



Peter Voser

Chief Executive Officer, Royal Dutch Shell

Peter Voser joined Shell in 1982 after graduating in business administration from the University of Applied Sciences, Zürich. He went on to work in a number of finance and business roles with Shell in Switzerland, the United Kingdom, Argentina, and Chile, including chief financial officer (CFO) of oil products. In 2002, he joined the Asea Brown Boveri Group as CFO and an executive committee member. He returned to Shell in 2004, when he became managing director of Shell Transport and CFO of the Royal Dutch/Shell Group. He was recently appointed to the board of directors of Roche Holdings. He is also a director of Catalyst, a nonprofit organization that works to build inclusive environments and expand opportunities for women in business.

When did you start working in the oil and gas industry? What were your first impressions?

I started with Shell in 1982 after graduating in business administration from the University of Applied Sciences, Zürich. I was keen to work globally and appreciated the international opportunities that Shell offered. My first impressions of Shell were that of worldwide possibilities and the ability to work nearly anywhere there was a need for energy.

What lessons did you learn from your mentors?

Gaining practical, hands-on experience and contributing to a team that is focused on performance is still what drives me today. I was keen to work in a variety of countries and experience other cultures, which I saw as a good way to develop my leadership skills. There is no particular model I followed, but I learned from my bosses in Chile, Argentina, and the UK. I was able to take the best lessons and advice from those around me and apply them to my daily work. I believe in continuous learning.

How do you think our industry stacks up against others? Why is Shell a good choice for young professionals (YPs)?

Our industry brings exciting challenges. Energy is in high demand, and global markets are searching for ways to

lessen the energy burden. With the world's population set to rise from 7 billion today to 9 billion in 2050, global energy demand could double or even triple in the first half of this century. Major energy investments will be needed to meet this demand.

Shell can offer young people international work experience and the opportunity to perform in a company with sizable investments. Young professionals can work in a variety of environments, from tight gas to heavy oil, through our investment in markets such as the US, Brazil, and Canada. Our pay and benefits package is highly competitive—strong performance is rewarded and high accountability is a requirement. We also offer continuous learning. Leadership is tasked to create an environment where young professionals can learn as quickly as possible.

Has training suffered since the recent downturn because of cost cutting? If so, what is Shell doing to address this?

Shell has continued to provide training for employees and joint venture staff throughout the economic downturn. Our focus is on building technical capability and safety-critical competencies and skills. In 2010, we provided more than 375,000 training days for employees and some of our joint venture partners.

This included training more than 4,000 people in leadership skills.

We are working to adapt our training for the current generation and improve the way we transfer knowledge from one generation to the next. Each year, our human resources department compiles a list of people who are likely to retire and have unique skills that may be difficult to replace. We use the ROCK process—Retention of Critical Knowledge—to ensure continuity in transferring skills.

What is your approach to recruiting YPs?

Shell is working hard to avoid a scramble for skills in the future. One way we are doing this is by recruiting through the economic cycle. We need to ensure that as employees retire from the top of the career ladder, there's enough new talent coming in at the bottom to replace them.

Our approach is to never stop recruiting. It is easy to cut, but you suffer the long-term effects—by doing so you no doubt lose a generation. Even during the economic downturn, we have been steadily recruiting about 1,000 graduates a year, up from around 400 in 2003. The average age of our employees has remained stable at 41 for the past five years. In Asia, the average age is decreasing. Shell has positioned itself well. There is no looming crunch point at which a large percentage of the staff will retire.



In our surveys to YPs, work-life balance has been rated at the top of the pyramid of motivation factors. How does your company help YPs to reach that balance?

Shell offers flexible working options in different countries that really help our staff to balance work and family obligations. But it also takes discipline. You have to make sure that you carve out private time for family and hobbies. I am certainly disciplined about that myself.

Have you had professional interaction with SPE in the past? Has your workforce had the opportunity to leverage company activities with SPE expertise?

I take an interest in and personal involvement with SPE through staff interactions, publications, and technical conferences. I have always advocated that Shell employees involve themselves in professional networks throughout the industry.

First quarter results were recently announced and Shell earnings continued to grow, especially when compared with 2009. To what can you attribute this gain? What action plans did you set forth to increase share value for investors and stakeholders?

I have initiated a three-year strategic plan for our shareholders, and we are on track to deliver targets in 2012. Short-term delivery of cost targets, increase in

production, and timely implementation of projects have rebuilt trust with shareholders. We have achieved these targets and in some cases delivered more and earlier. The key will now be to deliver on the continuous improvement program with the aim to deliver a competitive cost position, improve on our operational excellence, and generate additional value.

Increased accountability, speed, and simplicity will drive Shell's competitive performance. Delivery of some of the biggest Shell projects will further boost our production and cash flow performance. I think about the oil sands and the Pearl gas-to-liquids project (in Qatar) among others.

On portfolio management, external focus and a commercial mind-set will help us to deliver growth beyond 2012. We have made good progress in areas such as integrated gas in Australia, natural gas in North America and China, and oil development in Iraq—and there's more. All these strategic themes need to be delivered in a safe, reliable, and sustainable way. Goal zero is a must. By that I'm referring to our aim to have zero fatalities and no incidents that harm our employees and contractors, or put our facilities at risk.

Concerning safety, what are your views on BP's Gulf of Mexico accident last year, and how our

industry can move forward? How has Shell been affected?

Our industry recently marked the one-year anniversary of the *Deepwater Horizon* tragedy. The incident was a very tragic event felt throughout our industry. Measures and restrictions, such as the drilling moratorium in the USA, and calls for increases in regulation and liabilities are some examples of what we saw.

For our industry to move forward, we must remain focused on operational excellence and fostering a safety culture. Shell has a track record of operating safely in deep water, and safety continues to be our top priority. We have strict standards for designing and drilling deepwater wells. And we use a safety case approach with our drilling contractors to clarify accountabilities and thoroughly assess, document, and decide on ways to mitigate risk before drilling begins.

It is Shell's approach that helped us become one of the first companies to receive approval for a deepwater exploration plan after the *Deepwater Horizon* incident. Then on March 30, 2011, Shell was given the green light to drill in the Cardamom field in the Gulf of Mexico. This was the first new drilling permit issued that met the full suite of post-Macondo requirements. Fulfilling these requirements is a very important step forward. **TWA**