

Speech Text
Mr Ken Marnoch
Managing Director
Brunei Shell Petroleum Company Sdn Bhd (BSP)
at Vendor Business Integrity Roadshow
Seria Community Hall
20 February 2012

Yang Mulia
Awang Haji Jamain bin Haji Julaihi
Deputy Permanent Secretary (Downstream and Power)
Energy Division at the Prime Minister's Office
Also Chairman of BSP Tender Board

Yang Mulia
Awang Haji Mohd Juanda bin Abdul Rashid
Deputy Permanent Secretary, Prime Minister's Office (Security and
Enforcement Affairs) and Director of Anti- Corruption Bureau

Leadership and staff of Brunei Shell Petroleum, Brunei LNG, Brunei Shell
Marketing and Brunei Gas Carriers,

BSJV vendors and business partners

Ladies and gentlemen

Selamat Pagi dan Selamat Datang.

I would like to thank everyone for turning up this morning. Your visible commitment to this Business Integrity Roadshow is very important. We must pull together and demonstrate leadership to embed integrity and transparency into the way we all conduct our day to day business.

Let me start by ensuring every one of us in the room understands what this is all about. According to the World Bank - Corruption, the abuse of entrusted power for private gain, is the single greatest obstacle to economic and social development around the world. It distorts markets, stifles economic growth, debases national institutions and undermines the rule of law.

Many people describe Business Integrity as a core value in the same way as Safety. For me they are both core values however there is a difference – there are many root causes of safety failures however when Business

Integrity fails selfish personal gain is at the core. This is why the Brunei Shell Joint Venture Companies have Zero Tolerance to any form of corruption, fraud, bribery or extortion.

As a leader in your organisation I have three messages for you this morning:

- The expectations are clear and be prepared to be measured by your failures.
- Please use the Roadshow to learn about Brunei Shell – the standards you must meet to do business with us and how to raise any issues or concerns.
- You have to both do the right thing and be seen to do the right thing.

Let me start with the expectations. I am sure most you attended either the Vendor Forum in October or the launch of Directive No. 2 Local Business Development Framework for the Oil and Gas Industry or probably both. The Minister of Energy was clear on both occasions with respect to the Government of Brunei's and his expectations – zero tolerance of any form of business integrity violation and zero tolerance on bribery and corruption in any business dealings. I am sure Hj Jamain and Hj Juanda will reinforce this with their messages this morning.

At the same time I would like to thank Hj Juanda and the Anti-Corruption Bureau for their hard work to take corruption cases through to prosecutions. A high profile corruption case involving a BSP Vendor and former BSP employees is going to reappear in court and in the press at the end of March. This case was initially uncovered by BSP in 2009 and we handed over the results of our investigations to the ACB in 2010 so that they could use the information and do their own investigation.

Many changes and improvements have been made in Brunei Shell's systems and processes since 2009 however none of that will matter when the court, the press and society measure us based on what comes up in the trial.

So what can you learn at the Roadshow about Brunei Shell today, how we manage Business Integrity and what help do we need from you?

We expect honesty, integrity and fairness in all our business relationships. Our Vendors must comply with our Statement of General Business Principles and the BSJV Code of Conduct.

BSJV upholds our strict "No Gifts Policy" and our "Conflict of Interest Policy". This means employees must not solicit gifts and hospitality and

that it is mandatory for our staff to declare any potential conflicts of interest.

Ultimately all business decisions in relations to BSJV must never be influenced by personal or private considerations.

We also embed the requirements from the Anti-Corruption Bureau into our policies, which gives it a holistic and aligned approach with the Laws of Brunei.

In order to increase transparency, we have improved our data reporting to our regulator. This will not only track how we perform in local business development, it will also assure business integrity policies and procedures are adhered to by all.

We also have channels of communications, should you have anything to report or to raise your concern. Confidential platforms such as LAPOR and the Shell and Government's hotlines are available for you to report any forms of business integrity violations.

Please invest the time to learn more about the BSJVs Code of Conduct, No Gift Policy, Conflict of Interest, reporting, business integrity dilemmas and business processes in today's Roadshow.

Ladies and gentlemen,

We all need to both do the right thing and equally important to be very visible in the actions we take to uphold Business Integrity.

We need to work together as one community and as one industry to drive the business integrity agenda in the oil and gas industry and Brunei Darussalam.

As the largest industry in Brunei Darussalam, our performance in business integrity is imperative to the economic and social performance of Brunei Darussalam. With our significant presence and contribution to our country's economy, how we behave is closely watched and gets measured.

Our industry has also been challenged to increase in-country spend and to create more local employment as part of building and strengthening the local businesses. We have been given the trust by the Government of His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam to contribute and shape the sustainable economic future of the country.

We will need you, our business partners, to support us in meeting the challenge and to be fully engaged in eradicating corruption and other unethical business practices and in ensuring a fair competitive playing field for all.

Ladies and gentlemen,

Let me summarise and reinforce my message:

The expectations of the Government of Brunei and of the Brunei Shell Joint Ventures are clear - Integrity is a core value and the corner stone of sustainable development. There is zero tolerance of any form of corruption, fraud, bribery or other dishonesty in any business dealings. Choose otherwise and there will be consequences.

Fighting corruption makes business sense. Businesses operating with integrity create a level playing field for all, reduce the cost of doing business, attract and retain highly principled employees thus improving employee morale, improve public trust in business and enhance reputations. Don't wait to step up.

In order for us to ensure business integrity is where it needs to be, we need to collectively adhere to and comply with the requirements set by the Brunei Law and the directives issued from the Energy Division of the Prime Minister's Office.

I would encourage everyone to develop policies and procedures that demonstrate leadership in integrity and fighting corruption. We are sharing the BSJV policies and management systems at the Roadshow so that everyone has the same understanding on our position and so that we can all learn and improve.

Business integrity is a fundamental cornerstone of any successful and sustainable business. We work with our staff, vendors and the relevant authorities on that basis.

We will remain steadfast and committed to honesty, integrity and fairness in all aspects of our business and expect the same in our relationships with all those with whom we do business. We will not compromise.

Terima Kasih.