

http://www.corporatewatch.org.uk/profiles/oil_gas/shell/shell.rtf

Royal-Dutch/Shell Group of Companies

www.shell.com

Industry Areas: Oil and gas exploration and production, refining/marketing and supply of petroleum products, manufacturing and marketing of Chemicals.

Overview

The Royal-Dutch/Shell groups of companies is an Anglo-Dutch group, the holding companies who own the group being The Shell Transport and Trading Company PLC (UK) and Koninklijke Nederland (Royal Dutch Petroleum Company: Netherlands). These two holding companies own 40 per-cent and 60 per-cent respectively of the following 3 subsidiaries, which are themselves holding companies for further operating subsidiaries:

- Shell Petroleum NV (Netherlands)
- Shell Petroleum Company LTD (UK)
- Shell Petroleum Inc. (USA)

The three companies and their operating subsidiaries are managed worldwide by Shell International. Operating subsidiaries are divided into the following divisions:

- Exploration & Production
- Oil products
- Chemicals
- Gas & Power

(Other small divisions include Coal, Hydrogen, Forestry and Renewables)

Over recent years Shell has successfully come to be seen as one of the more progressive companies within its sector. Since it withdrew from the Global Climate Coalition (lobby group) in 1998 [www.worldwatch.org/chairman/issue/000725.html] Shell has tried hard to brand itself as a caring, green company. Even before that, a concerted public relations campaign had followed the execution (in November 1995) of Nigerian writer and campaigner Ken Saro Wiwa [<http://www.greenpeace.org/~comms/ken/murder.html>]. Shell portrays itself as a good corporate citizen, but like all multinationals and all oil companies Royal-Dutch/Shell continues, behind the greenwash, with many of its old ways.

Market share/importance

The oil sector accounts for about 13.3 per cent of FTSE 100 [1] in the UK Royal-Dutch/Shell is one of the largest players in this sector. As such, it is one of the barometer companies of the British economy. Shell's successes and failures are likely to be mirrored in the UK economy as a whole.

- Shell's Crude oil production in 2000 stood at 2,274 thousand barrels per-day [10]
- Shell's Natural gas production available for sale at 8,212 million standard-cubic-feet per-day [11]
- Shell's oil product sales at 5,574 thousand barrels per-day [12]

For comparison

- BP's crude oil production in 2000 stood at 1,928 thousand barrels per-day.[2]
- Gas production at 7,609 million cubic-feet per-day,[3]
- Marketing sales at 3,756 thousand barrels per-day,[7]

- Exxon-Mobil's liquids production in 2000 stood at 2,600 thousand barrels per-day [13]
- Exxon-Mobil's natural gas production available for sale at 10,300 million cubic-feet per-day [14]
- Exxon-Mobil's petroleum product sales at 8,000 thousand barrels per-day [16]

For a guide to the units used by the oil and gas industry try:

www.nepo.go.th/ref/UNIT-OIL.html

History

The 'Royal Dutch Company for the Exploitation of Petroleum Wells in the Netherlands East Indies' was registered in the Hague in 1890. The name was abbreviated in 1949 to Royal Dutch Petroleum Company.

[<http://www.shell.com/royal-en/content/0,5028,25448-50918,00.html>]

Shell was first registered in London in 1897 by the brothers Marcus and Sam Samuel as 'The "Shell" Transport and Trading Company, Ltd.' (Now PLC: public limited company). [<http://www.shell.com/royal-en/content/0,5028,25448-50918,00.html>]

The first Royal-Dutch/Shell joint operating company: the Asiatic Petroleum Company was established in 1903 and in 1907, Royal-Dutch and Shell merged all of their operations: 60% Royal-Dutch; 40% Shell. Despite merging their interests the companies remain separate: One can buy shares in Royal-Dutch or in Shell-Transport, but not in the Group as such. [<http://www.shell.com/royal-en/content/0,5028,25448-50918,00.html>]

In 1912, the Group founded the American Gasoline Company to sell gasoline along the Pacific Coast and Roxanna Petroleum to buy oil in Oklahoma. [<http://www.countonshell.com/welcome/history/history.html>] US operations have grown so that in 2000, 34 per-cent of earnings from exploration and production and 4 per-cent of earnings from oil product sales were generated in the USA. [Financial and Operating Information, 1996-2000, Royal-Dutch/Shell group of companies, page 10]

Shell's Chemical division has grown since 1928 when, Shell Development Company was established to identify chemical products which could be made from refinery by-product gases. One year later, Shell Chemical Company was chartered to manufacture these products. [http://www.countonshell.com/welcome/history/history_1912.html]

In 1972 Shell pioneered CO₂ injection, as an enhanced recovery technique, [http://www.countonshell.com/welcome/history/history_1942.html] a process it is now branding as a solution to climate change. [The Ecologist, Climate Change Report, November 2001, page 27]

In 1995, the Shell Learning Centre was opened 40 minutes north of Houston. As Shell puts it the training school has been conceived to encourage "out-of-the-box free thinking." [http://www.countonshell.com/welcome/history/history_1992.html]

Also in 1995 a question mark was put over Shell's real commitment to free thinking when Nigerian writer Ken Saro Wiwa and eight other Ogoni were hanged, by the Nigerian authorities "for speaking out against the environmental damage to the Niger Delta caused by Shell Oil" [<http://www.greenpeace.org/~comms/ken/murder.html>]

Shell had already suffered a blow earlier in 1995 when in April, Greenpeace activists occupied the Brent Spar oil platform which had come to the end of its working life and was due to be dumped at sea. [<http://www.greenpeace.org/~comms/brent/diary.html>]

The platform contained tonnes of toxic drilling muds, plus oil residues and radioactive waste. Shell's cosy relationship with the UK Department of Trade and Industry (DTI) ensured that it got approval for the dumping - indeed the DTI refused to accept written protests from Greenpeace. Shell said it had submitted an objective view from "independent" scientists but a number of reports are alleged to have been hidden or destroyed. One of these predicted that the Spar would break up on its way down to its intended resting place 150m below the surface, dispelling its waste into the water column [<http://www.corporatewatch.org.uk/publications/shell.html>].

After a three year campaign by Greenpeace the Brent Spar was, in November 1998, broken up and incorporated into a new ferry terminal in the harbour of Mekjarvik, Norway [<http://www.greenpeace.org/pressreleases/oceandumping/1998nov25.html>]. Since this decision, European countries surrounding the North Sea have invoked a moratorium on such dumping of platforms, avoiding a dangerous precedent for the misuse of our seas.

In March of 1997, Shell, Texaco and Saudi Aramco announced, a hugely significant joint venture that would combine their Eastern and Gulf Coast United States refining and marketing businesses.

[http://www.countonshell.com/welcome/history/history_1992.html]

From July 2000 Jeroen van der Veer replaced Maarten van den Bergh as president of Royal-Dutch [<http://www.shell.com/royal-en/content/0,5028,25455-50931,00.html>] and in 2001 Phil Watts replaced Sir Mark Moody Stuart as chairman of the board of Shell transport and Trading [<http://www.shell.com/royal-en/content/0,5028,25456-50912,00.html>].

Footnotes

[1] www.business-line.com/business-weekly/archives/233/investor.html

[2] BP annual report 2000: www.bp.com/downloads/457/BP_RA_Complete.pdf

[3] BP annual report 2000: www.bp.com/downloads/457/BP_RA_Complete.pdf

[7] BP annual report 2000: www.bp.com/downloads/457/BP_RA_Complete.pdf

[10] Results, 4th quarter and full year 2000, Royal Dutch/Shell group of companies www.Shell.com/investordata/downloads/134/q42000pdf3.pdf / (page 4)

[11] Results, 4th quarter and full year 2000, Royal Dutch/Shell group of companies www.Shell.com/investordata/downloads/134/q42000pdf3.pdf / (page 5)

[12] Results, 4th quarter and full year 2000, Royal Dutch/Shell group of companies

www.Shell.com/investordata/downloads/134/q42000pdf3.pdf / (page 6)

[13] ExxonMobil, summary annual report, 2000 (page 8)

[14] ExxonMobil, summary annual report, 2000 (page 8)

[16] ExxonMobil, summary annual report, 2000 (page 16)

Products/Projects

The Shell brand is used worldwide in the marketing of Shell's downstream products: including petrol, diesel, aviation fuel, fuel oils, lubricants, bottled gas for domestic consumers and gas for industrial consumers.

Shell has operations in around 130 countries. [<http://www.parliament.the-stationery-office.co.uk/pa/cm199899/cmselect/cmfaff/100/8052105.htm>] The Shell brand name is important to company marketing strategy and is promoted as a mark of quality which consumers can trust: branding is emphasised more than price.

Who, Where, How Much

Shell is the largest operator in the British North Sea (in Joint venture with Esso). Shell has 3 refineries in the UK at Stanlow (Merseyside), Shell haven (Essex) and Eastham [Financial Times International Yearbooks, Oil and Gas 2000, Longman].

Shell International Limited, can be contacted in the UK at:

Shell centre,

London,

G.B.

SE1 7NA.

Phone: +44 (0)20 7934 5293

Fax: +44 (0)20 7934 5555

In the Netherlands:

Shell International B.V.

PO Box 162,

2501 AN,

The Hague,

Netherland.

Phone: +31 (0)70 377 4540

Fax: +31 (0)70 377 3115

In the United States:

Shell Oil Company,

630 Fifth Avenue,

Suite 1970,

New York,

NY 10111.

U.S.A.
Phone: +1 212 218 3113
Fax: +1 212 218 3114

[Contact addresses from Financial and Operating Information 1996-2000, Royal Dutch/Shell Group of Companies]

Institutional Investors

Royal Dutch/Shell Group operate as one, the two companies hold 60 per-cent and 40 per-cent respectively of assets. One cannot buy shares in the group as such. Royal Dutch and Shell are listed separately on the world's stock exchanges.

Royal Dutch's share value, at time of writing, ranges approximately from 44 to 59 US dollars per share. Shell's share value is between 39 and 51 US dollars per share [www.marketguide.com - Research - RD - Inst. Investors].

Seven-Hundred-and-Seventy large, institutional shareholders own 25 per-cent of Royal Dutch [www.marketguide.com - Research - RD - Inst. Investors]. The top institutional holders being (on 30 Sept. 2001):

Barclays Global Investors International: 52 276 764 shares, approximately 2.4 per-cent of Royal Dutch.

State Street Global Advisors: 32 134 762 shares, approximately 1.5 per-cent of Royal Dutch.

Capital Research and Management Company: 28 422 000 shares, approximately 1.3 per-cent of Royal Dutch.

Vanguard Group: 27 252 224 shares, approximately 1.3 per-cent of Royal Dutch.

Fidelity Management and Research Company: 26 482 036 shares, approximately 1.2 per-cent of Royal Dutch.

Putnam Investment Management: 25 049 203 shares, approximately 1.2 per-cent of Royal Dutch.

Deutsche Bankers Trust: 15 971 472 shares, approximately 0.7 per-cent of Royal Dutch.

Northern Trust Company: 12 871 142 shares, approximately 0.6 per-cent of Royal Dutch.

Wellington Management: 10 931 540 shares, approximately 0.5 per-cent of Royal Dutch.

J.P. Morgan Fleming Asset Management, US: 10 663 009 shares, approximately 0.5 per-cent of Royal Dutch.

[www.marketguide.com - Research - RD - Inst. Investors]

Large institutional investors have invested far more in Royal Dutch than in Shell. Shell tends to attract more, smaller investors. 172 institutions hold a total of 2.2 per-cent of shares in Shell. The largest holding being only around 0.7 per-cent of the company.

The largest institutional investors in Shell are:

Capital Research and Management Company: 11 229 400 shares, approximately 0.68 per-cent of Shell.

Capital Guardian Trust: 6 386 032 shares, approximately 0.39 per-cent of Shell.

Wellington Management: 3 836 386 shares, approximately 0.23 per-cent of Shell.

Invesco Inc. 2 084 294 shares, approximately 0.13 per-cent of Shell.

Tempeleton Investment Counsel: 1 836 893 shares, approximately 0.11 per-cent of Shell.

Pioneer Investment Management 1 034 700 shares, approximately 0.06 per-cent of Shell.

UBS Warburg LLC: 978 793 shares, approximately 0.06 per-cent of Shell.

World Asset Management: 710 811 shares, approximately 0.04 per-cent of Shell.

State Street Research Management/Metropolitan Research: 553 100 shares, approximately 0.03 per-cent of Shell.

Smith Barney Asset Management 527 483 shares, approximately 0.03 per-cent of Shell.

Bryn Mawr Capital Management: 424 500 shares, approximately 0.03 per-cent of Shell.

Vaughan Nelson Scarborough and McConnell: 420 360 Shares, approximately 0.03 per-cent of Shell.

Boards of the Parent Companies

Senior management structure within Royal Dutch comprises a Board of management (van der Veer and Roels) and a supervisory board made up of the remaining directors. The chairman of the supervisory board (van Wachem) along with members of the board of management are executive officers of the company

[www.shell.com/reports2000/rdEnglish/html/BoardParentbu.html].

Shell Transport and Trading has an 11 member board of directors including 3 executive officers: The chairman of the board and 2 other managing directors, currently Sir Mark Moody-Stuart, Paul Skinner and Philip Watts [www.shell.com/reports2000/rdEnglish/html/BoardParentbu.html]. Skinner and Watts also hold positions as CEO of Oil Products [*Globe*, The International Business magazine of shell Oil Products, Issue One, 2001] and of Exploration/Production respectively.

Until recent years the Royal Dutch/Shell group was known for its unique consensus style of management with members of the boards taking collective responsibility for decision-making. The drive for ever-greater efficiency has led to a shift of culture: managers now take personal responsibility for operations in a given region or company division.

Executive Officers of Royal Dutch

A full listing of the directors of Royal Dutch can be found on Shell's own website at [www.shell.com/reports2000/rdEnglish/html/BoardParentbu.html] Brief biographies of all current members of the Royal Dutch Board of Management and Supervisory Board can be found at:

[<http://yahoo.marketguide.com/MGI/offrdirs.asp?rt=offrdirs&rn=A04C3&target=%2Fstocks%2Fcompanyinformation%2Fofficersanddirectors%2Foffrdirs&Ticker=RD>]

Lodewijk C. Van Wachem. (Born 1931, Dutch) Chairman of the supervisory board of Royal Dutch since 1992. Was a Managing Director of Royal Dutch 1977-92 and President 1982-92. Was also Managing Director of Royal Dutch/Shell Group 1977-92. He is due to retire in 2002. When he is not at the helm of Royal Dutch, Van Wachem is Chairman of the Supervisory Board of Royal Philips Electronics, Europe's largest electronics corporation [[link: www.Philips.com](http://www.Philips.com)]. He is Vice-Chairman of the Board of Directors of Zurich Financial Services [[link: www.zurich.com](http://www.zurich.com)] and a member of the Supervisory Board of multinational Dutch chemicals group Akzo Nobel [[link: www.akzonobel.com](http://www.akzonobel.com)]. He is also a member of the supervisory board of German car manufacturers BMW [[link: www.bmw.com](http://www.bmw.com)] and of life sciences corporation Bayer who recently acquired the infamous GM company: Aventis Crop Science (See forthcoming Corporate Watch briefing on Bayer). In addition, Van Wachem is a member of the Board of Directors of computer corporation IBM [[link: www.ibm.com](http://www.ibm.com)] and of the Canadian Atco group [[link: www.atco.com](http://www.atco.com)], whose business includes: Power generation, pipelines, energy services and technologies. [<http://www.shell.com/reports2000/rdEnglish/html/BoardParentbu.html>]

Jeroen van der Veer (Born 1947, Dutch) President of Royal Dutch since July 2000, and with Roels part of the board of management. A managing Director of Royal Dutch since 1997 at which date he also became a Managing Director of Royal Dutch/Shell Group. van der Veer joined the Group's refining and marketing division in the Netherlands in 1971, he also worked in Curacao (Netherlands Antilles: Dutch West-Indies) and the UK. He held the position of area Co-ordinator for Sub-Saharan Africa between 1990 and 1992, following which, he became managing Director of Shell Nederland chemicals business a position he held until 1995 when he became president and Chief Executive Officer of Shell Chemical Company USA 1995-97. He is also a member of the Supervisory Board of De Nederlandsche Bank [[link:](#)

www.dnb.nl/english/].

[<http://www.shell.com/reports2000/rdEnglish/html/BoardParentbu.html>]

Roels, Harry (Born 1948, Dutch) Managing Director since 2001, member of board of management of Royal Dutch. A Managing Director of Royal Dutch and of the group since 1999, Joined the Group in 1971 as a petroleum engineer. Worked in exploration and production in Malaysia, Brunei, the UK, Turkey, Norway and the Netherlands. Area Co-ordinator for a number of Latin American countries 1994-96 and Regional Business Director Middle East and Africa, Exploration and Production 1996-98. Managing Director of Shell Nederland 1998-99. In addition to his position at Royal Dutch he is General Manager of Nederlandse Aardolie Maatschappij [link: www.nam.nl]

[<http://www.shell.com/reports2000/rdEnglish/html/BoardParentbu.html>]

Members of the Royal Dutch Supervisory Board

Louden, Jonkheer A: Member of the Supervisory Board since 1997.

Professor Milberg, Joachim: Member of the Supervisory Board since 2000.

Timmer, Jan D: Member of the Supervisory Board since 1996.

Van den Bergh, M. A: Member of the Supervisory Board since 1998.

De Ruiter, Hennie. Member of the Supervisory board since 1994.

Jacobs, Aad G. Member of the Supervisory Board since 1998.

Shell Transport and Trading, Executive Directors

A full listing of the directors of Shell Transport and Trading can be found on Shell's own website at [www.shell.com/reports2000/rdEnglish/html/BoardParentbu.html]. Brief biographies of all current members of the Shell Board or directors can be found at:

[<http://yahoo.marketguide.com/MGI/offrdirs.asp?rt=offrdirs&rn=A0460&target=%2Fstocks%2Fcompanyinformation%2Fofficersanddirectors%2Foffrdirs&Ticker=SC>]

Sir Mark Moody-Stuart, Chairman. (Born: September 15, 1940) A director and subsequently, a managing director of the company and of the group since 1991 and Chairman since 1997. He joined the Group in 1966 and gained experience as a geologist in exploration. Within that division he held positions in Brunei, Australia and the North Sea. From 1978 onwards he held a number of general management positions in Europe, Asia and Africa. Following which, in 1991 he was appointed head of the Group's Exploration and Production operations, outside North America. Sir Mark is currently co-chairman of the G8 Task Force on Renewable Energy. [<http://yahoo.marketguide.com/MGI/offrdirs.asp?rt=offrdirs&rn=A0460&target=%2Fstocks%2Fcompanyinformation%2Fofficersanddirectors%2Foffrdirs&Ticker=SC>]

Philip Watts (Born: June 25, 1945) Has been a director and subsequently a managing director of the company and of the group since 1997. Watts is Chief Executive Officer of Exploration and Production. He joined the Group as a seismologist in 1969, and held positions in the Asia-Pacific region and in Europe, leading to a position as Exploration Director, Shell UK 1983-85. From 1985 until 1991 Watts was based in The Hague, where he held various positions in Exploration and Production. He was chairman and Managing Director in Nigeria 1991-94 and left this role only months before Shell hit the headlines for its role in that country in 1995. Watts was co-ordinator of exploration and production: Europe 1994-95 and director of Planning, Environment and External Affairs, Shell International 1996-97. He is currently a member of the Executive Committee of the World Business Council for Sustainable Development and Chairman of the International Chamber of Commerce's UK governing body. He also sits at the European Roundtable of Industrialists [www.ert.be/pc/enc_frame.htm]. Corporate Europe Observatory's briefing on the European Roundtable can be found at [[link: www.xs4all.nl/~ceo](http://www.xs4all.nl/~ceo)] [<http://yahoo.marketguide.com/MGI/offrdirs.asp?rt=offrdirs&rn=A0460&target=%2Fstocks%2Fcompanyinformation%2Fofficersanddirectors%2Foffrdirs&Ticker=SC>]

Paul Skinner (Born: December 24, 1944). Managing Director of the Company and of the Group since January 1, 2000. Currently Chief Executive Officer, Oil Products. He joined the Group in chemicals in 1966, working in chemicals: sales and marketing in the UK, Greece and Nigeria. He moved to the oil products division in 1979, where he has held senior roles in the UK, New Zealand and Norway. Between 1991 and 1995 Skinner was responsible for Shell's oil trading business, and between 1995 and 1996 he was additionally responsible for the shipping business. He moved to be director of strategy and business services, Oil Products in 1996 a position he held until 1998. He was President, Shell Europe, Oil Products 1998-99. Outside of Shell he is currently a member of the Board of INSEAD: The European/Asian business school [<http://yahoo.marketguide.com/MGI/offrdirs.asp?rt=offrdirs&rn=A0460&target=%2Fstocks%2Fcompanyinformation%2Fofficersanddirectors%2Foffrdirs&Ticker=SC>].

Shell Transport and Trading, Non-Executive Directors

Teymour Alireza: A Director since 1997.

Dr. Eileen Buttle, CBE: A Director since 1998.

Luis Giusti: Appointed a Director on September 13, 2000.

Sir Peter Holmes, MC. A Director since 1982.

Sir John Jennings, CBE, FRSE: A Director since 1987.

Professor Robert O'Neill, AO: A Director since 1992.

Lord Oxburgh KBE, FRS: A Director since 1996.

Sir William Purves, CBE, DSO, GBM: A Director since 1993.

Influence / Lobbying Groups

Royal Dutch/Shell group and its subsidiaries belong to a large number of lobbying organisations and have substantial access to government, particularly in the UK and the Netherlands.

Global Climate Coalition

Like most of its fellow oil companies and a number of industry associations, Shell was formerly a member of the Global Climate Coalition (GCC): The coalition heavily lobbied governments and mounted persuasive advertising campaigns in the US to turn public opinion against concrete action on greenhouse gas emissions. The so called 'carbon club' led the way in undermining public support for action to curb climate change.

After Heinz Rothermund's speech in May 1997, questioning to what degree our climate could withstand the burning of known hydrocarbon reserves [Heinz Rothermund, Speaking at the 1997 Celebrity Lecture for the Institute of Petroleum at Strathclyde University, 20 May 1997]. In 1998 Shell followed BP and left the GCC. By early 2000 Texaco and others were joining the movement away from the GCC.

While the GCC was an overt lobby against action on climate change, since it was sidelined, other lobby groups have come to the fore which are more subtle in their tactics.

World Business Council for Sustainable Development

As a multinational which attempts to maintain the ethical high ground, Shell takes a leading position within the World Business Council for Sustainable Development (WBCSD) [www.transnationale.org/anglais/fiches/1442483538.htm]. Senior members of Royal Dutch/Shell Group wear their WBCSD hat, for example at the UN's COP climate summits.

For details of WBCSD's position on climate change:
(www.wbcd.org/projects/pr_climenergy.htm)

Business Roundtable

The president of Royal Dutch and Chairman of Shell are entitled to sit at the Business Roundtable [www.transnationale.org/anglais/fiches/1442483538.htm], an association who examine public issues that affect the economy [www.brtable.org/]. The association, which represents over 200 companies, ran a series of newspaper advertisements timed to precede an address by President Clinton to its annual meeting in June 1997. The adverts called for a climate policy "balanced" between economy and environment [www.globalchange.org/gccd/gcc-digest/1997/d97sep17.htm]. The roundtable's position is explained in Rush to Judgment: A Primer on Global Climate Change, available on the group's website. [www.globalchange.org/gccd/gcc-digest/1997/d97sep17.htm]

Centre for European Policy Studies

Shell also holds a position within the Centre for European Policy Studies [www.transnationale.org/anglais/fiches/1442483538.htm] (CEPS) (www.ceps.be) which hosted a special meeting on climate change, on the eve of COP6 bis, the resumed international negotiations on the future of the Kyoto Protocol (Bonn, July 16-27, 2000). The meeting launched a new CEPS working party on "Emissions trading and the new EU climate-change policy" which will be chaired by Charles Nicholson of fellow oil giants BP [www.ceps.be/Pubs/News/].

International Chamber of Commerce and US Council for International Business

BP also belongs to the International Chamber of Commerce (ICC) [www.iccwbo.org] and the US Council for International Business (USCIB) [www.transnationale.org/anglais/fiches/1442483538.htm]

From its website, the ICC heralds itself as "The only representative body that speaks with authority on behalf of enterprises from all sectors in every part of the world." [www.iccwbo.org]

ICC promotes free trade and the market economy with the conviction that "trade is a powerful force for peace and prosperity" [www.iccwbo.org]. ICC aims to be a forum where business can agree voluntary rules to govern world trade in the hope that this image of responsible industry self-regulation will persuade governments not to interfere. It proved so successful in this that within a year of the creation of the United Nations, ICC was granted consultative status at the UN [www.iccwbo.org/home/intro_icc/introducing_icc.asp].

Shell in the United States, and over 300 other American corporations belong to USCIB who are involved in lobbying the US government. The council was founded in 1945 "to promote an open system of world trade, investment and finance" [www.imex.com/uscib/]. Other prominent members of the council include: BP, the American Petroleum Institute, Coca-Cola, Chevron (oil Co.), Dupont (see Corporate Watch profile), General Electric, General Motors, Ford, McDonalds, Mobil, Monsanto, Nestle USA, Philip Morris (tobacco), Texaco (oil) and Unilever. The USCIB is the US affiliate of the International Chamber of Commerce (ICC) and the International Organisation of Employers (IOE). Most significantly USCIB chairs the expert-group of the Organisation for Economic Cooperation and Development (OECD) [www.xs4all.nl/~ceo/mai/uscib.html].

European Chemical Industry Council

The company is a member of the European Chemical Industry Council who brand themselves as "both the forum and the voice of the European chemical industry." [<http://www.cefic.be/about/>] CEFIC represents, directly or indirectly, about 40,000 chemical companies in Europe, companies which account for more than 30 per-cent of world chemicals production [<http://www.cefic.be/about/>].

CEFIC represents large corporations such as Shell and represents smaller companies through the national chemical industry federations of 25 European countries [<http://www.cefic.be/about/>].

The federation's offices are in Brussels, where CEFIC was incorporated in 1972 as "an international association with scientific objectives." [<http://www.cefic.be/about/>] but science is inseparable from politics and CEFIC lobbies the European Commission extensively on behalf of its members' interests.

Perhaps most worrying is CEFIC's position in support of the WTO's TRIPS agreement on intellectual property which will bring patent laws into new areas, allowing the patenting of natural resources as if they were new ideas. For CEFIC's position see: www.cefic.org/feedback/LEGAL/NM2001|p-11.doc

Global Compact - www.unglobalcompact.org

A member of the Shell board was among the senior officers of 50 major companies present at the formal launch of the UN Global Compact on July 26, 2000. The compact was first mooted by UN Secretary-General Kofi Annan in a speech to the Davos World Economic Forum in January 1999. The compact between the UN and business aims to uphold values in human rights, labour standards and environmental practice. The Compact is open for adherence by any company, large or small, no formalities are involved and no formal proof is required that the companies are upholding the compact but companies are asked to demonstrate their adherence by taking corporate action to support the values of the Compact [www.iccwbo.org/home/menu_global_compact.asp].

The European Roundtable of Industrialists

The European Roundtable of Industrialists (ERT), which includes Phil Watts of 'Shell Transport and Trading' [www.ert.be/pc/pcb/encb01.htm] is a club of 48 captains of industry, drawn from the largest European multinationals. With privileged access to EU and national decision-makers the roundtable has been at the forefront in promoting industry self-regulation over government-enforceable mechanisms. ERT Environment Working Group released a report on climate change in mid-October 2000, prior to COP6 in the Hague: "Climate Change: How Government and Industry can Work Together" [www.xs4all.nl/~ceo/greenhouse/european.html].

Influencing Research and Education

BP has a working relationship with the following universities. These are key institutions, providing graduates to the oil industry. Many courses, particularly in the field of geology, receive funding from one or more oil companies: Imperial College, Aberdeen University, Cambridge University, Robert Gordon University, Edinburgh University and Kings College (London). Shell in the UK recruits heavily from these universities. For more details of the oil industries involvement in higher education see Corporate Watch's forthcoming briefing 'Degrees of Capture' or contact People & Planet about their 'Slick Protest' campaign [www.peopleandplanet.org/climatechange]

Links With Government

Shell is represented on a number of government QUANGOs in the UK: the Renewable Energy Taskforce, Advisory committee on Business and the Environment, Oil and Pipelines Agency (within the Ministry of Defence), Funding agency for

Schools, Sustainable Development Education Panel, Lambeth Education Action Zone (London), and the European Environmental Agency.

PR Companies

Shell uses a number of advertising agencies, these are: Fishburn Hedges, J. Walter Thompson, Burdett Martin and Publicis Focus. Shell's public relations consultants are: Shandwick International and Associates in Advertising. Royal Dutch/Shell has also used other companies and a number of the trade associations to which it belongs as environmental or community relations consultants.

In 1992 Shell began to sponsor the Houston-Open golf tournament which was a major advertising coup for the group. The tournament has, since then donated 7.2 million dollars to local charities.

[http://www.countonshell.com/welcome/history/history_1992.html]

In 1998 Shell launched its 'Count on Shell' campaign, (www.countonshell.com) a significant marketing push in the US, offering safety advice to motorists as well as promoting Shell products. The launch coincided with a major advertising campaign tied in to US TV coverage of the 1998 winter Olympic games.

[http://www.countonshell.com/welcome/history/history_1992.html]

Greenwash

In the face of current public hostility towards Esso (See: www.stopesso.com), Shell is making renewed efforts (December 2001) to differentiate itself from the dirty dog of the industry. A series of newspaper adverts [eg: Evening Standard (London) Tuesday 20 November 2001, p14] portray Shell as a caring, listening company - part of an already established public face for the company, for example with its community-aware "Flares out in 2008" program in Nigeria [The Shell Petroleum Development Company of Nigeria Limited, 2000 People and the Environment Annual Report, p38]. This public face ignores the group's ambitious targets for increased production of fossil fuels.

Shell has further greened its image by being seen to talk with NGOs (Non-Governmental Organisations) most notably and most controversially Amnesty International.

Further Info

<http://www.transnationale.org/anglais/fiches/1442483538.htm>

Corporate Crimes

(For more of Shell's corporate crimes see the Corporate Watch briefing: 100 years is enough <http://www.corporatewatch.org/publications/shell.html>)

Shell is a name already infamous with many campaigners. Be they concerned with climate change, human rights abuses or health and safety, the Royal Dutch Shell group has a sullied reputation and not only among environmentalists: In September

1993 the TGWU (transport and general workers union) launched a nationwide boycott of Shell petrol stations due to union derecognition at their Shell haven refinery in Essex.

Shell now paints itself as a caring company wishing to dissociate itself from past 'mistakes' in Nigeria and 'accidents' in the North Sea.

Some of the examples here are historical, but they give an insight into Shell's culture and despite liberal greenwash, things haven't really changed so there are more recent examples as well.

Climate Change

When it withdrew from the Global Climate Coalition in 1998 (see Influence/Lobbying section) Shell wished to be seen as one of the pioneer corporations, taking climate change seriously. Even before it withdrew from the GCC, Shell had been attempting to cultivate this image. In May 1997, the day after John Browne gave his speech at Stanford university stating that BP had reached a point where it must consider "the policy dimensions of climate change" [www.worldwatch.org/chairman/issue/000725.html] (see BP profile), Heinz Rothermund, Managing director of Shell UK Exploration and Production, asked in a lecture he gave at Strathclyde University, "How far is it sensible to explore for and develop new hydrocarbon reserves, given that the atmosphere may not be able to cope with the greenhouse gases that will emanate from the utilisation of the hydrocarbon reserves discovered already? Undoubtedly it is a dilemma". [Heinz Rothermund, speaking at the 1997 celebrity lecture for the Institute of Petroleum, Strathclyde University, 20th May 1997]

Shell, however has not translated this concern into action, it has not ceased or scaled back its exploration and production activities. Quite the opposite, Shell has ambitious plans to increase extraction by 5 per-cent year on year [Shell, Strategy presentation to financial analysts 18/12/2000]. So far the company is on target: "Compared to the third quarter last year, total hydrocarbon production increased by 5 per-cent" ['Earnings by Industry Segment, in: Results, Third Quarter, 2001, Royal Dutch/Shell Group]. However, a question mark hangs over the potential for sustained growth at this rate: Phil Watts, delivering the group's 2nd quarter results for 2001 said that plans to grow output by 5 per-cent between 2000 and 2005 now looked "Very challenging" amid the slowing world economy. Analysts predicted that Shell could scale back its growth target to 3 per-cent, but Mr. Watts refused to be drawn on a figure for longer-term production growth [www.gasandoil.com/goc/company/cne13588.htm].

Scaling back production does not suit a company like Shell whose worth, despite some investments in renewables, is measured in production volumes and proven reserves. In June 1990, the then chairman and Chief Executive Designate of Shell UK, Sir John Collins, suggested that we "see this great challenge [climate change] as a spur to ingenuity, the free market and sustainable economic development." [Collins, J. 1990 'Global Environment, Energy Industry's Biggest Challenge', Chairman and chief executive designate of shell UK, Press Release, Shell UK House, 28 June, 1990] So Shell has opted for a techno-fix: In 2000, Shell, together with Siemens began developing a pilot gas-fired power station in Norway, which will capture its Carbon

Dioxide (CO₂) emissions and pump the gas underground [www.sustdev.org/energy/industry%20news/04.2000/0132.shtml]. There are both technical and ethical questions over the use of this unproven technology in combating climate change [Muttitt, G. and Diss, B. Carbon Injection, The Ecologist Report, Climate Change, November 2001, p28]. Most bizarrely of all, CO₂ injection will be used for what is known as 'enhanced oil recovery' gas will be injected to increase the pressure of declining fields [Muttitt, G. and Diss, B. Carbon Injection, The Ecologist Report, Climate Change, November 2001, p29]. What is sold to the public as a solution to climate change will actually be used to extract more oil.

In accepting the reality of climate change, Shell announced in 1989 that the company was going to increase the height of its giant 'Troll' platform by 1 meter, to counter predicted rise in sea-level. The platform can be raised further if it becomes necessary over the proposed 70 year lifespan of the rig. [The Times, 1989, 'Shell to Raise Offshore gas Platform to Offset Anticipated Rise in Sea Level', 7 September, 1989 pp3; Reuter News service, 1990, 'North Sea Platform Raised to Offset Global warming', Oslo, 1 February, 1990]

West of Shetland

Environmental campaigners have long opposed the opening of the so-called Atlantic-Margin or Atlantic-Frontier to oil exploration. Opposition was on the grounds of climate-change but also because this area of deep ocean, west of Shetland and further, beyond Rockall had previously been largely free of commercial activity.

Most of Shell UK's production comes from the North Sea: Gas fields are mainly in the southern sector and oil comes from the more northerly fields, including the large Brent field. Companies which operate in the North Sea are aware that these areas are probably already past their peak and that production is likely to decline over the coming decades. Because no tax is payable on oil and gas from UK waters, the UK is a operating environment favoured by companies, so these corporations have been looking for new reserves in the UK to replace declining North Sea production.

In November 1997 Shell was a partner with operator BP in the Foinaven field, 190km west of Shetland, the first Atlantic Margin field to come on-stream [www.gasandoil.com/goc/company/cne85020.htm]. But on the 6th of December 2000 Shell announced that it had completed an asset swap agreement under which it would part with its 28 per-cent interest in the BP-operated Foinaven field, plus its interests in discoveries and prospects in areas adjacent to Foinaven. In exchange Shell would acquire an interest in Sakhalin Energy Investment of Russia [www.gasandoil.com/goc/company/cnr10270.htm ; www.shell.com/files/investor-en/sec20f.pdf]

Renewable Energy

As part of efforts to brand itself as a forward-looking new-energy company, Shell has begun to invest in off-shore wind energy. Shell is a partner in the Blyth offshore wind project in Northumberland [Shell advertisement, Evening Standard (London) Tuesday, 20 November, 2001, p14]. Industry analysts see this investment favourably,

since unlike BPs investment in solar Shell already has expertise in off-shore operations which it can transfer to its renewables division.

As Shell itself states: "Wind energy should profit everyone and harm no-one". A laudable sentiment, but in continuing to explore for more oil, the company fails to recognise that renewable energy will only be a solution to climate change where it replaces energy which would otherwise have been generated from fossil fuels.

For more on Shell's climate change strategy see the 'Influence and Lobbying' Section of this profile.

Missing The Big Picture

Since the 1980s Shell has cut its air and water pollution and, through energy efficiency cut its own energy usage. Shell has described its approach as "The pursuit of excellence in environmental performance" [Van Wachem L. C. 1992 The Three Cornered Challenge - Energy, Environment and population, The Cadman memorial lecture, London, 14 September 1992]. Sadly, the company fails to acknowledge that oil and gas is inherently a highly polluting business, both locally and globally, upstream and down. Despite token moves into offshore wind energy Shell, like all oil companies believes that fossil fuels will remain the dominant source of energy for decades to come, and that renewable energy simply could not meet world energy demand. But this is a prescription dressed up as a description: It comes from the companies which dictate the nature of our energy supply [Muttitt, G. and Diss, B. 2001, Carbon Injection, The Ecologist Report, Climate Change, November 2001].

Measurable reductions in local environmental pollution at Shell facilities have been achieved relatively easily and have been good for public relations, but this disguises the fact that in the early 1990s Shell was regularly breaching its pollution consent limits (35 times in 1991) [ENDS, 1992, Ethical Investors Weed Out Water Polluters, ENDS Report 2005, February 1992, p9] and as such had, in the UK at least, a statutory duty to improve environmental performance. It also ignores the reality that to reduce local pollution whilst simultaneously seeking new oil and gas is to fudge the pollution issue. Genuine good environmental and social practice cannot be achieved piecemeal or out-sourced to public relations consultants.

Oil Leak and Drilling Muds

Shell was less proficient in reducing local pollution in August 1989 when 150 tons of thick Venezuelan crude leaked from a Shell pipeline, into the River Mersey (UK) [Daily Telegraph, 1989, Shell Facing Legal Action Over 150-Ton Oil Spillage, 26 September, p2]. The spill caused a 20 mile slick and killed at least 300 sea birds, putting another 2000 at risk due to oil ingestion. The nearby New Brighton mussel beds were also contaminated [Lloyds List, 1990, Shell Oil Pumped Into Mersey 'To Save Pipeline' Causes Environmental Pollution, 23 February, pp2; Independent, 1990, Shell Pumped Oil into the River to Save Pipeline, 23 February, p2]. The incident was made worse because Shell, against the warnings of local police and councillors [Independent, 1990, 'Shell UK Close to Causing an Environmental Disaster', 23 February, p2] flushed the pipeline with lighter crude and water, in order to stop oil from solidifying and blocking the pipe.

The National Rivers Authority was not informed of the spill by Shell but by the local fire Brigade, two and a half hours after the event. If they had been notified earlier, the flushing attempts would have been prevented [Dunn A, 1990, 'Shell Pleads Guilty to Mersey Oil Spill', The Guardian, 23 February, pp3]. The official Department of Energy report concluded that the pipe was badly corroded and that the monitoring equipment was so inadequate that it could not detect problems [Brown P, 1990, 'Shell Could Not Find Pipe Corrosion, Says Department of Energy Report', Guardian, 5 December, p2]. Shell was fined one million pounds at Liverpool Crown Court, with costs of 6573 pounds - the largest ever fine in the UK for a pollution incident [Financial Times, 1990, 'Shell Fined 1M for Mersey Oil Leak', 24 February, p4].

After several further spills and leakages, and amidst mounting criticism of the refinery, the General Manager of the plant, Bob Brawn told employees, that: "If I was running this plant in the United States or in Canada I would be in jail by now" [Palmer R, 1990, 'Shell to Face Court Again for Pollution', Sunday Times, 21 October, p3].

Contamination also emanates from exploration and production. For example, in April 1989, there was a 50000 gallon leak of toxic drilling muds from Shell's North Cormorant oil field in the North Sea [The Guardian, 1989 4 April].

Better Britain

The now well established Shell Better Britain campaign (SBBC) is an attempt by Shell to win public support by funding "Communities in efforts to improve their local environment in a sustainable manner, from organic growing to cycle taxis" [www.shell.com/nr-en/directory/0,6032,45131,00.html].

However, the scheme has split environmental groups over the ethics of accepting such money, particularly since the scheme has been so successful in earning Shell the image of a good corporate citizen. For example, the judge who, in 1990 fined Royal Dutch/Shell Group one million pounds over an oil leak into the river Mersey (UK) the previous year (see above), commented that the fine would have been substantially higher if Shell had not had such a good record in conservation, the arts and other worthwhile causes [Financial Times, 1990, Shell fined 1M for Mersey oil leak, 24 February 1990, p4].

As long ago as 1991, then campaigns director of Friends of the Earth: Andrew Lees criticised the Shell Better Britain campaign as being an example of corporations buying a green image rather than actually earning one [Garrett, A. 1991 Sponsorship - Business buys its way to a greener image, Independent on Sunday, 10 November 1991, p26].

In 1989, Shell defeated a decision by Kent County Council (UK) to stop the company drilling in a classified Area of Outstanding Natural Beauty, [Mackerron C B, 1993, Business in the Rainforests: Corporations, Deforestation and Sustainability, Investor Responsibility Research Centre, Washington, p122] and in 1990 the company decided to build a pipeline construction facility on Morrish More, a grade one Site of Special Scientific Interest and an EC (European Community) Protected Area, and the only

breeding site in the UK of the whimbrel, a rare wading bird [McIlroy A J, 1990, 'RSPB Returns £2,000 Gift From Shell', Daily Telegraph, 10 July, p6]. In 1992, Shell began drilling 21 miles off the Sunderland coast, north east England. The area is close to 21 sites of special scientific interest (SSSI) and to Flamborough Head, a well known nesting site [Hamilton Fazey I & Hargreaves D, 1991, 'Shell to Seek Oil Off North East Coast', Financial Times, 22 August, p9]. Shell's contribution to Britain is distinctly mixed.

Human Rights Violations

In 1991 EIRIS (Ethical Investment Research Service) stated that Shell was operating in 24 Countries where extra-judicial executions or disappearances had been reported, 44 countries where torture has been reported (according to Amnesty International), 36 Countries where 'official violence against citizens' was reported, and 26 countries which were holding prisoners of conscience (according to Amnesty International). [EIRIS, 1991, The Shell Transport and Trading Company Factsheet, London, p7]

By 1999, following extensive public relations on the part of Shell, including the annual publication of "People, Planet and Profits, The Shell Report" EIRIS had revised its opinion of Shell, stating that "a number of companies such as Shell ... have now recognised ... the new emerging agenda"

[<http://www.eiris.org/Files/Otherpublications/EMSPAPER.pdf> - EIRIS: Ethical Investment research Service, 1999, Corporate Environmental policy, Management and Reporting]

A copy of "The Shell Report" can be read online at: www.shell.com/shellreport

Others, such as UNPO (Unrepresented Nations and Peoples' Organisation) have been less convinced by the greenwash: "Although Shell International stopped its activities in Ogoniland [Part of Nigeria], the degradation of the environment still continues. Abandoned pipelines cause major troubles. Due to leakages the oil runs freely and destroys the Ogoni lands. Shell accuses the Ogoni people of sabotaging the pipelines; the Ogoni people blame Shell for not keeping the pipelines in repair." [Unrepresented Nations and Peoples' Organisation: <http://www.unpo.org/member/ogoni/ogoni.html> - last updated 2001]

Nigeria

Africa's largest oil-producing state has, for more than 40 years, been of immense strategic importance to Shell. The Company's activities in Nigeria are as part of a joint venture between themselves (30 per-cent), Elf, Agip and NNPC (the Nigerian National Petroleum Company). Shell operates in Nigeria as SPDC (the Shell Petroleum Development Company of Nigeria Limited) a wholly owned subsidiary of Shell. SPDC is the largest oil and gas company in Nigeria and the Joint venture accounts for 35 per-cent of Nigeria's oil production and about 53 per-cent of the country's oil and gas reserves [The Shell Petroleum Development Company of Nigeria Limited, 2000, People and the Environment Annual Report, page 5].

Shell hit the headlines in 1995 when the Nigerian dictatorship hanged author and poet Ken Saro Wiwa and eight other Ogoni (see history section) but the struggle of the

Ogoni people did not begin or end in November 1995. In the early 1990s thousands of people had come together in the 'Movement for the Survival of Ogoni People'. Shell was targeted by activists and as a result, threatened to stop production. The Nigerian state is heavily dependent on oil revenues so general Sani Abacha began a military campaign which systematically brutalised Ogoni and other Delta peoples. More than 1000 Ogoni are still living in refugee camps in neighbouring countries. [New Internationalist, Mired in Crude, June 2001, p23] Currently shell has been forced to withdraw from Ogoniland but its ongoing exploration and production activities in other parts of the Niger Delta continue to generate controversy. Many of the Delta's wetlands and rivers have been poisoned, destroying the fishing industry which has traditionally supported people of the region. [New Internationalist, Mired in Crude, June 2001, p23]

Those living in communities in Nigeria and elsewhere will doubtless be reassured that "If armed security has to be used it shall comply with the Group's guidelines on the use of force" [Royal Dutch/Shell Group, 2000, People, Planet and Profits, p21]

The Shell Petroleum Development Company of Nigeria Limited publishes a "People and the Environment Annual Report", which fails to address the Ogoni controversy, or the issue of abandoned pipelines. It does however note that: "there was a significant reduction in community disruption of operations by 30 per-cent from 349 cases in 1999 to 244 in 2000." [The Shell Petroleum Development Company of Nigeria Limited, 2000, People and the Environment Annual Report, p8]

The Niger Delta is already a maze of pipelines and pumping stations, now Shell, together with Chevron is planning a 1000km pipeline to carry offshore gas from the delta to Benin, Togo and Ghana. [New Internationalist, Mired in Crude, June 2001, p23]

More information can be obtained from Delta: www.oneworld.org/delta

From the (S)hell website www.kempton.org/shell/latest.html

Or from Environmental Rights Action, 214 Uselu-Lagos Rd. PO Box 10577, Benin City, Nigeria, Email: eraction@infoweb.abs.net

Chad-Cameroon

Under pressure from human rights activists Shell withdrew from the 3.7 billion dollar Chad-Cameroon oil and pipeline project in 1999. The project will involve the development of more than 300 oil wells in southern Chad and the construction of a 1050km pipeline, southwards to Cameroon's Atlantic coast. The project could still go ahead and will likely be backed by ExxonMobil and Chevron. The project can only strengthen Chad's repressive regime and there are worries that it will lead to destruction of rivers and coastal rainforest. [New Internationalist, Mired in Crude, June 2001, p23] Shell's oil Exploration activity continues in less controversial offshore Cameroon [Financial and Operating Information 1996-2000, Royal Dutch/Shell Group of Companies, p17] where, fortunately for Shell, it does not have to contend with indigenous communities blighted by oil.

Peru and Columbia

Shell mounted a similar retreat from Peru. In 1996 Shell Prospecting and Development (Peru) signed a licensing agreement with the Peruvian government for the Camisea project, controversial because exploration was to place in pristine rainforest, in an area inhabited by several vulnerable indigenous populations, including 2 of the world's last isolated nomadic peoples [<http://forests.org/ric/wrr39/shellperu.htm>]. Since 1996, Shell has found Gas along the Urubamba River in Peru [Financial and Operating Information 1996-2000, royal Dutch/Shell Group of Companies, p21] but has pulled out of the Camisea project. Despite attempts to portray the project as a model of sustainable development, the company was unable to win the 'green' stamp of approval from NGOs, without such support the cost of the project to Shell in public relations would have been too great.

Seemingly for similar reasons, Shell also pulled out of a joint venture with Occidental Petroleum, a venture engaged in exploration activity in the equally fragile Colombian rainforest [<http://forests.org/ric/wrr39/shellperu.htm>].

Pakistan

Like a number of other oil companies, Shell takes a keen interest in the potential for downstream marketing activities in the emerging markets of central Asia and the Indian subcontinent. Shell is also involved in exploration and production in Pakistan. [Financial and Operating Information 1996-2000, Royal Dutch/Shell Group of companies, p19] This included the Dumbar concession, which covered exploration rights over most of the Kirthar National Park in the south-eastern Sind province. The concession was granted by the provincial government to a joint venture between Shell Pakistan and Premier Oil (See Corporate Watch profile: Premier Oil). Public controversy over oil exploration in such a sensitive, protected environment erupted after Pakistani 'Sustainable Development Policy Institute' in Coalition with 8 other NGOs announced, in February 2001 that it was mounting a legal challenge to have the concession overturned [www.gasandoil.com/goc/news/nts11225.htm Alexander's Gas and Oil Connections, Source: Al Nisr Publishing LLC].

In response to such bad press, and concerned for its reputation, Shell announced in May 2001 that "it was seeking to end its Pakistan joint venture with Premier Oil by proposing to swap its 49.9 per-cent stake in the joint venture for an increased holding of up to 28 per-cent in Premier's Bhit gas field elsewhere in Pakistan. Industry sources said that shell "was looking to lessen its exposure in exploration activities and the move could be part of the strategic decision" [www.gasandoil.com/goc/company/cns12282.htm Alexander's Gas and Oil Connections, Source: Dow Jones].

Shell's strategy is clear: Following bad publicity in the 1990s, and wanting to brand itself a caring company, Shell is withdrawing from the most controversial projects in Nigeria, Cameroon and Pakistan, whilst continuing to operate in those countries and support those regimes.

Real concern for human rights would mean pulling out of dictatorships such as Nigeria, Pakistan and China. For details of Shell's interests in these countries see:

Financial and Operating Information, 1996-2000, Royal Dutch/Shell Group of Companies pp17-20].

Health and Safety

Examples of poor health and safety are given here from Shell's North Sea operations where they operate in joint venture with Esso [FT Oil and Gas Yearbook, 2000]. Access to information on such incidents is relatively easy in the UK, but health and safety, like environmental performance is generally worse in poorer countries, where statutory standards are often lower. The company is also less dependent on those markets for selling its products and so has to worry less about its public image. Royal Dutch/Shell group states that its "companies act in a socially responsible manner within the laws of the countries in which they operate" [Shell International Limited, 1997, Statement of General Business Principles]. As such, Shell's approach is consistent with principle 11 of the Rio Declaration from the Earth Summit of June 1992 which states that "...Standards applied by some countries may be inappropriate and of unwarranted economic cost to other countries in particular developing countries." [Nickson, E.W. 1993 Environmental Questionnaire, Response of Andrew Rowell, Shell International Petroleum Company, 13 September 1993] In practice, Shell will adopt lower standards in the developing world, where it can get away with it.

North Sea

Health and safety is paramount in the harsh environment of off-shore oil exploration and production. The British North Sea has been the scene of a number of serious incidents which have often led unions to criticise management's approach to health and safety.

After a massive escape of gas in January 1989, on Shell's Delta platform in the Brent field, (east of Shetland) Shell was criticised for not informing HM coastguard of the incident [Glasgow Herald, 1989, Shell Criticised For Brent Field Gas Leak, 6 January 1989, p4]. Independent experts believed that Shell was fortunate not to experience a disaster similar to that on Occidental's Piper-Alpha platform.

In 1992, half of Shell exploration-and-production's staff-management committee resigned, frustrated with the company's attitude [Grant, K. 1992 Employees Walk Out, Aberdeen Press and Journal, 9 September, 1992, p1].

The union OILC which represents a large proportion of offshore workers in the British North Sea believes that nothing fundamental has changed since these incidents and that problems with health and safety are systemic. Health and safety is implemented by Shell as it is by other companies in a top down manner. Unions and workers are not adequately consulted and impossible, conflicting demands are made of employees: Work must be done, ever more quickly in the drive for 'efficiency' but safety must not be compromised.

Further Info

For more of Shell's corporate crimes see the Corporatewatch briefing: 100 years is enough <http://www.corporatewatch.org/publications/shell.html>

More information on Shell's operations in Nigeria can be obtained from Delta: www.oneworld.org/delta

Or from Environmental Rights Action, 214 Uselu-Lagos Rd. PO Box 10577, Benin City, Nigeria, Email: eraction@infoweb.abs.net

Useful information on the company can be obtained from the (S)hell website www.kemptown.org/shell/latest.html

Project Underground, 1847 Berkeley Way, Berkeley CA, 94703. Have looked extensively at many companies within the oil and gas sector, including Shell. www.moles.org

Tapol (Indonesian Human Rights Campaign) 8 Hop Gardens, London, WC2N 4EH 0207 497 5313. have information on Shell corporate crimes, relating to drilling in offshore Indonesia.

Alexanders Gas and Oil Connections carries regular news about Shell and other companies in the sector at: www.gasandoil.com