Minutes of the informational meeting with Royal Dutch Shell on the 21st of October 2010 at 10.30am, Archimedes Building, 11 Rond-point Schuman, Brussels on the complaint submitted by Friends of the Earth Europe questioning Shell's compliance with Clause 4 of the Code of Conduct for interest representatives

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REMARKS ON THE COMPLAINT SUBMITTED BY FRIENDS OF THE EARTH EUROPE

- **DELETED** started by presenting the methodology lying behind Shell's calculations of their estimated costs directly related to representing interests to EU institutions in 2009.¹

  - Following FAQ 11 (“How to disclose the required financial information”?)) as a registrant with an office in Brussels, Shell used the overall budget of Shell EU Liaison office (EUL) as a starting point.

¹ The following information on the calculations of the estimated costs was given during the informational meeting and was additionally sent in written form by**DELETED** (cf. last point of the minutes) on the 25th of October 2010 (cf. Annex) in order to help making the minutes on this point as precise as possible.
• The overall budget of the EUL in 2009 was €\text{DELETED}. This included operating costs; salaries of full time professionals \text{DELETED} and \text{DELETED} part time administrative support; travel expenses; and fees paid to some of the European industry associations and think tanks Shell is member of. The EUL team was reinforced in 2010 with the arrival of \text{DELETED}.

The additional costs associated with these additions to the team will be reflected in the 2010 registration.

• According to Shell's understanding of the Commission guidance in the "Frequently Asked Questions" and in order to avoid double-counting Shell deducted from this budget the fees paid to industry associations and think tanks (full list of organizations detailed in Shell’s entry in the Interest Representation Register), and consultancy fees paid to consultancies for policy monitoring services: \text{DELETED}.

• Shell has estimated that approximately \text{DELETED} \% of EUL activity can be attributable to interest representation to the EU Institutions. This includes activities such as drafting and presenting position papers and letters, meetings with policy-makers, participation in workshops, etc. The declared estimation of costs associated with interest representation activity (€400,000-€450,000) results from applying \text{DELETED} \% to the overall EUL budget, having previously deducted industry association membership and consultancy fees. i.e. \text{DELETED}.

• Shell has also discounted parts of the activities conducted by the EUL office that they consider of a “non-lobbying” nature, such as:
  o monitoring and analysis of EU policy issues for the purposes of understanding policy change and ensuring compliance
  o dissemination of information to Shell’s business and functions
  o support activities to Shell’s global corporate communications strategy
  o response to EU institutions’ requests for expert briefings
  o administrative and financial matters

• \text{DELETED} \text{DELETED} then continued by giving more information on Shell's membership of any associations, federations, confederations or its relationships to other bodies in formal or informal networks.

• Since the end of 2009, Shell is no longer sponsor of EurActiv.

• \text{DELETED} \text{DELETED} also pointed out that in some cases membership fees are paid for by the respective Shell businesses (e.g. Exploration and Production pays
membership fees to \textit{DELETED} Downstream pays membership fees to \textit{DELETED}; Chemicals pays membership fees to \textit{DELETED} etc.) and in others by Shell EUL (above is a detailed account of the membership fees paid by EUL budget).

- Shell would be delighted to supply the Commission with precise information regarding the membership fees paid by Shell business to the rest of the industry associations named in the register.

- According to Shell, their involvement in "Comment:Visions" is not a lobbying activity in the sense of the lobbying register. Shell sponsors "Comment:Visions" and there are Shell adverts on the website. "Comment:Visions" is not (in any of its manifestations: TV, internet, debates) intended to put forward Shell’s points of view, but rather a platform to promote an open debate by many stakeholders some of whom are also critical towards Shell.

- "Comment:Visions" events bring together representatives from different sectors of society and the EU institutions to debate energy issues (typically an EU Institution, an industry representative, an NGO, and an academic) and are steered by the editor of the European Voice. Shell executives would furthermore only intervene in order to summarise statements and points of views put forward during the debate and not in order to present Shell's views.

- Shell's main motivation for cooperation with media such as \textit{European Voice} and \textit{Euronews} in the "Comment:Visions" project is to facilitate and encourage a broader stakeholder debate and promote a better understanding of energy issues.

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- Shell pointed out that their Washington Liaison office is much bigger than the Brussels Liaison office and employs approximately 14 people (comprising separate state, federal and international units) while the Brussels office has only three full-time professionals and one part-time administrative employee. Furthermore, Shell stressed the fact that the US lobbying register is a mandatory system that provides for a different set of rules, including the disclosure of the total budget. For all those reasons, Shell believes that the expenditures are not comparable.

- Contrary to the information provided by Friends of the Earth Europe's complaint, Shell declared to have three (and not two) permanent access badges for all their full-time employees at the Brussels Liaison office.