourhood and sells it to collectors of recyclables. With her weekly earnings, she was able to purchase appliances like refrigerator and television and helped augment her family’s finances, especially in supporting her grandchildren. She was also recognised as the most active bioman during the Earth Day celebrations in April 2011.

Aling Rosita recollects that in the past, the barangay residents do not follow the programme. As time passed and after years of extensive information campaign, the people in the community saw the importance of waste recycling and are now actively participating in the programme. She also shares her rewarding experiences to the people about purchasing and collecting garbage.

Aling Rosita is proud to be a Bioman. She does not only earn a living, she also helps in maintaining and cleaning the environment. She also pledges to continue being a Bioman, for so long as she can serve her family and the community through the programme.
**Triumph B Pandacan**

In Pandacan, Triumph B members and volunteers started the festivities with a parade. The day also culminated the Triple Benefits programme, a contest that encouraged and raised awareness among the residents to segregate and sell their recyclable wastes. The winners by raffle were given grocery items, so were the top five residents who sold the highest amount to Triumph B. It is also a day of celebration for Rosita Almazan, an active biomater since 2002. She was awarded with a gold medal, a certificate and grocery items for collecting and buying the highest amount of recyclables from four barangays—830, 833, 834 and 848. In a show of creativity, the barangays participated in the “Project Basura Runway Contest.” They designed their creations using obsolete Shell stickers. Not only it reduced waste, it also showcased the ingenuity of the people in transforming things artfully.

**Conserving Biodiversity**

Shell is a long time supporter of the Philippine Eagle Foundation (PEF), a partnership that now spans two decades. It provides assistance to PEF in protecting the Philippine eagles, one of our country’s national symbols. PEF was alarmed on the captures of the Philippine eagles, some of them with serious injuries, during the year. To discourage people from capturing the eagles in exchange for money, Shell supports PEF in caring for the eagles and in protecting the ecosystem. PEF and Shell partner in protecting our natural resources like the forests that are habitat for eagles, and denounces acts of violence against nature.

**Kasiyahan para sa Kalikasan**

In Tabangao, a tree planting activity was held, together with a game-filled family day. Around 140 Agoho seedlings were planted. Parents did the planting, assisted by their children. It was a way to show and teach the children to also take care of the environment.

**Saving the La Mesa Watershed**

Shell, in partnership with Bantay Kalikasan, led various activities advocating environmental protection and responsible energy use. One is the Bike for La Mesa Forest, an event for the benefit of the La Mesa Watershed, Metro Manila’s primary water source. Shell also donated riding jerseys to the La Mesa forest rangers who patrol the area and serve as eco-tourist guides to visitors.

**Lighting Efficiency and Pasig River**

In cooperation with the European Chamber of Commerce of the Philippines (ECCP) Energy Efficiency Committee and Philips, Shell replaced the lighting of Manila City Hall with energy efficient lights. The replacement will greatly benefit the city as it can save millions in electricity usage.
The Earth Hour

The Earth Hour, considered as one of the largest mass participations for the Earth, was first organised in Sydney, Australia in 2007 by the World Wildlife Fund (WWF). From 2.2 million homes and businesses turning their lights off for an hour to make a stand against climate change, the numbers have grown steadily to 25 countries in 2008, 88 countries in 2009, 128 in 2010 and 135 in 2011. The Philippines began supporting the global movement in 2008, making the country the first Southeast Asian nation to pledge full support. Fifty local towns and cities participated in the one-hour lights off. In 2009, the Philippines gained the honour of top Earth Hour country in terms of town and city participation with 647 towns and cities joining. This move saved 611 MWH of electricity, equivalent to a temporary shutdown of a dozen coal-fired power plants. The country topped the achievement in 2010 with 1,076 participating towns and cities. In 2011, more towns and cities joined, numbering to 1,661. Since its inception, Shell is a supporter of the earth Hour, participating annually in the celebration by switching off lights in all of its establishments. Shell pledges to continuously support Earth Hour celebrations and other environmental programmes in the coming years.

During the Earth Hour, Shell joined the whole country in turning off lights for an hour. Red bar canopy lights in retail stations, billboard and area lights in offices, lights in depots and in Tabangao refinery and signage lights of LPG and lubricant dealers were turned off.

Managing Oil Spills

To emphasise emergency preparedness and oil spill readiness, Shell continues to hold drills to test its readiness to properly manage and effectively respond to oil spills. In partnership with other industry players and local authorities, Shell stands by its commitment to safeguard the environment and the communities. With this unwavering dedication, Pilipinas Shell Petroleum Corporation (PSPC) received a citation from the Philippine Ports Authority for regularly conducting drills.

In 2011, Shell depot, together with Tacloban Joint Operations Terminal sponsors, held an oil spill containment drill during the commemoration of the National Maritime Week.

Likewise, Shell Pandacan hosted the Pandacan Depot Services, Inc. (PDSI)-led Integrated Oil Spill Drill in November. This was a large-scale and elaborate integrated drill that showcased and tested the effectiveness of emergency measures in place. The exercise dealt with a Tier 2 emergency and observed by people representing the LGUs and media men.

Safeguarding Nature

While the energy industry is one of the top consumers of fresh water, Shell efficiently manages its water footprint in all aspects of its operations to improve performance and prepare for future environmental challenges. One of Shell’s various environment initiatives is the protection of coastal areas and watersheds. Shell aggressively campaigns for environmental preservation as well as promotes volunteerism in the communities to safeguard the environment.

“ROUTENLY PRACTICING FOR POSSIBLE REAL-WORLD WATER INCIDENTS KEEP US READY TO RESPOND WHEN NECESSARY TO PROTECT THAT RESOURCE AND ALL WHO USE IT.”

ADMIRAL RAMON LIWAG

PCG, COMMANDANT
Transformation of Estero de Paco

Shell supported ABS-CBN Foundation’s Kapit Bisig Para sa Ilog Pasig’s (KBPIP) Estero de Paco’s waterway rehabilitation project together with concerned national government agencies, local government units and the private sector. It is a major tributary to Pasig River and is a major source of solid waste pollution because of Paco market. Relocation, dredging and riprapping works were done in the area to rehabilitate the tributary. A continuous linear park was constructed on both sides of the waterway, where decorative plants and grasses were planted in the area designed for resting and recreation of residents living in the nearby communities.

Purifying the Air

Air pollution is a serious environmental problem that needs mitigation. In Metro Manila alone, 80% of pollution is from vehicular emissions. The nitrogen oxide (NO₂) level in EDSA is very toxic, going beyond the limit set by the World Health Organisation (WHO), subjecting all those who ply through the route to respiratory diseases and other health problems. To combat air pollution, Shell partnered with Pacific Paints Inc. for the Boysen’s One Wall, One World initiative and made Shell retail stations as air purifiers by painting the stations with Boysen KNOxOUT. The paint helps reduce nitrogen oxides and particulate matters in the air. The paint’s ability to reduce noxious gases is equivalent to planting 50 mature trees.

To jumpstart the project, the Shell gas station in Florida Street along EDSA was painted. Other stations that have been painted were Shell Kanlaon in NIA and Shell Mercedes in Pasig City. Other Shell stations will be painted soon, with the aim to make all retail stations become air purifiers. In collaboration with various agencies and institutions spanning more than 40 years, Shell’s dedication to mitigating air pollution remains one of its top priorities.

- MFI and PSFI joined the World Water Day celebration in Puerto Princesa and signed the memorandum for the Adopt-an-Estero Programme of DENR.
- MFI and PSFI partnered with NCCC Cares, Inc. to clean 790 metres of the 1.6 km estero in Puerto Princesa that needed clean-up and maintenance.
- SPEX sponsored a coastal cleanup drive and fun run at Puerto Galera in Oriental Mindoro.
- PSFI and Communications (CX) Batangas joined the 26th International Coastal Clean-up which focused on Barangays Malitam and Tabangao Aplaya in Batangas.
- SPEX cooperated with SEA-CID (a group of recreational divers) and Balai Resort to conduct a clean-up along the shoreline of Anitao, Batangas.
- PSPC partnered with Bantay Kalikasan for a biking activity around the La Mesa watershed trails to promote the rehabilitation and protection of La Mesa against deforestation.
In our aim to become the most innovative and competitive energy company, we actively find solutions to meet the world’s growing energy needs. We believe that harnessing solar power into electricity is one of the potential solutions. However, converting solar energy to electricity is very expensive and people living in far-flung and/or impoverished areas may not afford it.

Partnering with Solar Foundation Network, Shell supported the Ride for Light, a campaign to electrify 3.5 million homes in the country with the use of solar energy.

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Putting Safety at the Forefront

This year, the Manila International Airport Shell Aviation Team brought home the highly coveted Goal Zero Platinum award for their exemplary performance in areas of health, security, safety, and environment. Their overall scores in all areas were unparalleled in the region making them the only airport in Asia to achieve this award.

In the world, they are one of 12 awardees. Their Goal Zero milestones include zero incidents of lost time injury, zero damage to aircraft, zero loss of product containment, and zero vehicle accidents and recordable injuries, to name a few. From Penang in Malaysia, Shell Asia Aviation Manager Mingram Tang commented: “This achievement is no coincidence. This is the result of true Hearts and Minds alignment of all.”

SAFETY CANNOT WAIT. IT INVOLVES PEOPLE — THE LIVES OF SHELL EMPLOYEES, PARTNERS, AND CUSTOMERS.

SHELL RECOGNISES THAT EVERYONE HAS A PART TO PLAY. IT BELIEVES IN AND ACTS ON ACHIEVING THE IDEAL OF ZERO SAFETY INCIDENTS ACROSS ALL ITS OPERATIONS AND SURROUNDING AREAS. KEEPING PEOPLE SAFE, HEALTHY, AND SECURE IN A CLEAN ENVIRONMENT IS SHELL’S UNWAVERING COMMITMENT. THE TIME FOR SAFETY IS NOW.
Equally impressive is the consistent high safety track record of Pilipinas Shell Tabangao Refinery in Batangas. Now on their fifth consecutive award-winning year, Tabangao won the Downstream Manufacturing Process Safety Excellence Award for their Goal Zero achievements in various areas.

For 2011, the refinery’s track record was close to perfect with zero safety incidents in four of the five awarding criteria. The fifth remaining area, namely alarm management was also exceptional with an alarm management rate of just over one within the year. Other criteria include zero process safety incidents and overdue inspections.

THE HIGH SAFETY PERFORMANCE WAS A CONCERTED EFFORT THAT REQUIRED EVERYONE TO DO THEIR PART

ANDREW CASTUERAS
PRODUCTION MANAGER
TABANGAO REFINERY

GOAL ZERO MILESTONES

Shell Philippines Exploration B.V. (one year of Goal Zero)

Batangas Supply Base (ten years of Goal Zero)

Supply and Distribution Philippines (twenty one million man-hours LTI free)

Shell Specialties Phil Team (seven years of LTI-free operations)

Malampaya Onshore Gas Plant ten years of Goal Zero)

Integrated Service Solutions (one year of Goal Zero)

GE Water & Process Technologies (ten years of Goal Zero)

DOF Subsea (eight years of Goal Zero)
Shell embarked on a noteworthy project with the Quezon City government and the Metro Manila Development Authority (MMDA) to turn the notoriously accident prone Commonwealth Avenue into the safest highway in Quezon City. The project involves installation of road safety signs in key strategic locations to remind motorists to observe speed limits and wear safety belts. Safety reminders promote traffic discipline.

Equally necessary to keep a safe environment is fire protection and prevention. The Bureau of Fire Protection recently teamed up with Shell on March 1 to mark the commemoration of the 45th Fire Prevention Month. Part and parcel of the month’s activities included safety training, fire drills, and a fire safety awareness campaign.

On a similar note, recognition was also given to the men and women who were at the frontlines of fire fighting. On August 2, ten of the most outstanding firefighters in the Philippines were awarded for their unwavering dedication to their profession in the service of their communities. The Ten Outstanding Pilipino Firefighters (TOPF) is a yearly event which rigorously screens the best firefighters in the country. The comprehensive award given by the Safety Organisation of the Philippines (SOP) also covers various criteria such as professional performance, community relations, interpersonal competency, and moral values.

This yearly search for the Philippines’ top firefighters is supported by Shell since 2008. Among the many awardees was Chief Inspector Rodrigo Reyes of Malabon City.
Building Responsive Communities

Never before that the need to prepare and respond quickly to disasters has been more obvious than in recent times. When caught unprepared, unforeseen calamities lead to many casualties, injuries and unnecessary damage to property. Addressing this urgent need at the grass roots level is the Neighbourhood Emergency Services Team (NEST) Training for various barangays. To add more excitement to the event, the Malampaya Foundation, Inc (MFI) organised the first ever NEST Olympics last September 16 at the Batangas City Coliseum grounds.

The event-filled day began with a motorcade followed by a short programme which underscored the importance of strengthening disaster risk reduction and management. The short introduction was soon followed by a series of simulations and activities such as Fire Fighting, Saving Private Ryan, Bucket Relay, and First Aid Situational Analysis.

The overall winners for the day were awarded cash prizes amounting to Php 10,000 (1st place), Php 7,500 (2nd Place), and Php 5,000 (3rd Place). The participants were judged based on their level of knowledge and awareness when responding to accidents or calamities.

Since 2007, the NEST programme has graduated 448 volunteers. The event was made possible through partnerships with the Batangas City Government, Department of Interior and Local Government-Batangas, Bureau of Fire Protection, and the Philippine Red Cross-Batangas Chapter.

Related to disaster management is the Emergency Preparedness Planning Workshop spearheaded by Pandacan Depot Services, Inc. (PDSI) in partnership with the Bureau of Fire Protection. The event held last June 10 aimed to equip both the Barangay Council and residents of several barangays in Pandacan, Manila with an emergency pre-plan for various emergency scenarios.

Specific output from the workshop included hazard resource maps, resources and sources list, crisis organisation, communication flow, emergency directory and evacuation system, among others. This critical knowledge set will be consolidated into an emergency pre-plan to be finalised and packaged by PDSI.
**Promoting Safety Best Practices**

Through the years, Shell has launched countless initiatives focused specifically on keeping Philippine roads safe. Of urgent concern is the need to protect vulnerable children who fall victim to day-to-day safety hazards when out on the streets.

Last May 2011, 306 children gathered together to participate in the 3rd Road Safety Camp. The event which attracted children from ages 5 to 16 years old were invited from various communities in Batangas City. Children who are often ignorant of roadside etiquette fail to practice simple preventive measures that may significantly reduce roadside accidents. Keeping this in mind, the thrust of the one-day event was to provide a fun and interactive experience for kids to learn how to stay safe on the streets. Highly interactive games and activities launched road safety icons “Roadey” and “Safey.” The students themselves came up with the names for the icons. There were also several booths which gave the young minds an opportunity to learn basic activities such as proper way of crossing the pedestrian lane, correct posture when riding a bicycle, and many more. The 3rd Road Safety Camp is a joint project of Shell and the Batangas City Mayor’s Office together with the Transportation Development and Regulatory Office (TDRO), Land Transportation Office (LTO), Philippine National Office, PNP-Highway Patrol Group-Batangas, and the Department of Education in Batangas City.

The Flash Card Pilot Project launched last February 2011 is another child-friendly initiative which may potentially reduce road traffic injury among children ages 5 to 12. Statistics have shown that over 260 children fall victim to road accidents every day. Simple and colourful flashcards were used to educate children on different roadside scenarios ranging from vehicle sounds and road signs to proper pedestrian crossing behavior. Consisting of only ten cards, this unique instructional material is now integrated into the fifth grade curriculum in select public schools chosen to pilot the programme. The programme also includes teacher training and evaluation on the proper use of visual aids.

Eventually, the programme may be adopted in public schools across the country once initial evaluations of the pilot run are completed. The Flash Cards project is a joint project of Shell and the Department of Transportation and Communication (DOTC), the Philippine Global Road Safety Partnership, Inc., the Motorcycle Development Programme Participants Association, Automobile Association of the Philippines, Sunshine TV, and Safe Kids Philippines.
IMPROVING LIVES, BUILDING A NATION

SUSTAINABLE DEVELOPMENT IS A CORE PART OF OUR STRATEGY AS WE CONTINUE TO BUILD STRONG RELATIONSHIPS TO SERVE THE COMMUNITIES WHERE WE OPERATE, IMPROVING LIVES AND CONTRIBUTING TO NATION-BUILDING.

INTEGRATING CORPORATE SOCIAL RESPONSIBILITY (CSR) INTO A COMPANY’S STRATEGIC MANAGEMENT TO CREATE SHARED VALUE THAT WILL BENEFIT SOCIETY WAS THE VERY IDEA THAT UNDERPINNED THE 10TH ASIAN FORUM ON CSR, WHICH SHELL AND THE ASIAN INSTITUTE OF MANAGEMENT (AIM) JOINTLY CONVENED ON OCTOBER 18-19, 2011. A TOTAL OF 500 DELEGATES FROM 25 COUNTRIES ATTENDED THE LARGEST AND MOST SIGNIFICANT CONFERENCE ON CSR IN ASIA WHICH WAS HELD IN MANILA.

Various community-based programmes enable Shell to strategically work with its partner agencies, governments, communities, and non-governmental organisations in fighting illnesses and diseases, providing capacity-building through education and livelihood projects, and enriching the culture of volunteerism in the Shell community.

It is because of this commitment to serve its neighbours that the Federation of Philippine Industries (FPI) accorded Shell a well-deserved Most Outstanding Corporation in the Practice of CSR in 2011 Award. The awarding ceremony was the highlight of the First Philippine Manufacturers and Producers Summit held on November 24, 2011.

Fighting Illness and Disease

This commitment to serve its neighbours is greatly palpable in the Movement Against Malaria (MAM) programme, Shell’s long-running and most successful health programme given its national scope and impact.

MAM is a nationwide malaria prevention and elimination programme that aims to reduce malaria cases in 40 malaria-endemic provinces in the country. Through a consolidated grant of more than PhP 45 million from The Global Fund, MAM was implemented by Pilipinas Shell Foundation, Inc. (PSFI) together with the Department of Health (DOH), World Health Organisation (WHO), with support from the Malampaya Joint Venture Partners Chevron LLC.
and the Philippine National Oil Company-Exploration Corporation (PNOEC). The widespread efforts of MAM enabled the country to achieve the United Nations Millennium Development Goal (MDG) of combating HIV/AIDS, malaria, and other diseases. PSFI and Shell’s programme partners have branded MAM as a best practice sustainable development healthcare programme.

In 2011, close to five million Filipinos have benefited from MAM. Since 2010, 3,014,639 long-lasting insecticide-treated Nets had been distributed, 532,784 houses had been sprayed with insecticide, and 6,907 service health providers, managers and volunteers had been trained in MAM sites nationwide. MAM aims to bring down the country’s malaria morbidity and mortality rates by more than 70% and 90% respectively; and to eventually achieve the goal of a malaria-free Philippines by 2020 through early case detection and treatment, mosquito vector control interventions, intensive advocacy, information and education campaigns, and capacity-building of various stakeholders. 2011 showed a 53% reduction in morbidity rate and a 67% reduction in mortality rate from 2010, which translates to only 10 malaria-caused deaths. A standard system of monitoring and evaluation had been established at the local level to ensure the attainment of these goals.

**MILESTONES**

**1998** Kilusan Ligtas Malaria (KLM) was launched in Palawan, site of Malampaya Deep Water Gas-to-Power project.

**1999-2011** Malaria cases in Palawan was reduced by 89.5% and deaths due to malaria by 96.5%.

**2006** The Global Fund to Fight AIDS, Tuberculosis, and Malaria provided Shell with a US$14.3 million five-year grant. KLM was renamed Movement Against Malaria (MAM) and expanded to include the five most malaria-endemic provinces: Palawan, Apayao, Quirino, Sulu, and Tawi-Tawi.

**2010** The Global Fund gave an additional US$31.4 million grant to further expand MAM’s coverage from five to forty malaria-endemic provinces all over the country.

**2011** The Department of Health’s National Malaria Control Programme declared that malaria cases in the country decreased to about half of the malaria cases recorded in 2010. It affirmed that 2011 had the lowest recorded number of malaria cases in the Philippines in the past 42 years.

MAM Monitoring and Evaluation Officer Darius de la Cruz won the Best Photo Award for the Delivering Equitable Healthcare Category of the American Chamber of Commerce of the Philippines’ 3rd CSR Photo Competition held on April 4, 2011. Darius expressed his commitment to Shell’s MAM and his enthusiasm for the honour he had brought to Shell through his photo, entitled “Show me What You’ve Got.” He said, “Part of my task in MAM is to document our malaria prevention and treatment efforts. I am truly honoured that my photograph mirrors Shell’s values and demonstrates that we in Shell really strive to be a good neighbour to the community. We are, indeed, always there to lend a helping hand. Thank you so much for this prestigious recognition. This award will inspire us more to serve the communities better.”
Though smaller in scale, Shell’s other health programmes that aim to provide basic services, raise awareness, and thus, achieve disease prevention have helped close to 50,000 individuals from 1982-2011. One such enduring health programme is Programang Pangkalusugan ng Mamamayang Nagkakaisa sa Pandacan (PAMANA). Figure 1 shows the number of PAMANA beneficiaries from 2005 to 2011.

With the aim of increasing heart disease awareness and prevention, PAMANA, in partnership with the Manila Health Department (MHD), Isidro Mendoza Health Centre (IMHC), Manila Doctors Hospital, and the Presidential Security Group, provided free medical services including blood pressure reading, blood typing, blood sugar testing, and medical consultations last February 24, 2011. A total of 142 residents, mostly senior citizens, benefited from said activity.

Last April 28, PAMANA volunteers, in cooperation with MHD and IMHC, taught 75 children the proper way of brushing their teeth and washing their hands, which were the best ways to combat disease-causing bacteria. Susan Belisario, a registered nurse, also gave a lecture to parents on four major tropical diseases, namely, measles, chicken pox, sore eyes, and dengue. She emphasised that prevention is still better than cure. Basic hygiene kits and booklets on tropical diseases were distributed to all participants.

As Shell strives to improve the health conditions of its neighbouring communities, it launched the Bantay Kalusugan Project at San Isidro, Batangas City, site of the Shell Tabangao Refinery. On June 25, 2011, a medical and dental mission was held in partnership with locally-based institutions and associations, wherein a team of doctors, dentists, and nurses provided blood sugar tests, tooth extraction, medical consultations, and gave free medicines. Close to 200 people benefited from the activity.
Building Capacities

Shell endeavours to help create growth, progress, and sustainability in the communities where it operates and make a noble contribution to spur nation-building. Empowering communities through capacity-building activities translates into self-sufficiency as the beneficiaries are empowered to undertake sustainable livelihood projects.

One such livelihood project is Triple P or the Panahiang Pangkabuhayan sa Pandacan (Pandacan Livelihood Sewing Centre), site of the Shell Pandacan Terminal. The trainings on sewing and other skills needed to run a business have enabled the beneficiaries, who are mostly mothers, to produce a variety of finished products, enabling them to be more economically self-reliant.

In 2011, the Department of Labor and Employment (DOLE) granted Triple P a Php 300,000 grant which was used to buy equipment and sewing materials and implement skills enhancement trainings for Triple P members. Table 2 shows Triple P’s total sales and net income from 2008 to 2011.

<table>
<thead>
<tr>
<th>Table 2</th>
<th>TRIPLE P’S 2008-2011 SALES AND NET INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct-Dec 2008</td>
<td>2009</td>
</tr>
<tr>
<td>Sales Less:</td>
<td>59,711.00</td>
</tr>
<tr>
<td>Cost of Sales and Expenses</td>
<td>33,277.40</td>
</tr>
<tr>
<td>Net Income</td>
<td>26,433.60</td>
</tr>
</tbody>
</table>

While Triple P is a project that benefits an urban community, Shell’s partnership with Gawad Kalinga (GK) benefits rural communities. The partnership has proven to be most fruitful and gratifying. Being partners for seven years now, Shell continues to support GK villages and GK Bayan-Anihan (Community Harvest). To date, there are four (4) Shell-GK villages in Batangas, Southern Leyte, and Cagayan de Oro and 23 Shell GK Bayan-Anihan farms in the Bicol Region. Table 3 shows the total number of houses built in 2011.

<table>
<thead>
<tr>
<th>Table 3</th>
<th>TOTAL NUMBER OF HOUSES BUILT WITH GAWAD KALINGA FOUNDATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Houses</td>
<td>GK Village/Community</td>
</tr>
<tr>
<td>75</td>
<td>GK Shell</td>
</tr>
<tr>
<td>25</td>
<td>GK Shell - Ayala</td>
</tr>
<tr>
<td>30</td>
<td>Libas Shell GK Village</td>
</tr>
<tr>
<td>122</td>
<td>Shell GK CDO</td>
</tr>
</tbody>
</table>

To complement the establishment of villages, the GK Bayan-Anihan provides residents with food on their table as this GK food sustenance programme aims to eradicate hunger one family at a time by empowering them to produce food for themselves.
This year, Shell expanded its partnership with GK by supporting the Shell Centre for Social Enterprise and Innovation (CSI), which produces affordable and high-quality Filipino products using organic Philippine-grown ingredients. In support of GK’s efforts to promote social enterprise among Filipino social entrepreneurs, Shell reaffirmed its commitment to helping the underprivileged with a donation of Php 5 million, which was used for the establishment of the centre.

Shell CSI aims to promote the culture of entrepreneurship among the new generation of Filipino entrepreneurs and to establish socially relevant and high impact businesses that promote an environment of healthy competition. Located at the GK Enchanted Farm in Brgy. Encanto in Angat, Bulacan, a once idle land has been transformed into a landscape of vast opportunities by creating sustainable communities through education, entrepreneurship and social tourism. In 2011, to make it more accessible to the public, Shell shared its Instapave technology, an all-weather paving system ideal for rural roads. The innovative technology was used in paving the rough roads of GK’s Enchanted Farm. With better roads, more people will have access to and benefit from GK Enchanted Farm’s livelihood programmes. Mindoro is another province that has been a special focus of a shell-initiated project because of its status as the rice granary and food basket of the Mindoro-Marinduque-Romblon-Palawan (MIMAROPA) Region. Through PSFi’s Integrated Farming Bio-system (IFBS) training, local residents are equipped with the necessary skills and knowledge to successfully undertake modern organic farming, animal husbandry, and vegetable farming for food and economic sufficiency in the region. So far, the IFBS training has a total of 13,917 beneficiaries from 1982 to 2011.

In August 2011, 42 residents from different barangays in the town of Victoria, Oriental Mindoro participated in a five-day IFBS training. Mindoro Governor Alfonso Umali lauded PSFi’s IFBS Training, recognising its contribution to improving Oriental Mindoro’s socio-economic status.

IFBS trainee Eder Peregrino, an 81-year old true-blooded Iraya Mangyan from Mindoro, happily shared that the innovative agricultural training has totally changed his perspective in life being a member of a cultural minority. Right after graduation, he sought permission from the caretaker of a Catholic Church-funded shelter project in San Teodoro, Mindoro to apply what he had learned from IFBS. His initial harvest of pechay from his 49 square-metre garden earned him a net income of Php10,000. This initial success inspired him to plant other vegetables which not only produced more income but also enabled him to share the excess yield to his relatives residing in a remote barangay.
GIVING A HELPING HAND

PAGBIBIGAY NG TULONG (GIVING A HELPING HAND), PAKIKIPAGKAPWA-TAO (SENSE OF CAMARADERIE OR FELLOWSHIP), PAGBABAHAHAGI (SHARING), AND PAGHAHANDOG (OFFERING), ARE FILIPINO WORDS THAT EXPRESS THE SPIRIT OF VOLUNTEERISM THAT SHELL FOSTERS AMONG ITS STAFF, FAMILY, FRIENDS, RETAILERS, AND BUSINESS PARTNERS.

Shell employees’ spirit of volunteerism is a direct consequence and a testament of their having imbibed Shell’s commitment to serve its neighbours. It proves that
this commitment is not simply a company-mandated effort, but something that employees deeply share. Through the Shell Corporate Assistance for Relief and Emergency Services (Shell C.A.R.E.S.), countless typhoon victims are given assistance every year. In 2011, three big typhoons hit the Philippines: Pedring and Quiel in Central Luzon and Sendong in Cagayan de Oro and Iligan. Shell C.A.R.E.S. managed the nationwide donation drive and relief efforts to help families affected by the devastating typhoons. To help the victims of typhoon Sendong, Pilipinas Shell Petroleum Corporation (PSPC) donated a total of Php4 million to ABS-CBN-Sagip Kapamilya Foundation and the GMA Kapuso Foundation, while Malampaya donated an additional Php2 million to the same media foundations and another Php2 million to the Philippine National Red Cross.

To help the victims of typhoon Pedring and Quiel, Pilipinas Shell donated Php2 million and SPEX donated another Php2 million to the foundations of the country’s two leading television networks. Similarly, 41 Shell retail sites served as distribution and drop-off centres for relief goods donations. Moreover, Shellane cooking stations were set up in different evacuation centres in the affected areas of Cagayan de Oro and Iligan. Shell dealers were also quick in helping their fellow dealers who were affected by the typhoons.

Shell, in partnership with its dealer TechnoFlame, led a feeding drive in Hagonoy, one of the typhoon-ravaged barangays in Bulacan on October 7, 2011. A week later, relief operation took place at Shell Calumpit in Bulacan. Relief packs were handed out on-site and at Sto. Niño Catholic Church. Shell Calumpit has been in operation for more than four decades, and has always been quick in providing assistance to the townspeople in times of calamities.
Shell volunteers are also active in taking part in Brigada Eskwela, a project of the Department of Education that annually calls on parents, students and other volunteers to take part in cleaning and repairing the facilities of public schools in preparation for the opening of classes. On May 25, 2011, Shell volunteers together with other volunteers from Mandaluyong Manpower and Development Centre-Technical Education and Skills Development Authority (MMDC-TESDA), painted the faded walls, black boards, and worn out chairs of the classrooms of Carlos P. Garcia High School in Pandacan, Manila.

Meanwhile, Shell, in partnership with the Local Government of Pasacao, distributed 1,164 packs of school supplies such as notebooks, bond papers, pad paper, pens, ballpens, rulers, and crayons to grades 1 to 3 students of Pasacao Elementary School on November 16, 2011. Teaching materials such as world map, globe, chalk and board eraser were also given to teachers.
FORMING TODAY’S YOUTH,
SHAPING TOMORROW'S FUTURE

HOW ABOUT A WORLD WHERE EVERYONE STANDS AND DEMANDS A CHANGE IN THE COMMUNITY, DRIVEN BY A PASSION TO EMPOWER THE YOUTH AND PRODUCE A POSITIVE IMPACT ON THEIR LIVES?

THIS IS PRECISELY SHELL’S VISION.

Believing that learning is never and should never be a solitary endeavour, Shell is leading by example in its commitment to providing educational opportunities for the youth to improve their prospects of acquiring jobs and sustaining their needs.

Fuelling the Future through Education

Education is as necessary for the youth as fuel is for an engine. It gives capacity for work and enables necessary movement and progress.

A unique initiative, “Gas Mo, Bukas Ko” [GMBK] was launched in 2007 to improve the lives of scholars’ families and aid in the development of communities surrounding the Shell retail station sites. But Shell did not stop there. It also extended the assistance to dependents of public transport workers and Shell contractors. It is noteworthy that the education of these children is sustained by the very industry which their parents serve.

Through the GMBK programme, Shell literally uses gas revenues to fuel the youth’s education. GMBK has a growing list of beneficiaries, with the numbers reaching more than a thousand in 2011.
As of this year, a total of 844 GMBK I and 309 GMBK II graduates have completed their training at PSFI’s partner schools and industries while 107 more are either on-training or are to start training.

“Your fuel, My future” (the literal translation of Gas Mo, Bukas Ko) is Shell’s answer to a need to further improve the lives of retail station service crew and their dependents. GMBK is an investment on the youth via technical vocational courses like Automobile Mechanic, Basic Computer, Bookkeeping, Cell phone repair, Computer Servicing, Electronics, Food and Beverage Servicing, Refrigerator and Air-condition Repair and Welding.

Since positive work values are as important as the acquisition of knowledge and skills, all GMBK scholars undergo a three-day, values formation and work ethic workshop under PSFI’s Leadership Enhancement and Attitude Development (LEAD) programme. Shell continues to host and facilitate the Leadership Enhancement and Attitude Development (LEAD) workshops where Shell scholars are immersed in activities that allow them to learn the values of leadership, perseverance, cooperation, and respect. The workshops are designed to uplift the morale and self-esteem of beneficiaries so that they make good use of educational opportunities to live productive lives.

**SUMMARY OF THE NUMBER OF SCHOLARS/ BENEFICIARIES AS OF 2011**

<table>
<thead>
<tr>
<th>PROGRAM AREA</th>
<th>Batch 1 Graduates</th>
<th>Batch 2 Graduates</th>
<th>Batch 3 Graduates</th>
<th>Batch 4 Graduates</th>
<th>Batch 5 Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>NRZ</td>
<td>231</td>
<td>53</td>
<td>53</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LUZON</td>
<td>231</td>
<td>37</td>
<td>28</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
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<td>26</td>
<td>19</td>
<td>7</td>
<td>-</td>
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<tr>
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<td>50</td>
<td>23</td>
<td>3</td>
<td>4</td>
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<tr>
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<td>146</td>
<td>123</td>
<td>19</td>
<td>4</td>
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</table>

**COURSES**

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Batch 1 Graduates</th>
<th>Batch 2 Graduates</th>
<th>Batch 3 Graduates</th>
<th>Batch 4 Graduates</th>
<th>Batch 5 Graduates</th>
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</thead>
<tbody>
<tr>
<td>Automotive</td>
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<td>50</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Basic Camp</td>
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<td>19</td>
<td>16</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
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<td>18</td>
<td>16</td>
<td>2</td>
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<tr>
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<tr>
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<tr>
<td>Food &amp; Rev</td>
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<td>-</td>
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<tr>
<td>Welding</td>
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<td>1</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
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<td>244</td>
<td>147</td>
<td>123</td>
<td>19</td>
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</tr>
</tbody>
</table>

Only a year after the launching of the Shell Science and Technology Educational Programme (STEP) in Batangas, a roster of students were already standing testament to the rewards of education. A stand-out not only from among his fellow STEP scholars, but also from among the new engineers of the country is Michael Panopo, a Batangueno STEP scholar who placed sixth in the September 2011 Mechanical Engineering Licensure Exam. Michael is a proud alumnus of the Batangas State University, which along with the Lyceum of the Philippines Batangas, is a partner of Shell in promoting science and technology by providing scholarship grants to outstanding engineering students. The new engineer takes a step away from the safe confines of a university and a step forward to a bright future in his chosen profession.
Shell renewed its ties with Keppel Philippines Marine, Inc., Jollibee, and Lyceum of the Philippines University-Batangas for its SKIL (Sanayan sa Kakayahang Industriyal) Scholarship Programme. The ties are kept because they realise the value of learning-by-doing and firsthand experience facilitates efficiency with the tools and tricks of their trade.

Often, the craft of a particular people depends largely on the resources available to them, their culture, and their environment. This is the reason for the success of Shell’s Sanayan sa Kakayahang Agrikultura (SAKA) programme in Palawan. By training out-of-school youths to learn new farming technologies including organic farming, while emphasising that farming is a viable business enterprise through a mix of in-classroom and hands-on learning, this initiative has produced much fruit since its inception in 2000. It has improved the Palawanon beneficiaries’ livelihood and has won in
the field of academe and education for its method in promoting agri-entrepreneurship training.

Aside from scholarship, Shell also recognises that learning can be achieved through competitive sports and the arts. Shell believes that learning should not be confined within the walls of the classrooms but must involve interactions to realise the full potential of every student.

This is why Shell takes initiative to reward ideas that go the distance through the yearly Shell Eco-marathon (SEM). On its second run this year, the SEM has proven effective in challenging students to design, build, and drive the most fuel-efficient vehicle that produces the least emissions. The innovation-marathon is an educational platform that encourages strategy and cooperation, reinforces conservation, and fosters technological development for greater efficiency.

PROMOTING LEARNING THROUGH SPORTS AND THE ARTS

SHARING ONE’S VISION SHOULD NOT BE LIMITED BY A SINGLE MEDIUM. BECAUSE ART CAN BECOME AN EXTENSION OF THE SELF AND AN EXPRESSION OF THE PERSON’S DEEPEST CONVICTIONS AND DREAMS, SHELL RECOGNISES ITS USE IN PRESENTING THE YOUTH’S VISION AND NATURAL TALENTS. ACCLAIMING PERSONAL CREATIVITY AND EXPRESSION AND AFFIRMING ART’S POWER TO REFLECT A PEOPLE’S COLLECTIVE HISTORY, ASPIRATIONS AND VALUES, SHELL CONTINUES TO ENCOURAGE THE YOUTH TO DEVELOP THEIR SKILLS AND PURSUE THE ARTS.
Through the years, art students have been conquering heights through the Shell National Students Art Competition (NSAC).

Aside from being the first and the longest-running student art contest in the country, NSAC has become a gateway for Filipino student artists to join the roster of renowned Filipino visual artists who were once winners of the Shell art prize and have been making waves in the local and international art arena.

On its 44th year, the competition still nurtures the artistry of Filipino youth, bringing them to even greater heights. Over 1,200 entries were received this year. The winners were awarded last October at the Ayala Museum in Makati City where the winning works were exhibited for two weeks. To culminate this year’s competition, the young student artists created the first ever Shell mural painting with the theme of “alamat” or folklore, led by Renato Habulan. The mural showcased the winning “alamat” entries. The mural is permanently displayed at Shell Tabangao Refinery.

For almost two decades, Shell has devotedly instilled the value of chess for youth development through the Shell National Youth Active Chess Championships (SNYACC), which was borne of the belief that the youth through the sport can improve their self-confidence and concentration as well as enhance their imagination and creativity. Recognised as a prestigious competition for chess players in the country, it has successfully established a following among the Filipino youth and has produced several Grand Masters.

CHECK, MATE!
Everyone cries against the seemingly apathetic youth, but one must realise that for them to be part of any movement, they must first know and understand. As the saying goes, knowing is half the battle.

That the youth can respond once called and can speak when given the venue and means to do so, is evidenced by the success of the first ever Shell Youth Congress held at the University of Asia & the Pacific (UA&P) last November. Shell partnered with UA&P’s Centre for Research and Communication in organising the event with the aim of empowering the youth. Shell representatives shared their sustainable development projects, listened to the students’ proposed solutions, and emphasised their willingness to work with the youth in moving towards a new energy future. More than two hundred student delegates from various universities including 30 Shell scholars participated.

New problems require new solutions and key partnerships must be made and strengthened. Thus, Shell in partnership with the Department
A CSP Teacher’s Orientation and Demonstration on “The New Energy Future” was held on June 1, 2011 at the Nemesio Yabut Elementary School, Makati City. Shell provided references and teaching guides to eight participating public schools from Tabangao, Pandacan and the National Capital Region (NCR).

An interactive mobile exhibit dubbed, “The Energy Down Below,” was simultaneously mounted for six weeks in all the eight participating schools to highlight and teach kids the importance of the symbiotic relationship between man and nature.
PRODUCED BY THE
Communications Department of
the Shell companies in the Philippines

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