



Royal Dutch/Shell Group
of Companies

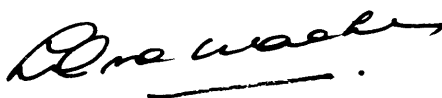
Statement of General Business Principles

Introduction

This document reaffirms the general business principles on which the conduct of the affairs of the Royal Dutch/Shell Group of Companies is predicated. They apply equally to corporate decision-making as to the individual behaviour expected of employees in conducting Shell business. They are commended to staff of the Service Companies in London and The Hague as well as to management of Operating Companies.

The Group is typified by decentralized, highly diversified and widespread operations, with which operating companies are given wide freedom of action. However, the upholding of the Shell reputation is a common bond which can be maintained only by honesty and integrity in all activities. A single failure, whether it be wilful or due to misplaced zeal, or short term expediency, can have very serious effects on the Group as a whole.

These principles have served Shell companies well for many years and will continue to do so in the future. The statement is available for wide distribution within the Royal Dutch/Shell Group and merits periodic re-reading. It may be exhibited externally as required.



L.C. van Wachem

*Chairman of the Committee of Managing
Directors of the Service Companies*

June 1990

Royal Dutch/Shell Group of Companies

Statement of General Business Principles

1. Objectives

The objectives of Shell companies are to engage efficiently, responsibly and profitably in the oil, gas, chemicals, coal, metals and selected other businesses, and to play an active role in the search for and development of other sources of energy. Shell companies seek a high standard of performance and aim to maintain a long term position in their respective competitive environments.

2. Responsibilities

Four areas of responsibility are recognized:

a) To shareholders

To protect shareholders' investment and provide an acceptable return.

b) To employees

To provide all employees with good and safe conditions of work, good and competitive terms and conditions of service; to promote the development and best use of human talent and equal opportunity employment; and to encourage the involvement of employees in the planning and direction of their work, recognizing that success depends on the full contribution of all employees.

c) To customers

To develop and provide products and services which offer value in terms of price and quality, supported by the requisite technological and commercial expertise. There is no guaranteed future: Shell companies depend on winning and maintaining customers' support.

d) To society

To conduct business as responsible corporate members of society, observing applicable laws of the countries in which they operate giving due regard to safety and environmental standards and societal aspirations.

These four areas of responsibility are seen as inseparable. Therefore, it is the duty of management continuously to assess the priorities and discharge its responsibilities as best it can on the basis of that assessment.

3. Economic Principles

Profitability is essential to discharging these responsibilities and staying in business. It is a measure both of efficiency and of the ultimate value that people place on Shell products and services. It is essential to the proper allocation of corporate resources and necessary to support

the continuing investment required to develop and produce future energy supplies to meet consumer needs. Without profits and a strong financial foundation it would not be possible to fulfil the responsibilities outlined above.

Shell companies work in a wide variety of social, political and economic environments over the nature of which they have little influence, but in general they believe that the interests of the community can be served most efficiently by a market economy.

Criteria for investment decisions are essentially economic but also take into account social and environmental considerations and an appraisal of the security of the investment.

4. Voluntary Codes of Conduct

Policies of Shell companies are consistent with the two existing internationally agreed voluntary codes of conduct for multinational enterprises, namely the OECD Declaration and Guidelines for International Investment and Multinational Enterprises and the ILO Tripartite Declaration of Principles.

5. Business Integrity

Shell companies insist on honesty and integrity in all aspects of their business. All employees are required to avoid conflicts of interest between their private financial activities and their part in the conduct of company business. The offer, payment, soliciting and acceptance of bribes in any form are unacceptable practices. All transactions on behalf of a Shell company must be appropriately described in the accounts of the company in accordance with established procedures and be subject to audit.

6. Political Activities

a) Companies

Shell companies endeavour always to act commercially, operating within existing national laws in a socially responsible manner, abstaining from participation in party politics. It is, however, their legitimate right and responsibility to speak out on matters that affect the interests of employees, customers and shareholders, and on matters of general interest, where they have a contribution to make that is based on particular knowledge.

b) Political payments

As a policy Shell companies do not make payments to political parties, organizations or their representatives.

c) Employees

Where employees, in their capacity as citizens, wish to engage in activities in the community, including standing for election to public office, favourable consideration is given to their being enabled to do so where this is appropriate in the light of local circumstances.

7. Environment

It is the policy of Shell companies to conduct their activities in such a way as to take foremost account of the health and safety of their employees and of other persons, and to give proper regard to the conservation of the environment. In implementing this policy Shell companies not only comply with the requirements of the relevant legislation but promote in an appropriate manner measures for the protection of health, safety and the environment for all who may be affected directly or indirectly by their activities.

Such measures pertain to safety of operations carried out by employees and contractors; product safety; prevention of air, water and soil pollution; and precautions to minimize damage from such accidents as may nevertheless occur.

8. The Community

The most important contribution that companies can make to the social and material progress of the countries in which they operate is in performing their basic activities as efficiently as possible. In addition the need is recognized to take a constructive interest in societal matters which may not be directly related to the business. Opportunities for involvement - for example through community, educational or donations programmes - will vary depending upon the size of the company concerned, the nature of the local society, and the scope for useful private initiatives.

9. Information

The importance of the activities in which Shell companies are engaged and their impact on national economies and individuals are well recognized. Full relevant information about these activities is therefore provided to legitimately interested parties both national and international, subject to any overriding consideration of confidentiality proper to the protection of the business and the interests of third parties.

10. Application

The reputation of the Royal Dutch/Shell Group of Companies depends on the existence and knowledge of clearly understood principles and responsibilities and on their observance in day to day practice in widely different environments. Individual operating companies may elaborate their own statements to meet national situations, but this Statement of General Business Principles serves as a basis on which companies of the Royal Dutch/Shell Group, in their operations, pursue the highest standards of behaviour.

Group companies are involved in many joint ventures. Shell companies participating in a joint venture will promote the application of these principles and will take into account their ability to do so in deciding whether to participate in any joint venture.