



Shell Australia **2021 Modern Slavery Statement**

Period January 2021 – December 2021 | **Published June 2022**



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About this Statement

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Joint Modern Slavery Statement (Statement) under the Modern Slavery Act 2018 (Cth) (Act) for the reporting period 1 January 2021 to 31 December 2021.

Shell Energy Holdings Australia Limited (SEHAL) has prepared this Statement in consultation with each of the following reporting entities, and is published by the following reporting entities in compliance with the Act:

- 1) Shell Energy Holdings Australia Ltd
- 2) Shell Australia Pty Ltd
- 3) Shell Energy Australia Pty Ltd
- 4) Shell Energy Operations Pty Ltd
- 5) Shell Energy Retail Pty Ltd
- 6) QGC Upstream Holdings Pty Ltd
- 7) QGC Upstream Investments Pty Ltd
- 8) QGC Pty Ltd
- 9) Condamine Power Station Pty Ltd
- 10) QGC Midstream Holdings Pty Ltd
- 11) QGC Midstream Investments Pty Ltd
- 12) QGC Train 1 Tolling Pty Ltd
- 13) QGC Train 2 Tolling Pty Ltd
- 14) QGC Train 2 Tolling No.2 Pty Ltd
- 15) QGC Train 1 Pty Ltd
- 16) QGC Train 2 Pty Ltd
- 17) QGC Common Facilities Company Pty Ltd

(collectively "Shell", "our" or "we")

Message from Shell Australia Chair



As Shell Australia Chair, I am pleased to present this Modern Slavery Statement for 2021. We welcome the opportunity to share the steps Shell has taken in Australia to manage modern slavery risks in our business and supply chains.

Shell has been providing energy to Australians for 120 years. We are proud of our support to the country's social and economic development over this time and recognise the contributions Australia has made to Shell's success.

Shell's strategy, [Powering Progress](#), aims to deliver for our customers, for society, for our investors and for the planet. It is based on an ambitious but achievable set of goals that lay out how we believe Shell can and must play a role as the world accelerates towards a cleaner energy future.

And here in Australia our business is delivering on that strategy. We have a world-class integrated gas business supplying energy into Australia's domestic market and to our international customers and a growing portfolio of renewables and energy solutions businesses offering low-carbon options for customers.

Operating our business is a privilege and we recognise our responsibility to respect human rights in all aspects of doing so. We do this by embedding human rights into our policies, business systems and processes. It is how we do business.

At Shell, globally we focus our effort on four key areas where human rights are critical to the way we operate and where we have identified the highest risks. These are labour rights, communities, workers in our supply chain and security.

In Australia, where in 2021 we spent US\$1.1 billion on goods and services procured from over 1,100 suppliers and contractors worldwide, we believe labour rights in our supply chain represents our biggest human rights risk exposure. This is why our 2021 Statement focuses on our direct suppliers and outlines the multiple strategies we employ to efficiently and effectively manage this risk through the way we work.

One of the ways we do this is to consider a combination of factors to assess our suppliers' capability to manage risks within their operations and respective supply chains. We also undertake due diligence, such as pre-screening direct suppliers, provide Code of Conduct and Ethics and Compliance training for staff, and specialised training for our Contracting and Procurement team members in Australia. We assess the effectiveness of these strategies on an ongoing basis and undertake performance management where required.

In Shell, we stand for honesty, integrity and respect for people, and these deeply held values will ensure we maintain our vigilance to managing the risk of modern slavery in our business.

Tony Nunan
Shell Australia Chair



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INTRODUCTION

Shell is opposed to all forms of modern slavery.

Such exploitation is against Shell's commitment to respect human rights as set out in the Universal Declaration of Human Rights and the International Labour Organization 1998 Declaration of the Fundamental Principles of Rights at Work.

This is Shell's second published Statement under the Australian Modern Slavery Act setting out the steps we have taken against modern slavery in our business and supply chains.



Reporting entity

WHO WE ARE

Over a century ago, Shell delivered the first cargo of bulk fuel ever to reach Australia. And Shell has continued to supply energy to customers and contribute to Australian society ever since. Our approach is built on ongoing innovation, transforming our portfolio in line with changing customer needs and as the nation transitions to a lower-carbon energy system.

Shell's integrated portfolio in Australia spans two core operated gas production and liquefaction businesses: Shell's QGC onshore gas in Queensland and the Prelude Floating Liquefied Natural Gas (LNG) facility offshore in Western Australia. Shell is also a partner in several joint ventures, including the Browse, Gorgon and North West Shelf projects in Western Australia and Arrow Energy in Queensland. Our natural gas activities are complemented by investments in renewable power and energy solutions.

In recent years, Shell has been assembling the building blocks of a low- and zero-carbon energy business in Australia. We are growing a diversified and integrated portfolio, which is delivering a broad range of decarbonisation offerings for our customers.

Construction is now complete on the 120-megawatt Gangarri solar project, which is Shell's first owned and operated industrial scale solar development globally. Located adjacent to Shell's QGC business, Gangarri will help reduce the emissions intensity of QGC's system and be connected to the National Electricity Grid.

Select Carbon joined the portfolio in 2020 and was Shell's first acquisition globally in nature-based solutions. Select Carbon partners with farmers and other landowners in more than 60 carbon farming projects spanning 10 million hectares across Australia. Carbon farming can transition agricultural land from being net carbon emitters to carbon sinks, creating an additional revenue stream for farmers and landowners through the sale of carbon credits.

In late 2021 Shell Energy announced the acquisition of energy retailer, Powershop, which would see it expand its position as the largest dedicated commercial and industrial electricity supplier to also being a household gas and electricity retailer.

Our website provides more detailed information about our business, including our strategy, products and operations, as well as our approach to sustainability: www.shell.com.au.



QUEENSLAND OPERATIONS

In Queensland, Shell is involved in the exploration development and production of natural gas. Shell's QGC business is one of Australia's leading natural gas producers, focused on developing Queensland's world-class onshore gas reserves. Shell is the operator and majority interest holder, and our partners in the LNG plant on Curtis Island are CNOOC and Tokyo Gas.

QGC produces natural gas from wells drilled into coal seams in the Surat Basin. Our operations include over 3,000 production wells, 25 field compression stations, six central processing plants, two water treatment plants and a two-train LNG export facility on Curtis Island.

Shell's QGC business has supplied the domestic market since 2006 and international customers since 2014. Shell is an active participant in the domestic market, supplying gas from QGC, and trading through Shell Energy Australia, our gas and power trading business.

Shell is also a 50% joint venture partner in Arrow Energy's Surat Gas project and took a final investment decision in 2020 to develop the first phase of the project. This will bring up to 90 billion cubic feet per year of new gas to market at peak production, increasing supply to domestic and international customers.

WESTERN AUSTRALIAN OPERATIONS

Prelude Floating LNG

In Western Australia, Shell operates the Prelude Floating LNG facility (Prelude FLNG) and is also a partner in several joint venture projects.

The Prelude FLNG facility is operated by Shell Australia Pty Ltd (a wholly owned subsidiary of SEHAL) in a joint venture with INPEX (17.5%), KOGAS (10%) and OPIC (5%).

The Prelude FLNG facility produces natural gas from an offshore field approximately 475km north-east of Broome. The facility is designed to extract, liquefy and store natural gas at sea, before it is transferred and shipped to customers. Prelude FLNG relies on onshore services to support its operations, most of which are managed via locations in the Kimberley region and Darwin.

Crux Project

Shell Australia is proposing to develop the Crux gas field, located approximately 620 km north-east of Broome, as a backfill opportunity for Prelude FLNG. The project consists of a not normally manned platform, which will be operated remotely from the Prelude FLNG facility and connect to it via a 160km export pipeline. Shell's Joint Venture partners in the project are Osaka Gas Australia and SGH Energy.



Shell is a joint venture partner in several major gas projects in Western Australia, mainly off the north-west coast.

Gorgon Project

The Gorgon Project, in which Shell holds a 25% stake, is developing Australia's largest known undeveloped gas resource. It is operated by Chevron, and the other joint venture participants are ExxonMobil, Osaka Gas, Tokyo Gas and Chubu Electric Power.

North West Shelf Project

Shell was a foundation participant in the North West Shelf (NWS) Project, now holding a 16.67% equity stake and serving as a technical advisor. The NWS Project is operated by Woodside Petroleum Limited. The other participants are BP, BHP Billiton Petroleum*, Chevron, Mitsubishi/Mitsui and Woodside*.

*Note: On 1 June 2022, BHP Billiton Petroleum was acquired by Woodside.



Browse Project

Shell is a 27% direct equity holder in the Browse Project, which aims to develop the Brecknock, Calliance and Torosa gas fields located around 425km north-west of Broome. Woodside is the operator and the other equity holders are China National Petroleum Corporation, BP and Japan Australia LNG Pty Ltd (MIMI).

SHELL ENERGY AUSTRALIA

Shell Energy Australia Pty Ltd (a wholly owned subsidiary of SEHAL) was established as Shell's trading arm in Australia, seeking to bring increased diversity of supply and integrated energy solutions to the market.

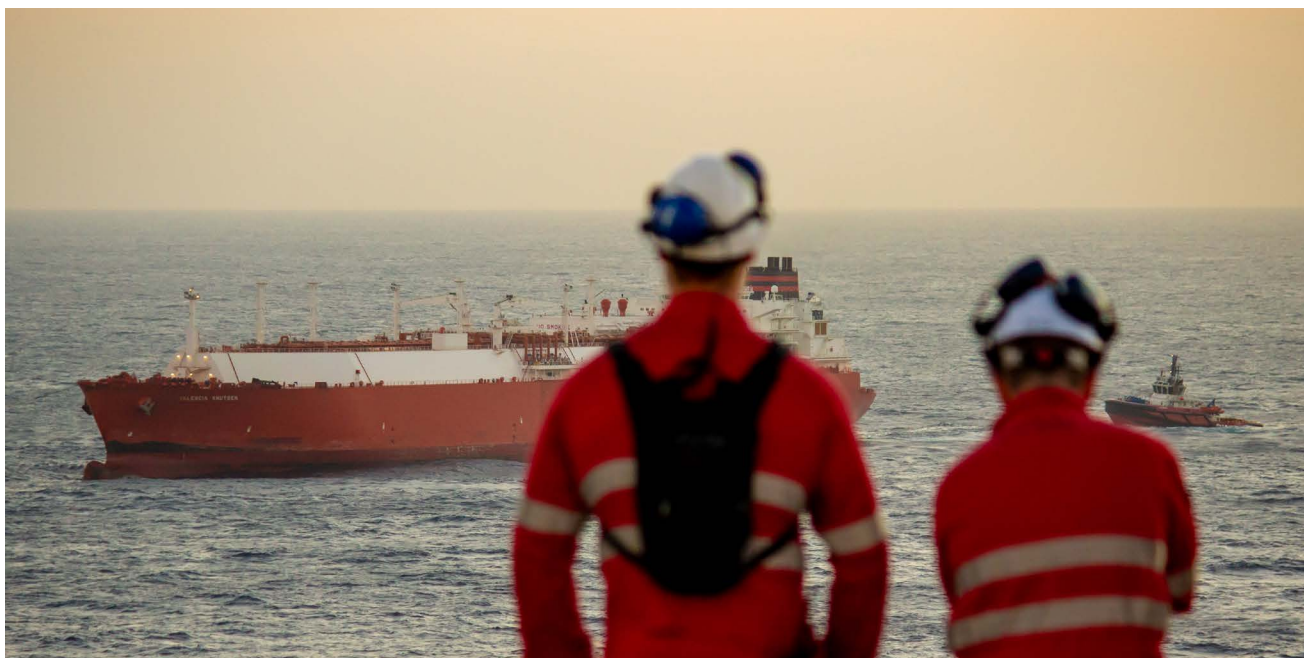


In November 2019, Shell Energy Australia Pty Ltd acquired 100% of ERM Power Limited, a leading commercial and industrial electricity retailer in Australia, which has subsequently been rebranded to Shell Energy. Shell Energy Australia's power trading and energy retail expertise was a strong complement to Shell's existing and expanding gas trading portfolio in Australia.

Shell Energy is continuing to successfully demonstrate the value of a customer focused and closely integrated power business. Shell Energy delivers business energy solutions and innovation across a portfolio of electricity, gas, environmental products, and energy productivity for commercial and industrial customers. Upon completing the acquisition of residential energy retailing business Powershop, which was announced in 2021, Shell Energy will also serve households and small business customers in Australia.

Shell is supporting Australia's energy transition with investments in solar generation, battery storage and power retailing. Additional information on Shell Energy Australia can be found at: www.shellenergy.com.au

Company structure and operations



OUR BUSINESS AND SUPPLY CHAINS

Shell's businesses in Australia are part of a global group of energy and petrochemical companies with more than 80,000 employees in more than 70 countries. We use advanced technologies and take an innovative approach to help build a sustainable energy future.

For further information on our global businesses and supply chains, please refer to Shell plc's [Statement under the UK Modern Slavery Act for Financial Year 2021](#).

In Australia, our business and supply chains are divided into Integrated Gas (upstream and midstream), Renewables and Energy Solutions, Trading and Supply, and Projects and Technology.

Our business activities are inclusive of exploration for gas onshore and offshore, developing onshore and offshore fields, producing liquified natural gas, transport which includes shipping and trading, and corporate services, such as Legal, Commercial/Business Development, HR, IT, Corporate Relations and Finance.

With the acquisition of ERM Power (now Shell Energy), we added electricity and gas retailing, energy solutions (including demand side management, consultation, advice, delivery and tracking), wholesale markets (including trading) and generation to our business activities.

The majority of the trading activities by our Australian Trading and Supply business relates to financial transactions in the electricity market and with wholesale clients or undertaken on licensed and regulated financial exchanges. Physical trading transactions are undertaken predominately with wholesale clients such as Australian-based licensed gas retailers or large gas consumers or with other Shell Group companies.

Across our businesses in Australia, we employ around 2,500 staff, drawn from diverse backgrounds and locations – from capital cities to regional areas.

Shell's contracts and procurement (C&P) team in Australia comprises over 100 people. In 2021, Shell in Australia spent approximately US\$1.1 billion on goods and services, which it procured from over 1,100 suppliers and contractors (suppliers), both nationally and internationally*.

*Note: specific to Shell Energy Australia, this excludes any settlement transactions i.e., derivative counterparties, Australian Energy Market Operator (AEMO), Network companies.

This Statement predominantly describes how our C&P team approaches modern slavery risk in the purchase of goods and services as we believe this to be an area that poses higher labour rights risk. Our focus, for the purpose of this Statement, is on our direct suppliers.

In Australia, the category of goods and services Shell (excluding Shell Energy Australia) procures generally covers the asset life cycle. This includes:

- exploration;
- construction services;
- offshore installations;
- wells services;
- rotating equipment;
- engineering and maintenance services
- transportation and logistics;
- fuel; and
- consumables, which includes maintenance, repairs and operating supplies, rigs, contracted labour, catering, safety equipment, facility managements and professional services.

For Shell Energy Australia, the range of category of goods and services procured covers:

- engineering, procurement and construction for battery energy storage systems and solar;
- IT software and consulting;
- metering equipment;
- industrial parts for generation power stations;
- engineering, gas and maintenance services; and
- consumables, which includes maintenance, repairs and operating supplies, contracted labour, safety equipment, facility managements and professional services.

Shell operates in all the countries from which we source goods and services for our Australian operations. Based on our contract value, our top suppliers are in Australia, United Kingdom and the United States, followed by Singapore and South Korea.



Our procurement team aims to develop and strengthen relationships with suppliers, ensuring they are committed to the [Shell Supplier Principles](#), or to equivalent standards through their own activities and the management of their own suppliers and sub-contractors.

Each of Shell's suppliers has its own supply chain and we recognise that each level in the supply chain is responsible for ensuring compliance with all applicable laws and regulations and for respecting human rights.

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OUR VALUES, POLICIES AND APPROACH TO HUMAN RIGHTS

Powering Progress

Shell has set out a strategy to deliver for our customers, for society, for our investors and for the planet. This strategy is called [Powering Progress](#).

Powering Progress is based on an ambitious but achievable set of goals that lay out how we believe Shell can and must play a role as the world accelerates towards a future of cleaner energy.

Together, achieving them will:

1. Generate value for our shareholders, customers and wider society.
2. Build a strong and resilient company by putting customers at the heart of what we do.
3. Accelerate the transition to net-zero emissions purposefully, and profitably.



Powering Lives

We recognise our responsibility to respect human rights in all aspects of doing business, and we have embedded human rights in the Shell General Business Principles, Shell Code of Conduct, and the Shell Supplier Principles. For more information on Shell's policy and procedures towards human rights, please visit our [Human Rights webpage](#).

Our approach is informed by the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and the 1998 Declaration of the Fundamental Principles of Rights at Work of the International Labour Organization ("ILO"), which covers freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour, and the elimination of discrimination in respect of employment and occupation.



Labour Rights



We respect our employees' and contractors' rights, including freedom from forced labour and non-discrimination by working in line with the International Labour Organization's Declaration on Fundamental Principles and Rights at Work the UN Global Compact.

Communities



Our activities can impact the communities where we operate. Through careful project design and responsible management, we aim to minimise those impacts and avoid human rights infringements. We do this in line with the International Finance Corporation's Performance Standards and the UN Guiding Principles on Business and Human Rights. We work with local communities to jointly identify solutions and opportunities.

Security



Shell aims to keep staff and facilities safe while respecting the human rights and security of local communities. We carefully assess the security threats and risks to our operations and work with governments and partners to provide a secure working environment. Shell only uses armed security in countries where the threats are most severe, or if it is a requirement under local laws.

Supply Chains



The Shell Supplier Principles outline what we expect from contractors and suppliers in areas such as human rights. This includes ensuring no use of forced, prison or compulsory labour or payment of recruitment fees by workers. The principles also ensure a safe, secure and healthy workplace for staff and contractors and payment of wages that meet or exceed national legal standards.

We believe that an integrated approach to human rights, by embedding it into our policies, business systems and processes, allows us to manage human rights efficiently and effectively within our existing ways of working. Our approach applies to all our employees and suppliers.

We focus on four areas where respect for human rights is particularly critical to the way we operate: labour rights, communities, supply chains and security.

Community feedback mechanisms are in place at all our major facilities. They enable employees, contractors, people in our operational communities, and third parties to raise concerns. These feedback mechanisms, along with our Shell Global Helpline (which is operated by an independent provider), ensure concerns can be surfaced and that we can resolve them.

Our contractors and suppliers are expected to conduct their activities in a manner that respects human rights as set out in the UN Universal Declaration of Human Rights and the core conventions of the ILO.

The Shell Supplier Principles further clarify the expectations we have of our suppliers on labour and human rights, including (but not limited to):

- no use of child labour;
- no use of forced, prison or compulsory labour;
- no payment of recruitment fees by workers;
- compliance with all applicable laws and regulations on freedom of association and collective bargaining;
- a safe, secure and healthy workplace and not tolerating discrimination, harassment or retaliation;
- compliance with all applicable laws and regulations on working hours; and
- providing wages and benefits that meet or exceed the national legal standards.

All Shell companies and Shell operated joint ventures must comply with local legislation and regulations and must conduct their activities in line with the Shell General Business Principles and our core values of honesty, integrity and respect for people. Joint ventures that we do not operate are encouraged to apply materially equivalent business principles in their operations.



Assessing and identifying our modern slavery risks

RISKS IN OUR SUPPLY CHAIN

We recognise that certain areas of our supply chain may pose a higher labour rights/modern slavery risk due to their location and the nature of the goods and services procured. This section describes the approach our Contracts and Procurement team generally takes in assessing the risk of modern slavery practices in our operations and supply chain.

Risk assessments are one of the tools we use to implement or improve risk-based controls. We review our approach to improving our labour rights risk assessment in our supply chains on a continuous basis.

Undertaking assessments of our suppliers' capability to manage labour rights/worker welfare risks within their operations and respective supply chains, allows us to comply with the requirements set out in the Shell General Business Principles, and pass on expectations to our suppliers through the Shell Supplier Principles.

The Shell Supplier Principles apply to all our suppliers, and a clause requiring adherence to these is included in our model procurement contracts. Ensuring our suppliers comply with the Shell Supplier Principles is the right thing to do and forms an integral part of the required regulatory reporting (e.g., the UK Modern Slavery Act and the Australian Modern Slavery Act) that Shell must complete.

A risk-based approach has been adopted based on a combination of factors, including the supplier's trading address, the country of service execution/goods manufacture and the services the supplier will be providing. If the supplier is identified as having an elevated risk for labour rights/worker

welfare, we undertake a detailed assessment of the supplier's management systems and processes to ensure that they are capable of effectively managing the risks within their own operations and respective supply chains.

Where requested by a Shell representative, the supplier is required to respond to our industry standard labour rights questionnaire and provide the identified supporting documentation.

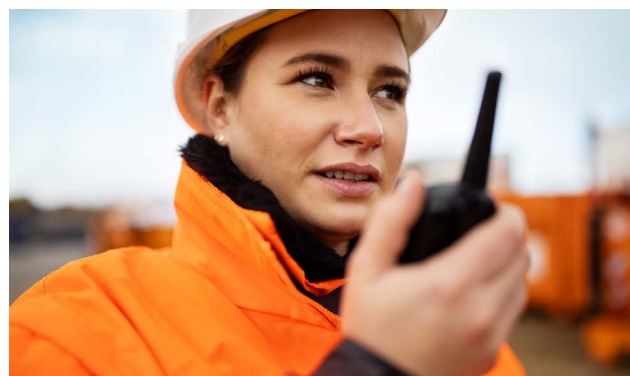
In these cases, a Shell data specialist reviews the information and documentation provided and assesses the robustness of the supplier's management systems. They then provide feedback to the Shell Contract Management team to allow for decisions to be made respective to the situation. It will, for example, inform which suppliers to shortlist for invitation to a tender, or will be factored into the evaluation of any bids received from the respective supplier.

The supplier will be given feedback on any gaps identified, and where a decision to award a contract is made, the supplier will be expected to work with the Shell contract representative to close the identified gaps within a limited timeframe and undergo a re-assessment.

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We review our approach to improving our labour rights risk assessment in our supply chains on a continuous basis.

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In our model procurement contracts, contractors and suppliers agree to adhere to the Shell General Business Principles, the Shell Supplier Principles and Code of Conduct. Suppliers are required to comply with all applicable laws and regulations of the country or countries in which they do business and agree to provide and maintain safe and healthy working conditions for all supplier personnel.

Risk assessments on our suppliers are a combination of both category and country risk:

Category risk

Supply chain category risk has been determined by analysing typical contract work-scopes to consider where there may be higher risks of unethical labour practices in the recruitment of migrant workers.

Shell Australia has determined the following to be high-risk categories, based on contract value concentration:

1. Engineering, Procurement and Construction Services including Engineering and Project Management Services
2. Rotating and After Market Equipment
3. Engineering and Maintenance Services
4. Logistics – Upstream Land and Custom Clearance Agent Services
5. Onshore Construction

Country risk

Supply chain country risk is derived from external indices provided by Verisk Maplecroft that indicate the potential for modern slavery risks both in country, as well as for migrant workers from these countries.

Shell Australia has determined the following to be high-risk countries, based on contract value concentration:

- China
- Malaysia
- India
- Philippines

Suppliers located in high-risk countries comprise less than one percent of our total contract spend.



Risks in business models

We also acknowledge there may be risks we contribute as we utilise global framework agreements in Australia. These global Enterprise Framework Agreements (EFAs) awarded in various countries but used in Australia for commerciality purposes may need to be checked for modern slavery risks compliance. At the time of calling off an EFA, local contract terms and conditions will be applied, and local due diligence over and above the existing EFA completed.

Additionally, global contractors also make use of sub-contractors but risks in this area are addressed as suppliers are also required to demonstrate how they cascade the Shell Supplier Principles to their own suppliers and contractors as part of the Contract Worker Welfare Management Plan requirement.

Impact of COVID-19 on our risk assessment

We recognise the closure of borders due to the COVID-19 pandemic have limited travel and therefore our ability to conduct site visits that provide visibility for assurance purposes. This led to a deferral of site visits and assurance activities for 2020. These site visits and assurance plans recommenced in 2021 where restrictions allowed. With further easing of COVID-19 restrictions we expect this activity to resume to normal levels in 2022.

Our due diligence and remediation process

We recognise the role of labour rights due diligence in bringing our commitments to life. This section describes the due diligence taken in assessing potential modern slavery risks.

In our supply chains, our direct suppliers undergo pre-contract screening, and this includes screening against sanctions lists for human rights abuses and evidence of slavery.

Our worker welfare that forms part of our management system, known as the Health, Safety, Security and Environment and Social Performance Control Framework, defines the steps we take with our suppliers to assess and mitigate labour rights risks, including those of modern slavery.

The manual requires an assessment of worker welfare risks. Contractors and suppliers deemed to be at higher risk for labour rights issues are engaged to undertake a detailed assessment of their labour rights management system prior to the award of a contract.

This assessment has been developed in collaboration with the Norwegian Oil and Gas Operators Association, to include an addition to their Joint Qualification System (JQS), and it includes a declaration of suppliers' own processes to assess and manage labour rights risks with their own suppliers.

We continue to invite companies in the energy industry to join the initiative. International Association of Oil and Gas Producers (IOGP) is adding the JQS assessment questionnaire to a suite of pre-qualification questions. We are also promoting the initiative through our membership of International Petroleum Industry Environmental Conservation Association (IPIECA), the global oil and gas association for advancing environmental and social performance and energy transition.

The results of these supplier assessments performed by Shell's procurement team are summarised in a rating which is dependent on the number and significance of any gaps between our requirements and the supplier's policies or performance. The most common shortcomings found during our supplier assessments typically relate to policy rather than performance gaps in the following areas:

- freely chosen employment;
- child labour avoidance;
- working hours, wages and benefits;
- dormitory, housing and working conditions;
- humane treatment, equal opportunities and freedom of association; and
- supply chain and performance management.

In our model procurement contracts, suppliers agree to adhere to the Shell General Business Principles and the Shell Supplier Principles. Suppliers are required to comply with all applicable laws and regulations of the country or countries in which they do business and agree to provide and maintain safe and healthy working conditions for all supplier personnel.

The number of suppliers assessed is dependent on the level of project activity and the number of new contracts awarded through the year. Separately however, we are committed to progressively reviewing numerous existing contracts against the Modern Slavery Act requirements.

Further, in 2020, Shell globally added a new manual on worker welfare to our management system, what we call our current Health, Safety, Security and Environment and Social Performance Control Framework. The chapter requires an assessment of worker welfare risk and, where necessary for higher risk locations in Shell's global operations, a contractual obligation requiring contractors to develop a Worker Welfare Management Plan that includes, among others, ethical recruitment practices and no use of forced labour.



In addition, we have detailed guidance for our own project management teams that support the design of worker camps. The guidance establishes minimum global standards with emphasis on the elements of worker welfare and respect for people. We continuously aim to deliver a standard of accommodation and facilities that improves their quality of life and well-being, and as a result promotes safe and productive work.

We acknowledge and welcome the [Building Responsibly Worker Welfare Principles](#) as set out below and we expect the content of worker welfare plans to cover the areas addressed by these principles.

THE BUILDING RESPONSIBLY WORKER WELFARE PRINCIPLES



Workers are treated with dignity, respect, and fairness



Workers are free from forced, trafficked, and child labor



Recruitment practices are ethical, legal, voluntary, and free from discrimination



Freedom to change employment is respected



Working conditions are safe and healthy



Living conditions are safe, clean, and habitable



Access to documentation and mobility is unrestricted



Wage and benefit agreements are respected



Worker representation is respected



Grievance mechanisms and access to remedy are readily available

Although Australia is not considered a higher risk location, such appraisals may be applicable where Shell uses suppliers in higher risk countries.

Where contracts with higher labour rights/modern slavery risks are identified, Shell also requires suppliers to provide an Employee Relations Management Plan (ERMP) for approval prior to contract award. The ERMP is required to be implemented by the supplier in delivering the scope of work. The ERMP requires suppliers to commit to providing employment conditions compliant with legally binding industrial instruments and comply with applicable workplace laws including Fair Work Act 2009, Modern Slavery Act 2018, Fair Work Amendment (Corrupting Benefits) Act 2017 and, if applicable, the Labour Hire Licensing Act 2017 (Qld). ERMPs are audited by Shell to ensure compliance.



In 2022 and beyond, we will be reviewing numerous contracts each year for Modern Slavery Act compliance. This will be done by referring to the available tools such as the IPIECA labour rights assessment toolkit and the Building Responsibly Self-Assessment tool.

The IPIECA [toolkit](#) provides practitioners with responsibility for labour rights assessment in the oil and gas industry with guidance on how to carry out an effective assessment of working conditions and develop appropriate responses to identified risks and issues. The toolkit aims to support any pre-contract due diligence (potentially carried out using the IPIECA supply chain library of questions and resources) with guidance on post-contract due diligence on specific worksites.

TRAINING AT SHELL

All Shell staff undertake regular refresher training on our Code of Conduct and Ethics and Compliance policies. Training participation is documented, repetition cycles are clearly defined and follow-up is automated. Both the Code of Conduct and Shell General Business Principles are available on our website in several languages.

As described above, attention to modern slavery and related human rights issues is an integral part of our contracting and procurement process. Training is provided for the Contract Management Team to gain visibility on current and accurate supplier information. Following the completion of assessments on their suppliers, our staff who manage contracts with a higher labour rights risk may be given individual coaching and support on how to manage supplier corrective action plans.

In 2021, we continued to deliver a rolling program of training for Shell staff on our global procurement process, including guidance on when and how to undertake assessments of suppliers. In addition, our e-learning tool on human rights is available to all Shell employees and Shell contract staff. It includes both a specific supply chain and worker welfare case study to further enhance understanding of our due diligence processes to manage labour rights and modern slavery in the supply chain. We have also rolled out specific worker welfare training for staff at site that are responsible for worker welfare assessments and plans.

Links to our policies and principles mentioned in this Statement are set out below:

[Shell General Business Principles](#)

[Shell Code of Conduct](#)

[Shell Supplier Principles](#)

[Shell Sustainability Report](#)

[Human Rights in Shell](#)

[Shell Global Helpline](#)

[Shell Australia Whistleblower Policy](#)



Risk effectiveness

EFFECTIVENESS AND PERFORMANCE MANAGEMENT

This section describes how we generally assess the effectiveness of the risk assessment, due diligence and training actions set out in the sections above.



Through our supplier qualification process, suppliers may be subject to onsite audits, which could be announced or unannounced, and which may be performed by either Shell personnel or third-party auditors.

The Shell Global Helpline is a means to report grievances or any activity that is inconsistent, including human rights violations. All employees and contract staff in Shell and for third parties with whom Shell has a business relationship can use the helpline if they observe wrongdoing by a Shell company or employee.

In addition, Shell has developed a Whistleblower Policy for Australia. The policy has been prepared to meet the requirements under the Australian Corporations Act and the Australian Securities and Investments Commission's guidelines. Australia has enacted a legal regime that provides specific protections for those making reports of certain types of wrongdoing (the Australian Whistleblower laws). This policy explains these Whistleblower protections, how they will apply in relation to the group of Australian companies that are controlled directly or indirectly by the UK incorporated Shell plc and to Shell Australia's businesses and operations, and how these protections interact with relevant Shell Global Policies.

Allegations of practices running contrary to the Shell Supplier Principles that are raised with us will be investigated and may result in the supplier being required to develop corrective action plans, backed up by onsite audits. If corrective action is not undertaken satisfactorily, then Shell can terminate the contract for breach of supplier principles. In addition, contracts may be terminated with immediate effect if suppliers breach the Shell General Business Principles.

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Annually, through our Sustainability Report, we report on what percentage of the countries that we operated in have procedures in place to prevent child labour and forced labour. For 2021 we reported 100%.

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On an annual basis, we collect performance data against internal mandatory requirements such as the Shell General Business Principles and our Code of Conduct. Senior Shell representatives are required to confirm such performance data where Shell is the operator or has a controlling interest. Annually, through our Sustainability Report, we report on what percentage of the countries that we operated in have procedures in place to prevent child labour and forced labour. For 2021 we reported 100%.

Shell has specialists who investigate concerns or allegations about Code of Conduct breaches. If a violation is confirmed, we take appropriate action up to and including contract termination or dismissal. We maintain a stringent, no-retaliation policy to protect any person making a good faith allegation.

To ensure performance effectiveness, our Contract Management Team conducts a post-award contract management review annually that assesses the impact and the compliance to human rights criteria. Due to the COVID-19 pandemic however, 2020's reviews were deferred to 2021. Periodic reviews recommenced in 2021, requiring suppliers to update the Worker Welfare Management Plan taking into consideration the worker feedback where reasonable and appropriate.

The Contract Management Team also monitors potential changes in worker welfare risk profile. For example, changes in the country of delivery, or increased use of migrant workers. Where this occurs, the team verify that the contractor addresses such changes and continually assesses suppliers' worker welfare performance and apply appropriate consequence management if there are any serious performance issues.

Additionally, suppliers are also required to demonstrate how they cascade our Shell Supplier Principles to their own suppliers and contractors.

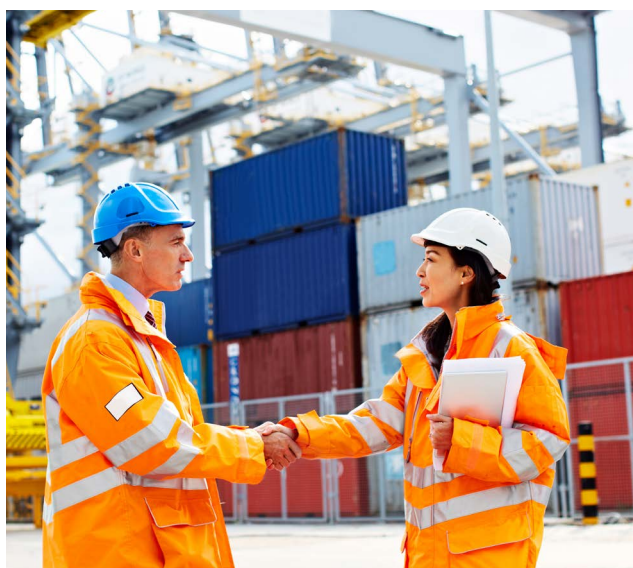
A monitoring and reporting plan, which includes both leading and lagging key performance indicators, is also a tool used to verify if the Contract Worker Welfare Management plan is implemented and effective in managing risks. An example of a leading indicator is having a worker welfare management process in place and that risk assessments are done and gap closures are planned and completed. Examples of lagging indicators include the number of complaints reported, investigated and resolved – provided there is also a system of reporting in place.



Report consultation

COLLABORATION WITH OTHERS

This section describes our collaboration with others, including the process of consultation with the entities we own or contract, as well as those reporting entities jointly reporting under this Statement.



Global collaboration

Globally, Shell is a member of the Business for Social Responsibility (BSR) human rights working group which provides an opportunity for a cross-sector group of companies to openly share best practices, challenges, questions and experiences implementing the Guiding Principles on Business and Human Rights across a diverse range of operational environments. In addition, BSR is a member of Shell's Human Rights Working Group, providing advice and challenge to our approach on human rights across Shell, including in our supply chains.

We use our memberships on multiple bodies to test our approach, learn from others and contribute to the development of good practice that may be used both in our own business and with our suppliers. These bodies include the International Petroleum Industry Environmental Conservation Association, International Association of Oil and Gas Producers, International Organisation of Employers, The Conference Board, the United Nations Global Compact Action Platform on Decent Work in Supply Chains and our attendance and participation at the UN Annual Forum on Business and Human Rights.

Joint venture operators

Shell is a non-operating equity owner in several joint ventures across Australia. We set clear expectations regarding adherence to the Modern Slavery Act for the operators of these ventures.

All joint venture operators have clear public policies which oppose the occurrence of modern slavery (Human Rights Policy and Code of Conduct), consistent with Shell's position and expectations. The joint venture operators also require all suppliers of goods and services to adhere to these policies as part of their contracts with suppliers.

The joint venture operators also conduct regular risk assessments across their operations and supply chains for potential human rights risks.

Clear action plans to mitigate potential risks, including contractual clauses setting expectations of suppliers, clear due diligence processes in supplier evaluations, and training programs for operator personnel are also in place.

Consultation with reporting entities

SEHAL consulted with its Board as well as the boards of all other reporting entities mentioned on page two, to develop this Statement. In addition, SEHAL confirmed with its relevant subsidiaries and the reporting entities providing this Statement whether they follow the Shell processes as described in this Statement. Key differences from the Shell process have been set out in this Statement.

Other relevant information

CONTINUOUS IMPROVEMENT

In 2022, we will continue to monitor the potential risks of modern slavery in our operations and supply chain and will continue to look for ways to improve on our monitoring and responses.

While in our Statement we identify Australia as a low-risk country, we recognise that modern slavery still does occur in Australia. Therefore, we need to continuously examine our supply chain performance and complete ongoing supplier verification to capture any areas of non-compliance.

This will include additional reviews of our contractors' supply chains as well as researching technology to assist with this process. In addition, Shell is exploring ways in which we can collaborate with other industries to share best practices and lessons learned.

Working with our global peers, we will ensure our internal guidance establishes minimum global standards with emphasis on the elements of worker welfare and respect for people.

This Statement has been approved by the Boards of the following parent reporting entities, on behalf of their respective subsidiary reporting entities covered by this Statement.



Tony Nunan

Company Director:
Shell Energy Holdings Australia Ltd

Date: 28 June 2022



Tony Nunan

Company Director:
QGC Upstream Holdings Pty Ltd

Date: 28 June 2022



Tony Nunan

Company Director:
QGC Midstream Holdings Pty Ltd

Date: 28 June 2022

Appendix A

DETAILS OF REPORTING ENTITIES:

Shell Energy Holdings Australia Ltd	Unlisted Australian Public Company, Limited by Shares	ACN 054 260 776
Shell Australia Pty Ltd	Australian Proprietary Company, Limited by Shares	ACN 009 663 576
Shell Energy Australia Pty Ltd	Australian Proprietary Company, Limited by Shares	ACN 085 757 446
Shell Energy Operations Pty Ltd	Australian Proprietary Company, Limited by Shares	ACN 122 259 223
Shell Energy Retail Pty Ltd	Australian Proprietary Company, Limited by Shares	ACN 126 175 460
QGC Upstream Holdings Pty Ltd	Australian Proprietary Company, Limited by Shares	ACN 130 856 843
QGC Upstream Investments Pty Ltd	Australian Proprietary Company, Limited by Shares	ACN 131 104 651
QGC Pty Ltd	Australian Proprietary Company, Limited by Shares	ACN 089 642 553
QGC Midstream Investments Pty Ltd	Australian Proprietary Company, Limited by Shares	ACN 130 857 215
Condamine Power Station Pty Ltd	Australian Proprietary Company, Limited by Shares	ACN 121 868 273
QGC Midstream Holdings Pty Ltd	Australian Proprietary Company, Limited by Shares	ACN 130 927 203
QGC Train 1 Tolling Pty Ltd	Australian Proprietary Company, Limited by Shares	ACN 142 293 650
QGC Train 2 Tolling Pty Ltd	Australian Proprietary Company, Limited by Shares	ACN 142 293 687
QGC Train 2 Tolling No.2 Pty Ltd	Australian Proprietary Company, Limited by Shares	ACN 147 896 535
QGC Train 1 Pty Ltd	Australian Proprietary Company, Limited by Shares	ACN 139 569 412
QGC Train 2 Pty Ltd	Australian Proprietary Company, Limited by Shares	ACN 139 569 458
QGC Common Facilities Company Pty Ltd	Australian Proprietary Company, Limited by Shares	ACN 139 569 485

Appendix B

Australian Modern Slavery Act Mandatory reporting criterion	Reference in this Statement	This 2021 Statement includes
Identify the reporting entity	Reporting entity – pages 5-7	<ul style="list-style-type: none"> ■ Relevant reporting entity that complies with the Modern Slavery Act
Describe the structure, operations and supply chains	Who we are – page 5 Our business and supply chains – pages 8-9	<ul style="list-style-type: none"> ■ Business structures, operations and supply chains ■ Shell's Powering Progress strategy
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Assessing and identifying our modern slavery risks – pages 13-14	<ul style="list-style-type: none"> ■ Tools used and steps taken to identify top potential risks ■ Country risks ■ Category risks ■ Risks in business models ■ Risks in the supply chain
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	Our due diligence and remediation process – pages 15-16 Training at Shell – page 17	<ul style="list-style-type: none"> ■ Our approach to human rights inclusive of values and policies ■ Due diligences in place ■ Action taken to mitigate risks ■ Approach taken to build capabilities
Describe how the reporting entity assesses the effectiveness of such actions	Effectiveness and performance management – pages 18-19	<ul style="list-style-type: none"> ■ Internal Assurances and onsite audit ■ Worker Welfare Principles ■ Monitoring of grievances mechanisms ■ Monitoring of performance data
Describe the process of consultation with (i) any entities the reporting entity owns or controls; and (ii) for a reporting entity covered by a joint statement, the entity giving the statement	Collaboration with others – page 20	<ul style="list-style-type: none"> ■ Process of consultation with reporting entities including joint ventures
Include any other information that the reporting entity, or the entity giving the statement, considers relevant	Continuous improvement – page 21	<ul style="list-style-type: none"> ■ Approach to progress improvement in mitigating the risk of modern slavery

