

# “The Public Eye Awards”

## Nominations form

---

### Nominated company (name):

Royal Dutch/ Shell Transport & Trading Company PLC

### Short description of the company (information on products / services and brands; financial information: profit, returns and turnover; employees; CEO/president etc.):

Shell is global group of energy and petrochemicals companies, operating in more than 145 countries, with more than 119,000 employees.

Best known for exploring and producing oil and gas products around the world, Shell Transport and Trading plc had a net income of US\$12.496 billion in 2003

Jeroen van der Veer is Group Chief Executive and President of Royal Dutch Petroleum Company. Malcolm Brinded is Vice-Chairman of the Committee of Managing Directors (CMD) of the Royal Dutch/ Shell Group of Companies and a Managing Director of The Shell Transport and Trading Company PLC

### \*Nominated for the following award categories:

- X environment
  - X human rights
  - O labour rights
  - O corruption
  - O special prize \_\_\_Services to Africa\_\_\_\_\_
- (Name an award category in the style of the above)

More than one category can be chosen, if a company has acted irresponsibly in all these areas or if it cannot be assigned to just one category. In this case the organising committee will decide the final category.

**Send your nominations to:** The Public Eye on Davos, Berne Declaration, Quellenstrasse 25, PO Box, CH-8031 Zurich, Switzerland; email: [publiceye@evb.ch](mailto:publiceye@evb.ch); fax: +41 (0)1 277 70 01. 1

[www.evb.ch/publiceyeondavos.htm](http://www.evb.ch/publiceyeondavos.htm)

## Reasons for nomination:

*General information on the case and date or time period*

### Shell in Nigeria

- Shell has been in Nigeria since 1956, where it has been pumping oil and flaring gas in the Niger Delta, irrespective of the impacts to the local environmental and community health.
- Gas flaring in Europe is minimal and controlled, however in Africa, and especially Nigeria, gas flaring occurs twenty-four hours a day, three hundred sixty-five days a year. In Nigeria the process produces more greenhouse gas emissions than all of sub-Saharan Africa combined and is a major source of pollutants that are hazardous to human health.
- Shell has committed itself to end gas flaring by 2008. However it has recently admitted that this date may be difficult to meet – but with that in mind flaring actually increased in 2003.

The Niger River Delta, on the southern coast of Nigeria was once the bread basket of Nigeria with fertile soils, widespread agriculture and mangrove forests that support more freshwater fish than anywhere else in West Africa. The Delta is also highly valued by companies like Shell for its oil and gas resources, where it is the 9<sup>th</sup> largest source of natural gas in the world and has estimated oil reserves of 22.5 billion barrels (Doyle 2001).

### *Characteristics of the company's irresponsible behaviour*

- Shell wastes US\$2.5 billion each year in Nigeria through its persistent gas flaring.
- Over the years, Shell has invested US\$200 million into the Niger Delta to attend to the huge social and environmental problems [they created]. This was 1.6% of their total profit for 2003. Even so, the reality in the area does not reflect the amount spent since very few projects have been finished. In addition, the community development projects were discovered to be directly funded as part of the Shell's overheads and not from profits declared.
- In January 2004, Shell shocked its shareholders by announcing that it had overstated its oil and gas reserves by 20% (nearly 4 billion barrels of oil). Shell paid huge sums of money in the UK and the USA for this purpose but at the same time threatened to dismiss 1000 of its workers in Nigeria.
- Shell holds the oil bearing communities and the statutory courts in contempt and fails to accept its accountability for its negative social and environmental impact in Nigeria. It is an example for a bad corporate citizen of Nigeria. About 1000 lawsuits have been filed against Shell in the last decade. However, Shell does not respect the judgements of the law courts. For example, in 1997, 4 communities Sekebolo, Obotobo, Ofoegbene and Ekeremor Zion, Burutu LGA were awarded N30,298,681 ( (US\$302,986.81) against Shell at Ughelli Delta state. The case lasted 14 years and Shell appealed against the judgement at the High Court in Benin City. It refused to pay compensation.

**Send your nominations to:** The Public Eye on Davos, Berne Declaration, Quellenstrasse 25, PO Box, CH-8031 Zurich, Switzerland; email: [publiceye@evb.ch](mailto:publiceye@evb.ch); fax: +41 (0)1 277 70 01. 2

- The Peremabiri community also sued Shell for oil spillage asking for N64 million in January 16, 1987. The court awarded N7 million to the community. Shell refused to pay and argued that costs against them should be N5,500 (US\$55). (for more details, please refer to additional file attached to this nomination (Peramabiri.doc)).
- Recently, the Nigeria's lower and upper legislative houses in a joint letter to Shell granted the sum of US\$1.5 billion following a petition brought forward by the Ijaw aborigines on December 8, 2000 for environmental and social impact atrocities committed by Shell against some communities in the Niger delta. The chairman of the Senate Committee on Compliance on Senate Resolutions, Senator John Brambaifa said Shell had formally written to the Senate that they will not comply, describing the decision as an affront which may force a review of almost 50 years of Shell's operation in Nigeria. Shell is always looking for ways to buy time. It will not honour the decision of the legislative organs and it will not honour court rulings. This affects the national security as well as law and order in Nigeria.

### *Consequences*

*According to a 1995 World Bank report, Nigeria's 76% flaring of natural gas ranked highest against Netherlands' 0%.*

*More than 4,000 oil spills have been recorded in the Niger Delta over the past four decades (US Energy information service, quoted in Jack Doyle, 2002)*

*For villagers in the Niger Delta, Shell's gas flares are part of daily life. They burn day and night roaring like jet engines. The air is thick with sooty particles which stick to your skin, your clothes, your food and your lungs.*

*Gas flaring in the Niger Delta is just one of the devastating impacts of the oil industry, which fuels conflict, death and destruction around the world. Oil pollutes. Spills and leaks contaminate the land and seas. And when oil is burnt, it produces CO<sub>2</sub>, causing climate change, the biggest threat to our planet.*

*Oil greases the wheels of modern society. Worldwide we consume more than 64 million barrels of oil a day, making billions of dollars in profits for the oil industry. As a result many big business interests want to keep the oil fires burning.*

*Oil shapes and influences politics worldwide. Despite its riches the industry sucks in public funding to do its dirty work. It is taxpayers' money that supports new pipelines, plants and operations, via publicly-funded institutions such as the European Bank for Reconstruction and Development and the World Bank.*

*Our Governments give these loans in the name of 'development'. But in reality they prop up the oil industry, driving exploitation of the global South and the trashing of our environment.*

**Send your nominations to:** The Public Eye on Davos, Berne Declaration, Quellenstrasse 25, PO Box, CH-8031 Zurich, Switzerland; email: [publiceye@evb.ch](mailto:publiceye@evb.ch); fax: +41 (0)1 277 70 01. 3

[www.evb.ch/publiceyeondavos.htm](http://www.evb.ch/publiceyeondavos.htm)

The Nigerian oil industry disproportionately generates both developmental and environmental problems – which is another reason for Shell shareholders to cooperate more closely with NGOs and community organisations pressing for higher standards of corporate responsibility (Shell in Nigeria).

### *Demands made to the company*

The voluntary approach to CSR is not working. Our demand is that new corporate accountability laws are put in place to make such irresponsible practices a thing of the past.

- Since 1969, the Nigerian government banned gas flaring (Regulation 42 of the drilling and production regulations. This law was reinforced by the Associated Gas re-injection Act of 1979, amongst others.). However, the regulations provided for an escapist route for Shell and the oil companies with the option of paltry fines of 50K (US\$0.063) per cubic metre flared. The fine was increased by government in January 1998 to 10 N (US\$ 0.125). There are indications that Shell prefers paying fines for gas flaring instead of ending flaring. It has been continuing to shift its commitment to end gas flaring from 2000 to 2004 and still does not seem to be ready to adhere to its promise in 2008.
- Shell should honour court rulings and respect the legislative organs of Nigeria in their resolution to bring peace to the Niger Delta. Shell should pay compensation to the affected communities.
- According to Van Dessel, former Shell manager for environment, Shell's state of the art spill containment technology is "spade and bucket". Oil spills are scooped by spade into a bucket. Not one oil spill has been thoroughly cleaned by Shell. Shell should clean up its spills properly and adhere to international environmental standards.

### *Sources / references*

Friends of the Earth ([www.foe.co.uk](http://www.foe.co.uk)):

Failing the Challenge: The Other Shell Report 2002

Behind the Shine: The Other Shell Report 2003

Xposé Awards 2004: Ceremonial Brochure

Infernal Combustion: Where oil reigns...

Shell in Nigeria (oil and gas reserves crisis and political risks: shared concerns for investors and producer-communities) Christian Aid, Friends of the Earth, Platform and Stakeholder Democracy Network. June 2004.

Jack Doyle (2001) *Riding the Dragon*. Environmental Health Fund: Boston.

<http://www.shell.com>

### **Nomination submitted by**

*Name of individual or organisation:*

**Send your nominations to:** The Public Eye on Davos, Berne Declaration, Quellenstrasse 25, PO Box, CH-8031 Zurich, Switzerland; email: [publiceye@evb.ch](mailto:publiceye@evb.ch); fax: +41 (0)1 277 70 01. 4

[www.evb.ch/publiceyeondavos.htm](http://www.evb.ch/publiceyeondavos.htm)

ENVIRONMENTAL RIGHTS ACTION/FRIENDS OF THE EARTH, NIGERIA, AND  
Friends of the Earth England, Wales and Northern Ireland

*Name of contact person:*

1. Tamsyn East (Campaign Assistant to the Corporate Accountability team) or Craig Bennett (Senior Campaigner of the Corporate Accountability team).

*Address:*

26-28 Underwood Street, London, N1 7JQ.

*Email:*

[tamsyne@foe.co.uk](mailto:tamsyne@foe.co.uk) or [craigb@foe.co.uk](mailto:craigb@foe.co.uk)

*Phone:*

Tamsyn: 020 7566 1694 Craig: 020 7566 1667

2. GODWIN OJO (CAMPAIGNER, AND PROGRAMMES DIRECTOR)

ADDRESS: 214, USELU LAGOS ROAD, PO BOX 10577, UGBOWO, BENIN CITY, NIGERIA

EMAIL: [GLORYLINE2000@YAHOO.CO.UK](mailto:GLORYLINE2000@YAHOO.CO.UK)

PHONE: 234 52 602680                      52 600165

**Send your nominations to:** The Public Eye on Davos, Berne Declaration, Quellenstrasse 25, PO Box, CH-8031 Zurich, Switzerland; email: [publiceye@evb.ch](mailto:publiceye@evb.ch); fax: +41 (0)1 277 70 01. 5

[www.evb.ch/publiceyeondavos.htm](http://www.evb.ch/publiceyeondavos.htm)