



Trust in the digital age

Web Summit
Lisbon, Portugal

Ben van Beurden

CEO, Royal Dutch Shell plc
November 8, 2018



Ben van Beurden became Chief Executive Officer (CEO) with effect from January 1, 2014.

He joined Shell in 1983, after graduating with a Master's Degree in Chemical Engineering from Delft University of Technology in the Netherlands.

Ben's career in Shell spans both Upstream and Downstream activities. He has held a number of operational and commercial roles, including some 10 years in the LNG business, and a variety of positions in Downstream. He has been based in The Hague, Sudan, Malaysia, London and Houston.

In January 2005, he became Vice President, Manufacturing Excellence, based in Houston, USA. In this role he was responsible for standards in operational excellence and high-performance initiatives in refining and chemicals manufacturing.

In December 2006, he was appointed Executive Vice President, Chemicals, based in London, UK.

During his tenure in the role, Ben was appointed to the boards of a number of leading industry associations including the International Council of Chemicals Associations and the European Chemical Industry Council.

He is a visiting Professor of the International Studies Institute, the Party School of the Central Committee of the Chinese Communist Party, and a member of the Advisory Board of the School of Economics and Management Tsinghua University in Beijing (both since 2015).

From January to September 2013, he was Downstream Director and had regional responsibility for Europe and Turkey. He has been a member of the Executive Committee since January 2013.

Ben, a Dutch citizen, is married and has three daughters and a son.

Over the decades the oil and gas industry has lost trust in many parts of the world. Shell has made its own mistakes and now the road to regaining trust is a long one. In this speech to the technology industry, Ben van Beurden explores the prerequisites for gaining public trust across all sectors of business, including the fundamental importance of transparency and ethical behaviour.

Ladies and gentlemen,

I run an oil and gas company. Do you trust me? To produce oil and gas safely? To do the right thing on climate change?

You work in the tech sector. Do I trust you? With my credit card details? With data about my friends, and wife, and children?

I think both our industries could be doing better on trust. My industry could be doing a lot better.

Trust

Shell is still trusted in many parts of the world but, in places like western Europe, trust in my industry faded over decades.

It does not take decades now. Today, when things go wrong, everyone knows instantly.

It might not feel like it, but this is a good thing for tech.

The warnings are sounding out... loud and clear. Tax demands, Senate hearings, an antitrust fine costing billions.

Shell got its alarm call in 2004. Senior executives lied. They claimed the company had bigger oil reserves than it did. Shell had to recognise it was not even getting some basics right; and honesty is pretty basic for any business seeking trust.

Do no harm

Also basic is this: doing no harm. For oil and gas that means operating safely, without hurting either people or the environment. If you look at Shell's record in Nigeria, we did not always get those basics right either.

Of course, getting the basics right sounds easy. But it is not. And there are only three things to do when you fail: say sorry; learn,

so you do not do it again; and repair the damage.

That also sounds easier than it is. Even today, the work goes on to embed the lessons of 2004. Even today there are oil leaks in Nigeria, mainly caused by others, that we are trying to clear up. And, of course, we still make mistakes. We will always have a lot to learn.

For tech, an equivalent would be data leaks. Even careful companies make mistakes or can be hit by hackers.

Getting the basics right is not easy. But, let's face it, "basics" is still a low bar to jump. If we want trust, we have to do better.

Products

For a start, by making sure our products are a good fit for society – that our customers want and need them.

The good news, both for me and you, is our products do fit.

So much comes from energy and the products made from oil and gas. Everything around you, from the seat you are sitting on to the food you eat and the phone in your pocket: all of it relies on energy, or petrochemicals, or both.

Tech can point to the communications that bring people together, the convenience of a digital world, the knowledge now at our fingertips. Like energy, the benefits of what you do are all around us. Unfortunately, that means they can also get taken for granted.

So, neither your industry, nor mine, can afford to stop making the positive case for our products.

But that is not to say we should fall in love with our own reflections.

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True, tech has much to admire in its own reflection. But we must all see ourselves as we truly are. That means recognising not everything about our products is wonderful.

In Shell's case, for example, the greenhouse gas emissions that come with producing and using energy. We must face the world, as the saying goes, warts-and-all.

Engage

The answer is to engage with society and behave responsibly.

For Shell, by taking action on the greenhouse gas emissions associated with our products – including the emissions caused when our customers use them.

Your issues are different: user-addiction, trolling, fraud. Different issues; but the solution is the same: engage with society and behave responsibly.

But trust is hard to earn, so everything I have mentioned: it is still not enough. Because society's expectations of business are rising. It wants and expects us to contribute more.

Shell already contributes. Supplying energy, providing employment, bringing local investment and prosperity with our projects, collecting and paying many billions in tax. Tech contributes too.

But people only notice this stuff when you do not do it. Shell has contributed but can, and will, do more. By 2030, for example, Shell is seeking to supply electricity to 100 million people in Africa and Asia who lack a modern supply today.

We will do that as a business, because it is through investment rather than charity that we can bring sustainable change. That ambition will transform lives and comes from the desire to fully contribute.

What you can contribute, well, that is different for every company. That is for you to work out.

Transparency

But whatever you choose to do, the fact is that trust can only be won, and kept, if

society can see you are right alongside it, that you are listening to its concerns and its expectations and you are acting in line with them. Society will not be able to see that unless you are transparent. Because people simply will not trust if you only show them half the picture. You must show as much as you can.

This has been a big lesson for Shell. That transparency is about more than just publishing numbers, more than compliance, more than being seen to be doing the right thing. It is about actually doing the right thing. That is why Shell is absolutely in favour of transparency.

On tax, for example. Shell signed up to the B Team Responsible Tax Principles. These include being open about the entities the company owns around the world and, crucially, why we own them.

Transparency means giving people the information they need to make up their own minds on whether or not we are trustworthy. Of course, your industry, tech, has made sharing this information easier than ever before.

Ethics

And, like transparency, fighting bribery and corruption in my industry is also about doing the right thing.

With societal expectations on the rise, even when we believe transactions are legal, people will seek to hold you to account if they see them as unethical. Shell is facing exactly that situation with court action and investigations over a Nigerian oil block called OPL 245. This continues to be a difficult experience for us, particularly in terms of how our behaviour is perceived. With hindsight, it is not one that we would want to find ourselves in again.

Tech has its own ethical challenges, but it comes down to this: a healthy company is an ethical company.

Unethical behaviour is a disease. A disease that can be treated, and inoculated against by creating an environment in which unethical behaviour is simply unacceptable;

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“Unethical behaviour is a disease. A disease that can be treated, and inoculated against”

in which all employees know that their company will expose it and condemn it.

We, all of us, have to get these things right. Because people in the future will judge us by the decisions we make now. What is enough to secure trust today, will not be enough tomorrow. That means asking ourselves hard questions.

How do we know for sure this is right? What might a newspaper headline look like? Will this stand the test of time?

This is Shell's way now, and the questions must never stop. Because, it is by ever-more rigorously asking questions like these, answering honestly and acting appropriately that you can give yourself a chance of being trusted. Not just today, but in the years to come.

Ultimately, the key to getting and keeping trust is to give the public lots of reasons to trust and no reason to distrust.

That is true for oil and gas and it is true for tech.

So, whatever you think of oil and gas, or Shell, or me, I ask you, trust this: get the basics right, get the products right and make sure you stay in step with society. Or, take it from me, you will find that it leaves you behind.

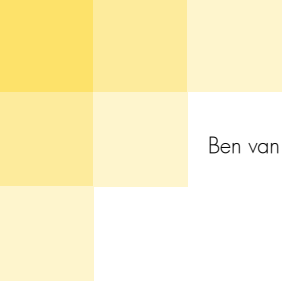
Thank you.

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Ben van Beurden speech at Web Summit

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