



National Contact Point of Brazil

FINAL STATEMENT

Shell-Esso - Complaint no. 01/2006

On May 8, 2006, the National Contact Point (NCP) received the Complaint no. 01/2006, sent by the Green Alternative Collective (CAVE) and the Mineral and Oil Derivatives Workers Trade Union in the State of São Paulo (SIPETROL), against Shell Brasil, a corporation headquartered in The Hague, Netherlands, and Esso Brasileira de Petróleo, a corporation headquartered in Houston, United States of America. CAVE is a nongovernmental organization headquartered in Santos, SP, Brazil, and SIPETROL is a labor union organization located in São Paulo, SP, Brazil.

According to the complainants, the companies utilized storage and handling practices that were prejudicial to workers, public health and the environment. Together with the complaint, a Technical Report from the Health Secretariat of the State of São Paulo was also sent, detailing the procedures included in the regular operations of those companies which considered harmful to workers' health.

On September 9, 2006, Shell informed the NCP that the subject of the complaint was before the courts and other administrative levels. Furthermore, Shell clarified that the reports submitted by CAVE and SIPETROL dated from 2002 and 2003 and that the company had already adopted the measures required to improve work conditions in the region the company operated, i.e., "Vila Carioca".

On October 16, 2006, Esso clarified that Shell has been since 1948 the proprietor and operator of the fuel distribution terminal "Pool São Paulo", where the alleged violations are said to have taken place. The company further argued that it was only in August 2001 that Esso acquired parts of the facilities and became a partner in the undertaking, going on to affirm that the Technical Report released by the Health Secretariat of the State of São Paulo refers only and exclusively to Shell operations. The NCP confirmed the information regarding the management and operation of Vila Carioca activities with Shell and concluded that it would be more appropriate not to bring Esso in this case.

With respect to the points raised by Shell, the NCP considered the arguments regarding the inconvenience of its own involvement in questions already before the courts and decided that it could play a role in this case as a possible forum for dialogue. In this context, the NCP requested the complainants to make a list of issues – not under judicial analysis – which could be object of negotiation between the parties. In addition, meetings and contacts were made with Shell in an effort to encourage it to develop activities targeted to the population of Vila Carioca, in the framework of its social responsible business initiatives.

In response to NCP's request, the complainants detailed the main issues with regard to which an attempt at mediation could be initiated. After that, on July 23, 2007, the NCP consulted with Shell regarding the possibility of initiating negotiations regarding the points itemized by CAVE and SIPETROL. Shell's response was sent on September 10, 2007 stating that there was no possibility of negotiation, alleging that all elements presented on the list were under judicial analysis.

In this context, having informed the complainants, the NCP did not receive any further clarifications about the specific issues on the list. In the light of this fact, a decision was taken to terminate this Complaint in the NCP framework.



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Finally, it is important to stress that as a result of conversations and meetings, Shell implemented social projects targeted to the population of the Vila Carioca and its surrounding areas. Though these projects are not related to the subject of the Complaint, the NCP considered that the implementation of the projects would be an effective manner of attenuating antagonisms and divergences between the two sides involved in this Complaint and in this way contributing to the start of a process of dialogue.

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