SHAREHOLDER ENGAGEMENT

Webcast 2020

Royal Dutch Shell plc
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#MakeTheFuture
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Chairman
This presentation contains the following forward-looking Non-GAAP measures: Operating expenses, Cash capital expenditure and Gearing. Operating expenses consist of the following line in the Consolidated Statement of Income: (i) production and manufacturing expenses; (ii) selling, distribution and administrative expenses; (iii) and research and development expenses. Cash capital expenditure comprises the following lines from the Consolidated Statement of Cash Flows: Capital expenditure, Investments in joint ventures and associates and Investments in equity securities. Gearing is defined as net debt (current and non-current debt less cash and cash equivalents, adjusted for the fair value of derivative financial instruments used to hedge foreign exchange and interest rate risks relating to debt, and associated collateral balances) as a percentage of total capital (net debt plus total equity). We are unable to provide a reconciliation of the above forward-looking Non-GAAP measures because certain information needed to reconcile the above Non-GAAP measure to the most comparable GAAP financial measure is dependent on future events which are outside the control of the company, such as oil and gas prices, interest rates and exchange rates. Moreover, estimating such GAAP measures consistent with the company accounting policies and the required precision necessary to provide a meaningful reconciliation is extremely difficult and could not be accomplished without unreasonable effort. Non-GAAP measures are in respect of future periods which cannot be reconciled to the most comparable GAAP financial measure are calculated in a manner which is consistent with the accounting policies applied in Royal Dutch Shell plc’s financial statements.

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate legal entities. In this presentation “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 Royal Dutch Shell plc and its subsidiaries in general or to those who work for them. These terms are also used where no useful purpose is served by identifying the particular entity or entities. “Subsidiaries”, “Shell subsidiaries” and “Shell companies” as used in this presentation refer to entities over which Royal Dutch Shell plc either directly or indirectly has control. Entities and unincorporated arrangements over which Shell has joint control are generally referred to as “joint ventures” and “joint operations”, respectively. Entities 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 an entity or unincorporated joint arrangement, after exclusion of all third-party interest.

It is important to note that as of 13 May 2020, Shell’s operating plans and budgets do not reflect Shell’s Net-Zero Emissions ambition. Shell’s aim is that, in the future, its operating plans and budgets will change to reflect this movement towards its new Net-Zero Emissions ambition. However, these plans and budgets need to be in step with the movement towards a Net Zero Emissions economy within society and among Shell’s customers.

Also, in this presentation we may refer to Shell’s “Net Carbon Footprint”, which includes Shell’s carbon emissions from the production of our energy products, our suppliers’ carbon emissions in supplying energy for that production and our customers’ carbon emissions associated with their use of the energy products we sell. Shell only controls its own emissions. The use of the term Shell’s “Net Carbon Footprint” is for convenience only and not intended to suggest these emissions are those of Shell or its subsidiaries.

This presentation contains forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995) 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 “aim”, “ambition”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “goals”, “intend”, “may”, “objectives”, “outlook”, “plan”, “probably”, “project”, “risks”, “schedule”, “seek”, “should”, “target”, “will” and similar terms and phrases. There are a number of factors that could affect the operation of Royal Dutch Shell and could cause these 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 regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; (m) risks associated with the impact of pandemics, such as the COVID-19 (coronavirus) outbreak; and (n) changes in trading conditions. No assurance is provided that future dividend payments will match or exceed previous dividend payments. 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 risk factors that may affect future results are contained in Royal Dutch Shell’s Form 20-F for the year ended December 31, 2019 (available at www.shell.com/investor and www.sec.gov). These risk factors also expressly qualify all forward-looking statements contained in this presentation and should be considered by the reader. Each forward-looking statement speaks only as of the date of this presentation, 13 May 2020. Neither Royal Dutch Shell plc 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.

We may have used certain terms, such as resources, in this presentation that the United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. 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.
Worldwide crisis: Shell’s decisive response

**Care for each other**
- Donated IPA in the Netherlands and Canada – ingredient needed for hand sanitiser
- Retail sites offering free fuel, food and drinks for healthcare employees
- Ensuring staff can continue working from home

**Continuity**
- Stable and continued operations, focusing on asset integrity and safety
- Offering flexible LNG contracts to meet customers’ needs
- Our retail sites are staying open, supplying fuel and essential supplies

**Cash preservation**
- Cash capital expenditure reduced to $20 billion or lower in 2020
- Reduction in underlying operating expenses of $3-4 billion
- Working capital management
- No 2020 Group performance bonuses
Ben van Beurden
Chief Executive Officer
A resilient framework to be well-positioned for the future

Managing uncertainties and risks

- Significant uncertainty around commodity prices and margins
- Unknown depth and duration of the current downcycle
- Downside risk on volumes in Upstream, Integrated Gas and Downstream
- Counterparty risks (performance and payment)

Countermeasures

- Reduction of $5 billion cash capital expenditure
- Reduction in underlying operating costs by $3-4 billion per annum
- Pausing the share buyback programme
- Resetting the quarterly dividend from $0.47 per share to $0.16 per share

Financial resilience through the cycle

- Committed to strong financial credit metrics supported by a strong balance sheet
- Strong liquidity position with around $20 billion in cash and cash equivalents and $22 billion of undrawn credit facilities
- Gearing is expected to remain higher than 25% in the current macro-economic environment
Shell’s climate ambition

**Net Carbon Footprint ambition 1.5°C**

Reduction of the Net Carbon Footprint\(^1\) of the energy products we sell by 30% by 2035 and by 65% by 2050, in pace with society’s ambition to achieve a 1.5°C scenario.

**A net-zero emissions energy business by 2050 or sooner**

Aiming to be net-zero on all the emissions from the manufacture of all our products\(^2\) by 2050 or sooner.

**Partnering for decarbonisation of energy use**

Helping customers reduce the emissions from their use of our energy products\(^3\) to net-zero by 2050 or sooner.

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1The Net Carbon Footprint (NCF) is a weighted average of the lifecycle CO\(_2\) intensities of different energy products sold by Shell normalising them to the same point relative to their final end-use. The calculation includes all emissions associated with bringing these energy products to the market as well as our customers’ emissions from using them.

2Refers to the Scopes 1 and 2 emissions in absolute terms associated with operations under direct Shell control.

3Refers to the Scope 3 emissions in absolute terms associated with the use by customers of the energy products Shell sells.