

## Malcolm Brinded

**M**alcolm Brinded is Vice-Chairman of the Committee of Managing Directors of the Royal Dutch/Shell Group of Companies (CMD). Born in the United Kingdom, Malcolm Brinded graduated in Engineering from Cambridge University in 1974 and joined Shell in The Hague. He has worked for the Shell Group for most of his career – in Brunei, the Netherlands, Oman and the UK.

From 1993 Mr. Brinded worked in Shell Expro in Aberdeen in several roles, ultimately as Managing Director, responsible for 20% of the UK's offshore oil and gas business. He was also Shell's Country Chairman for the UK from 1999 until 2002. He was Shell's Director for Strategy, Environment, and External Affairs from 2001 until becoming a Group Managing Director in July 2002 and was appointed Vice-Chairman of CMD in March 2004.

Malcolm Brinded is a Fellow of the Institutions of Civil and Mechanical Engineers, and a fellow of the Royal Academy of Engineering. Mr. Brinded was awarded the CBE in 2002 for services to the United Kingdom oil and gas industry.

**ISO Focus:** With operations in more than 145 countries and a workforce of 115 000 people, the companies of the Royal Dutch/Shell Group are engaged in the business of exploration and production, gas and power, oil products, chemicals and renewables as well as other activities.

What concrete benefits have ISO management system standards brought the Royal Dutch/Shell Group and what value have they added?

**Malcolm Brinded:** ISO 14000 has had a major impact on environmental awareness and procedures in our plants



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worldwide. We now have about 100 independent ISO 14001 certificates in various Group companies around the world. Seven years ago we adopted an integrated health, safety and environment (HSE) management system and, as part of the environmental component, we decided that all our major installations would be independently certified against ISO 14001 by 2000, and I am pleased to report that this has been done. Frankly, obtaining the certificates has been more difficult and more rigorous than many expected. We are now in the process of consolidating some of these certificates, so that one certificate covers multiple plants.

### **“Strong business benefits have come from ISO 14001 certification.”**

There have been strong business benefits that have come from ISO 14001 certification. Perhaps most notable has been identification of the need for training of operational staff to enhance their awareness of relevant environmental issues and the impact on their work. This has also led to improve the quality of operations and, importantly, to improve the motivation of our people.

The process has also been valuable in demonstrating that we don't have double standards over environmental issues. Our operations in South Africa, Gabon and Nigeria in Africa, all operate under the same environmental management system as our operations in Europe or America. Overall this has led to enhanced focus and consequent improvement in environmental performance.

**ISO Focus:** Apart from management systems, how do you apply ISO standards?

**Malcolm Brinded:** For the purposes of developing and operating our plants, our strategy is primarily to use external (non-Shell) standards, with a preference for ISO/IEC standards, and to minimize the additional requirements in our company standards. We apply rigorous commercial and technical authorization processes, whereby any additional requirements have to be justified, for both business and technical reasons. We do maintain a set of Group company technical standards, as well as feedback loops between the users and custodians of these standards to constantly improve them. We endeavour to openly influence the standards bodies, with the aim of increasing the number and improving the quality of external standards applicable to Group use.

As a global company, trading in international markets and with contractors, suppliers and customers who operate within a multitude of different regulatory frameworks, it is not surprising that we want to use International Standards that are relevant to the global market.

Our internal standards system is being increasingly aligned with standards from ISO and your sister organization IEC. In 1990 we referenced approximately 130 ISO and IEC standards in our internal company standards. Today we reference some 800.



With such an approval, it is a prerequisite that the applied standard meets our needs. This is why Shell invests in active participation in the ISO committee work (about USD 2 million per year).

***ISO Focus:** What is your strategy to link quality, environment, risk management and social responsibility in your business?*

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development. These principles apply to all Shell employees globally. We have three Group-wide policies: Our *Business Principles*; our *Health Safety and Environment (HSE) Policy*; and our *Risk and Internal Control Policy* to assess and manage business risks. The CEO of each Shell business is required to provide an annual assurance that these Group-wide policies have been fully met and implemented, based on a comprehensive ‘bottom-up’ written assurance process from every business in every country.

***ISO Focus:** How do you assess the partnership between the international oil and gas industry and ISO? What future role would you like to see ISO play?*

**Malcolm Brinded:** I think the partnership is a good one. I can only speak for Shell; however we are members of a number of industry associations such as the American Petroleum Institute (API), the International Association of Oil and Gas Producers (OGP)

We spend a great deal on procurement, of which at least USD 2 billion per year is for materials and equipment covered by existing ISO standards. Everyone would agree that applying common standards saves money in the long haul; saving as little as 1% can save us USD 20 million per year.

**Malcolm Brinded:** Our core values of honesty, integrity and respect for people define how we work. These values have been embodied for more than 25 years in our Business Principles, which, since 1997 have included a commitment to support human rights and contribute to sustainable



and the European Petroleum Industry Association (Europia). These organizations act as catalysts to prioritize standards that are seen as most needed. ISO's role is to act as a facilitator, with the flexibility to develop the standards the industry needs within the required timeframe.

At Shell we appreciate the cooperation between ISO and CEN, avoiding the proliferation of competing European standards. ISO should continue to encourage its members to adopt ISO standards as their national standards. Their other challenge is to be continuously active in finding new ways to improve the efficiency of developing and maintaining the standards; not an easy task, but a necessary one.

**ISO Focus:** *What International Standards, other than those uniquely related to your industry, do you implement in your organization or think should be developed?*

**Malcolm Brinded:** We rely on many standards that we share with other industries, including supporting standards for testing, materials, welding, and personnel qualification, as well as standards for heavy machinery such as pressure vessels, steam turbines, compressors etc. As these increasingly become ISO standards, our work becomes more efficient by not having multiple regional, national and industry standards to work through.

The full benefit of ISO standards will not accrue until the majority of the supporting standards needed are also ISO standards, with ISO's role being to provide these supporting standards. We need a complete and coherent set. It is a major step forward for us to have an ISO standard for the casing and tubing that we use for our oil and gas wells, or an ISO standard for the heat exchangers in our offshore platforms and refineries, but the full value is not achieved until the supporting standards, including literally the nuts, bolts and gaskets are also ISO standards. ■

## Company Profile

The Royal Dutch/Shell Group of Companies are a global group of energy and petrochemicals companies, operating in over 145 countries and employing more than 115 000 people.

Shell is best known to the public for our service stations and for exploring and producing oil and gas on land and at sea. But we deliver a much wider range of energy solutions and petrochemicals to customers. These include transporting and trading oil and gas, marketing natural gas, producing and selling fuel for ships and planes, generating electricity and providing energy efficiency advice.

Shell also produces and sells petrochemical building blocks to industrial customers globally. These go into plastics, coatings and detergents used to make many modern products like fibres and textiles, insulation, medical equipment and components for lighter, efficient vehicles.

Renewables and Shell Hydrogen are small, but growing businesses, investing in making renewable and lower-carbon energy sources competitive for large-scale use.

### Some Facts about Shell

- Shell companies produce more than 3,5% of global gas and approximately 3% of the world's oil, similar to other major private oil and gas companies.
- Shell produces 13% of the world's solar panels.
- Every four seconds a plane is refuelled by Shell Aviation.
- In that time, 1 200 cars visit a Shell service station.

