DIVERSITY AND INCLUSION
AT SHELL
I strongly believe that Diversity & Inclusion is a strategy for winning and directly supports our ambition to be the world’s most competitive and innovative energy company. It’s about unleashing talent and matching it to business success.

Embedding D&I within our structure, people processes and culture will result in more customers, employees, stakeholders and partners choosing Shell more often.

D&I is an important part of who we are and what we stand for and a necessity for sustainable growth.

Peter Voser, CEO
WHAT IS DIVERSITY AND INCLUSION?

WHAT IS DIVERSITY?
At Shell, diversity means all the ways we differ. It includes visible differences such as age, gender, ethnicity and physical appearance, as well as underlying differences such as thinking styles, religion, nationality, sexual orientation and education.

WHAT IS INCLUSION?
Inclusion means creating a working culture where differences are valued, where everyone has the opportunity to develop skills and talents consistent with our values and business objectives. The aim is to make Shell an organisation where people feel involved, respected and connected - where the richness of ideas, backgrounds and perspectives are leveraged to create business value.

WHAT IS THE LINK BETWEEN THEM?
Diversity and Inclusion (D&I) are interrelated and to achieve our aspirations, we must maintain our focus on both. Managing D&I includes addressing factors of difference, which have an impact on workplace performance, and fully utilising the potential contributions of all employees. It also means eliminating/reducing barriers that stand in the way of full participation and unleashing the creativity that comes from different ideas and experiences.

Inclusion is all about the behaviours we display at work. Here a few of Shell’s leaders talk about how they show their personal commitment to promoting an inclusive environment.

“Difficult economic times are when diversity is most important. When companies are changing or seeking a new path, every idea counts. This is when every voice must be heard so as to help improve the bottom line.”

Gaurdie Banister, CEO AERA

“Diversity and Inclusion is crucial and especially important for us as we work in a more multi-sourced environment with our industry leading suppliers. Looking forward, it is important to bring our suppliers into an inclusive discussion on the behaviours required for joint success. Leadership, Accountability and Teamwork (LAT) form the basis of these discussions. This extension of our D&I programmes into our supplier community is a critical success factor for top quartile in OneIT.”

Alan Matula, Chief Information Officer
WHY IS D&I IMPORTANT?

ATTRACTION AND RETENTION OF TOP TALENT
The world’s workforce is more diverse than ever before, due to global business operations. The average age of workers is rising, and the number of women in the workforce continues to increase. As employee value propositions and societal expectations continue to change, Shell’s success depends on our ability to attract, motivate, and retain this increasingly diverse pool of talent.

INCREASED PRODUCTIVITY
Studies show that employees who feel respected, valued, and engaged develop stronger relationships and become more involved in their work. This leads to more effective teamwork, enhanced decision-making, increased creativity and innovation, lower absenteeism and staff turnover, and reduced costs.

STRONGER CUSTOMER / MARKET FOCUS
A diverse workforce and inclusive employment practices ensure that we better understand our increasingly varied customer base, as well as building stronger relationships with them. D&I also helps create a workforce that mirrors the communities in which Shell operates, enabling us to better understand and build relationships within the communities, optimising the positive economic and social impact of Shell’s presence. Shell, as an established world leader, sees a diverse staff and an inclusive work environment as vital to building relationships and trust – key ingredients to our continued success.

HOW WE INFLUENCE CHANGE

OUR FRAMEWORK FOR D&I
The framework we use to deliver against our D&I aspirations focuses on three areas that are key to a successful business model - Talent, Leadership and Competitiveness. We recognise the need to broaden both how and where we look for talent at every level in the organisation, especially in growth markets and regions. Diversity in our talent base and leadership helps us better understand the needs of all of our stakeholders including customers, suppliers, partners and governments, which makes us more competitive.

THE LEVERS WE USE TO ENHANCE OUR D&I PROFILE TOUCH ON MANY DIFFERENT AREAS, INCLUDING
• Our education offerings.
• Highlighting success stories and sharing good practices.
• Recruitment and retention efforts that focus on tapping into the top talent across diverse constituency groups.
• Development and mentoring of diverse staff from across the world.
• Building supportive and inclusive work environments.

We underpin our efforts by targeted metrics that monitor progress and ensure that action takes place, because we have an organisational culture in which what gets measured gets done.
An inclusive environment that respects and values difference is built on our behaviours and systems. For change to be sustainable, efforts must be focused at three levels.

**LEVELS OF CHANGE**

**Personal**
- Learn about yourself
  - Engage in continuous learning
  - Understand your attitudes and behaviours
  - Identify personal assumptions and beliefs
  - Deal with biases you may have

**Interpersonal**
- Build diverse / inclusive relationships
  - Seek to listen and understand
  - Challenge assumptions and behaviours that exclude and limit
  - Build inclusive workgroups and teams
  - Form productive relationships

**Organisational**
- Lead the process
  - Develop the D&I plan
  - Build tools, processes and systems
  - Develop goals, measures and accountability
  - Model desired behaviour
  - Communicate
  - Provide resources
  - Identify and remove barriers

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**HOW DO WE CHANGE?**

**How can we accelerate progress?**

**SENIOR LEADERS GIVE THEIR VIEWS:**

“Over the years, I’ve learned that smart people who are good leaders attract smart people. They’re not threatened by intelligence or diversity – they harness it. So, surround yourself with people who are different from you and smarter than you. And nurture them.”

Ann Pickard, EVP, Australia

“We have made great progress over recent years, particularly in diversity representation driven by a real focus on recruitment and internal progression. The challenge is to ensure we maintain that progress and build on it. To achieve that we must drive our inclusion efforts further, creating an environment where all our staff feel valued and are able to contribute of their best.”

Hugh Mitchell, Chief Human Resources and Corporate Officer

“Our organisation is already well aligned on the need for D&I and its practice. Where we need to push the envelope, though, is on ensuring that we get the right mix of talent throughout the Group. Also, having focused our efforts in ensuring a diverse mix of talent, it is now perhaps time for a greater focus on building a more inclusive culture.”

Shahrukh Marfatia, VP HR B2B

“I see my own contribution to be raising the issue in every forum - D&I is not something we can ever take for granted. We have made progress, but we need to keep emphasising that D&I is not just a moral issue, but essential for the future of our business.”

Vikram Mehta, Country Chair, India

“I am proud of the work we have done in Finance on female talent development and retention, but we have to sustain this over a period of time. This is something we must do as part of the way we identify and develop staff within the company, all the time. If we want to be the best company, we have to be competitive as a business and competitive in attracting and developing the best people.”

Simon Henry, Chief Financial Officer

“My sense is that it is too easy for people to lose perspective – they get caught up in their daily work and put D&I to the back of their minds. So we need to strengthen our focus in this area. This is difficult because the results we want won’t be achieved in a day or a week – we need a continued effort over a long period and must make this an important part of what we do.”

Peggy Montana, EVP, Supply & Distribution, United States
WHAT ARE SHELL’S GLOBAL MEASURES OF SUCCESS?

ARE WE GETTING OUR MESSAGE ACROSS?

One measure of Shell’s progress on D&I is the external acknowledgement we receive for our efforts. Recent awards demonstrate how others see us – and help us project a positive brand image to prospective employees, customers and other important stakeholders.

**HIGHLIGHTS INCLUDE THE FOLLOWING:**

- The UK’s Times newspaper has listed Shell among the top 50 employers of women.
- Shell received praise from the Women’s Business Enterprise Alliance (WBEA) for its good record on supporting businesswomen in the US.
- Shell received an award in Greece as one of the best five companies for equal opportunities.
- In Chile, Shell was recognised for good practices on diversity and non-discrimination in awards organised by the country’s government; it was especially commended for its excellent progress on developing careers for women.
- Shell’s image as a forward-thinking and inclusive company was further recognised when it was named as the ‘company with the best image among high potentials’ in The Netherlands by the Intermediair Imago Awards.

‘There are lots of ways in which D&I affects our business. It’s of key importance that, wherever we are in the world, we have Shell staff who understand the local culture and can engage effectively with locally based partners and customers. And as we develop our business with major resource holder countries such as Qatar, Australia, Russia, D&I is a key part of our partner value proposition - governments want to know that, as well as bringing technical know-how and investment to a country, we will develop their people.”

Carol Cameron, EVP HR Global Functions

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**THE TABLE BELOW DEFINES OUR TARGETS AND PRINCIPLES IN MORE DETAIL. THEY ARE IMPORTANT INDICATORS OF OUR PROGRESS.**

| TARGETS | GENDER |
|-----------------------------------------------|
| Increasing the proportion of women in senior management to at least 20% in the long term. |

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<th>NATIONALITY</th>
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<td>Having local people fill more than half the senior management positions in every country we operate in.</td>
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<th>INCLUSION</th>
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<td>Continuously improve the Diversity and Inclusion Indicator (DII) as measured by the Shell People Survey. (see below)</td>
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**TARGETS**

- Match or exceed female diversity of external feeder pools.
- Balance external availability and internal development in achieving the female target.*
- Provide equal opportunity at all levels. **

**PRINCIPLES**

- Address ethnicity (male and female) at a country level as needed.
- Provide equal opportunity at all levels. **
- No statistically significant differences among subgroups within DII results.
- Use credible mechanisms to gather and assess level of inclusion.

**THE PEOPLE STANDARDS AND ASSOCIATED KEY PERFORMANCE INDICATORS**

The People Standards and associated Key Performance Indicators reinforce the expectations and methods to achieve these targets

* Targets represented as Shell long-term minimum objectives. ** Following national norms and government policies.

**HOW WE MEASURE INCLUSION:**

Through our annual people survey we measure inclusion through five core questions.

- Where I work I am free to speak my mind without fear of negative consequences
- My organisation is a working environment in which different views and perspectives are valued
- My organisation has a working environment that is free from harassment and discrimination
- The decisions leaders in my organisation make concerning employees are fair.

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HOW DOES D&I LINK TO INTERNAL GROUP PRIORITIES?

By linking and integrating D&I values into Shell’s priorities, as well as into key business and people processes, systems and practices, it becomes embedded into the culture of our company in much the same way as HSSE (Health, Safety, Security and Environment) and is the ‘way we do business’.

Core Values
Striving to integrate D&I into our mainstream business means translating our core values of honesty, integrity and respect for people into action. As we work towards this goal, it will help us achieve improved business performance.

People Standards
D&I is woven into the Shell People Standards. Embedding the core components of these standards within the organisation supports the creation of a work environment where differences are valued and everyone has an opportunity to develop to their full potential.

Shell General Business Principles
D&I is a further elaboration of Shell’s General Business Principles. In addition, it is a key enabler in the delivery of our business strategy of ‘More upstream, profitable downstream’.

Functional Plan
Annual D&I plans aim to embed D&I principles and practices into all aspects of our business activities and are an integral part of the Human Resources Functional Plan. We work to ensure that examples of excellence and best practice are shared, which contribute to sustained success and enhanced employee engagement.

D&I

HOW DOES D&I LINK TO EXTERNAL GROUP PRIORITIES?

Diversity and Inclusion underpin our commitment to sustainable development, enhancing social performance and corporate brand image.

Sustainable Development
Providing products and services built on sustainability helps create customer loyalty and support as we protect and grow our market share.

Social Performance
Our commitment in this area of our business is an important factor in some people’s decision to join and stay, and that alignment between personal values of staff and corporate values is a powerful motivator.

Brand Image
D&I values and behaviours are all part of being a responsible corporate citizen – the performance matches the words – helping Shell become the organisation of choice for customers, staff, investors, suppliers, partners and the diverse communities in which we operate.

“Visibility of role models for all under-represented groups is key and the more we can progressively reflect all aspects of the demographics in the societies and countries where we operate, the more we will create an inclusive work environment.”

James Dorrian, EVP, Learning and Organisational Effectiveness, The Netherlands

“We must be able to create an environment where talents from any walks of life, from any part of the world will feel that when they join a company like Shell, they’ve joined a very progressive company.”

Goh, Swee-Chen, VP, Commercial Fuels and Lubricants, China
Diversity and Inclusion fosters innovation and creativity to deliver value-adding solutions to our customers. Our ability to embrace inclusion, build trust and harness the collective intellectual capital of our diverse talents is a key differentiator to sustain our long-term business success, competitiveness and growth.

We continue to focus on increasing the representation of women and local nationals in senior positions. Having a workforce that mirrors those communities where we operate, builds stronger relationships with key stakeholders. We also recognise the importance of an inclusive work environment. When employees feel included and engaged they leverage the richness of ideas, backgrounds and perspectives to create business value. We have made steady progress, thanks to very strong and sustained commitment and support from all levels of leadership.

We recognise more work needs to be done to fully embed D&I throughout our corporate systems, processes, environment, and behaviours are aligned and congruent. This is a long-term journey. To reach our goals, we need to stay focused and constantly review our progress. Every employee has the opportunity to contribute to this objective at every level of the organisation. Ultimately when employees feel included and engaged everyone benefits and we move ever closer to becoming the most competitive and innovative energy company.

Ker, Kian-Kong
VP, Global D&I and Talent