Towards Evidence-based HR
‘more impact at lower cost’

Oct 12th 2016
Jorrit van der Togt
EVP HR Strategy and Learning, Royal Dutch Shell
The New Lens Scenarios are part of an ongoing process used in shell for 40 years to challenge executives’ perspectives on the future business environment. We base them on plausible assumptions and quantification, and they are designed to stretch management to consider even events that may be only remotely possible. Scenarios, therefore, are not intended to be predictions of likely future events or outcomes and investors should not rely on them when making an investment decision with regard to Royal Dutch Shell plc securities. The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate entities. In this document “Shell”, “Shell group” and “Royal Dutch Shell” are sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, the words “we”, “us” and “our” are also used to refer to subsidiaries in general or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies. “Subsidiaries”, “Shell subsidiaries” and “Shell companies” as used in this document refer to companies over which Royal Dutch Shell plc either directly or indirectly has control. Companies over which Shell has joint control are generally referred to as “joint ventures” and companies over which Shell has significant influence but neither control nor joint control are referred to as “associates”. The term “Shell interest” is used for convenience to indicate the direct and/or indirect ownership interest held by Shell in a venture, partnership or company, after exclusion of all third-party interest.

This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of Royal Dutch Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Royal Dutch Shell to market risks and statements expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “objectives”, “outlook”, “probably”, “project”, “will”, “seek”, “target”, “risks”, “goals”, “should” and similar terms and phrases. There are a number of factors that could affect the future operations of Royal Dutch Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this presentation, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell’s products; (c) currency fluctuations; (d) drilling and production results; (e) reserves estimates; (f) loss of market share and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, fiscal and regulatory developments including potential litigation and regulatory measures as a result of climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; and (m) changes in trading conditions. All forward-looking statements contained in this presentation are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Additional factors that may affect future results are contained in Royal Dutch Shell’s 20-F for the year ended 31 December, 2015 (available at www.shell.com/investor and www.sec.gov). These factors also should be considered by the reader. Each forward-looking statement speaks only as of the date of this presentation. Neither Royal Dutch Shell nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this presentation. There can be no assurance that dividend payments will match or exceed those set out in this presentation in the future, or that they will be made at all.

We use certain terms in this presentation, such as discovery potential, that the United States Securities and Exchange Commission (SEC) guidelines strictly prohibit us from including in filings with the SEC. U.S. Investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575, available on the SEC website www.sec.gov. You can also obtain this form from the SEC by calling 1-800-SEC-0330.
THE NEW ENERGY FUTURE BY 2050

Rising energy demand, supply pressure, climate change

Population
9 billion people,
75% living in cities
(2 billion more than today)

Vehicles
2 billion vehicles
(currently 800 million)

Rising standards
Many millions of people will rise out of energy poverty; with higher living standards energy use rises

Demand
Energy demand could double from its level in 2000... but CO₂ emissions must be half today’s to avoid serious climate change

Efficiency
Twice as efficient, using half the energy to produce each dollar of wealth

Renewables
4 times more energy from renewable sources
SHELL’S STRATEGY

Aspired Future
- Providing a world class investment
- Maintaining influence & largest value share among our competitors
- Reducing our CO₂ intensity
- Creating shared value for society

Aspired Portfolio
- Cash Engines
- Growth Priorities
- Future Opportunities

Winning Capabilities
- Customer Centricity
- Commercial Value Delivery
- Technology Commercialisation
- Project Delivery
- Operational Excellence

Underpinned by our people and a relentless drive for Goal Zero
The business need

- The Shell People Survey measures and ignites dialogue to improve employee engagement and the business performance.

- Engagement drives performance.

- The main driver of engagement is leadership.

- Leaders need to understand and use the results and feel they can make a difference.
What is HR Analytics?
The Business Case

Skilled People

High Motivation

Opportunity to contribute

27% Financial outcomes

&

22% Operational outcomes
HR Analytics: more for less

60%

Intuition

Experience

Beliefs

40%

Facts

Evidence

You get ‘more for less’ when Facts & Evidence supplement Intuition, Experience, and Beliefs in decision making.

BUT: Facts & Evidence strengthen but put boundaries on your narrative (myth-busting)
How Academics can help

- Education
  - Facing a choice between data and beliefs, too many people choose …
  - Scientific reasoning and reading statistics

- Research
  - Practical measurement
  - Organisational effectiveness

- Ponderables:
  - How can we use company data for grounded theory?
  - Multilevel applications?
Take Aways

• HR analytics is about business-focused applied science

• Data – insight – story – intervention – impact @ lower costs

• Test: does your line want to act on it? Are you willing to suspend strongly held beliefs?

• Manage your portfolio of potential projects

• From HR analytics to evidence-based HR