

Mr Mark Moody-Stuart  
Group Chairman  
Royal Dutch/Shell Group  
Shell Centre - London

Alfred Donovan  
St Andrews Castle  
33 St Andrews Street South  
Bury St Edmunds IP33 3PH

19<sup>th</sup> October 1998 (cc. All Shell staff)

**Dear Mr Moody-Stuart**

## **THE STATEMENT OF GENERAL BUSINESS PRINCIPLES**

Anyone reading your own comments about the principles enshrined in the Shell code of business practice would conclude that your commitment to upholding them is absolute. For example, the following comments are extracts from your speech on 6<sup>th</sup> October 1997: -

**"Commercial activity not only can be, but should be, undertaken with positive underlying values – ethical and moral... The Statement of General Business Principles constitutes a set of basic core values – honesty, integrity and respect for people... We do not bend these Principles. They are non-contestable and non-negotiable. If an employee fails to uphold these values he or she no longer belongs with us."**

Impressive words particularly when they emanate from such a senior Director of the Royal Dutch Shell Group. They were presumably designed to place Shell on the high moral ground. Shell shareholders and all who do business with Shell would be fully entitled to assume that they could rely on Shell management to honour its pledges to uphold the Principles.

Unfortunately, in reality, the words are not worth the paper they are written on. Shell UK Legal Director, Mr Richard Wiseman, has confirmed to Don Marketing (DM) that the principles should be regarded as being binding in honour only (just like a bet placed at a bookmaker). Furthermore, unlike codes of practice operated by other major companies (e.g. BT) Shell's code is not backed-up by a free Arbitration option. There is not even a formal procedure for making a complaint, let alone any independent appeal mechanism. Mr Wiseman has also confirmed that Shell has no formal system for monitoring alleged breaches of the ethical code. It is a complete shambles totally unworthy of the Royal Dutch/Shell Group.

Shell staff will be aware of the gross misconduct of Mr Lazenby in his dealings with DM. His actions have cost Shell shareholders several hundred thousand pounds in compensation and legal fees. There is incontrovertible documentary evidence of his breathtaking disregard for all ethical norms. Yet, despite your statement (above) he is still employed as a Shell manager. It suggests that your comments were sanctimonious bunk. Clearly there is a gaping credibility gap between Shell's much vaunted Statement of General Business Principles promising honesty, integrity and openness in all of its dealings, and how Shell actually acts.

I am not alone in my indictment of Shell's abject failure to abide with the basic pledges in the STATEMENT. DM recently conducted a survey of over 1,500 Shell Stations throughout the UK. The staggeringly bad results revealed by the survey are published in a whole page notice in the October edition of Forecourt Trader (copy overleaf). Half of the respondents were also of the opinion that Shell's STATEMENT is a charade – nothing more than a PR gimmick. I suggest that as a matter of priority you take decisive action to restore faith in the STATEMENT. In any event, I understand that following the intervention of Prime Minister Tony Blair after DM wrote to him and every MP, the Competition and Consumers Affairs division of the DTI are examining these matters. A number of MP's are also taking an active interest.

Alfred Donovan - Retired Director of Don Marketing (Cell-phone No: 0411 526 769).



# 55% OF THE RESPONDENTS IN A SURVEY OF OVER 1,500 SHELL RETAILERS SAY THAT "SHELL UK OPERATES IN AN UNETHICAL MANNER"

In connection with our interest in the ethical conduct of Shell UK, we asked over 1,500 Shell UK retailers: "Which option, A or B, most accurately describes your experience of Shell UK's business practices". 45% voted for option A - "Shell UK operates in an honest, open and ethical manner." 55% voted for option B - "Shell UK operates in an unethical manner." All responses were opened and authenticated by an independent solicitor who has supplied an Affidavit confirming the results.

**We challenge Shell UK to commission and publish the results of independent research asking the same question and offering respondents **GUARANTEED** anonymity**

Survey conducted in August 1998 by Don Marketing UK Limited  
St Andrews Castle, 33 St Andrews Street South, Bury St Edmunds,  
Suffolk IP33 3PH Tel: 01284 386016 Fax: 01284 388308

**For more information see [www.don-marketing.com](http://www.don-marketing.com)**