

# Facing up: How Shell Tackles Corruption

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# Why we have to fight corruption and bribery?

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- Shell is active in over 140 countries, many of them have problems of corruption
- Over 95% of our 109,000 people are locally recruited
- They are under strong influence of bribery and corruption from their own culture, traditional values and local business practices
- Shell have influence over our business partners, suppliers, JVs, contractors, customers and host governments

**Shell has no choice but to fight the battle**



1. SGBP

2. Internal  
communication  
and training

3. Anti-corruption  
culture

## Six steps to fight against corruption

4. Assurance  
Process

5. External  
Reporting

6. External  
Engagement



SGBP

## SHELL GENERAL BUSINESS PRINCIPLES (SGBP)

- First developed in 1976
- A systematic and universal approach
- Spells out in unambiguous language:

***The direct or indirect offer, payment, soliciting and acceptance of bribes in any forms are unacceptable.***

***Facilitation payments are bribes and should not be made***



Business Principles

2. Internal  
communication  
and training

## **INTERNAL COMMUNICATION AND TRAINING**

- Staff contracts, orientation programs and training
- Web-based exercises, primers with case studies
- Special awareness training developed for sensitive positions
- Clear guidelines on gifts, political contributions, hospitality, conflicts of interests, entertainment etc.

Business Principles

Internal  
communication  
and training

3. Anti-corruption  
culture

## **ANTI-CORRUPTION CULTURE**

- Country Chairs to develop specific guidelines to reflect local culture/tradition, e.g. gift policy, hospitality, entertainment
- Avoid a blame culture
- Encourage people to discuss their personal experience and admit making mistakes

Business Principles

Internal  
communication  
and training

Anti-corruption  
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## INTERNAL AND EXTERNAL ASSURANCE PROCESS

- Annual Country Chair letter
- Face-to-face meetings with a member of the Executive Committee
- Shell People Survey: *I believe my organisation does not give or receive bribes (79% agree)*
- Whistle-blowing: Helplines in 114 countries + a global facility
- All audits have to start with Business Principles

4. Assurance  
process

Business Principles

Internal  
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**You can't manage if you can't measure**

### **THE SHELL REPORTS - 2005**

- 107 violations were reported and ended relationship with 175 staff and contractors
- More than 100 countries with formal procedures to prevent facilitation payments
- Ended 63 contracts due to SGBP concerns

Assurance  
process

5. External  
reporting

Business Principles

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## EXTERNAL ENGAGEMENT

- Memberships in NGOs, Industry organizations, chambers of commerce
- Active role in debates and policies development
- Signing up to various international codes on anti-corruption eg. Global Compact 10<sup>th</sup> Principle, Transparency International Business Principles
- To create a level playing field for all

Assurance  
process

External  
Reporting

6. External  
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## SUMMARY

Vigilance and transparency is key

We must continue to learn from our own pitfalls, learn from the best practices of others and to keep improving the system

