## Shell Australia

# 2023 Modern Slavery Statement

Period January 2023 – December 2023 | **Published June 2024**

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# About this Statement

## Joint Modern Slavery Statement (Statement) under the Modern Slavery Act 2018 (Cth) (Act) for the reporting period 1 January 2023 to 31 December 2023.

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 Environmental Products Australia Pty Ltd
4. Shell Energy Australia Pty Ltd
5. Shell Energy Operations Pty Ltd
6. Shell Energy Retail Pty Ltd
7. Powershop Australia Pty Ltd
8. QGC Upstream Holdings Pty Ltd
9. QGC Upstream Limited Partnership
10. QGC Upstream Investments Pty Ltd
11. QGC Pty Ltd
12. QGC Midstream Holdings Pty Ltd
13. QGC Midstream Investments Pty Ltd
14. QGC Train 1 Tolling Pty Ltd
15. QGC Train 2 Tolling Pty Ltd
16. QGC Train 2 Tolling No.2 Pty Ltd
17. QGC Train 1 Pty Ltd
18. QGC Train 2 Pty Ltd
19. QGC Common Facilities Company Pty Ltd

(collectively “Shell”, “our” or “we”)

# Message from Shell Australia Chair

As we continue to navigate the global energy transition and work to supply secure, affordable and lower-carbon energy solutions now and for the future, we are fully committed to conducting our business in an ethical and transparent way. As Chair, I am proud to share our 2023 Modern Slavery Statement which outlines our efforts to address modern slavery in our operations and supply chains.

At Shell, we strive to ensure our core values of honesty, integrity and respect for people underpin all we do. We are committed to respecting human rights as set out in the United Nations (UN) Universal Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. We take an integrated approach to human rights. It is embedded into our policies, frameworks, business systems, processes and within the values that serve as our foundation.

This Statement outlines how Shell in Australia manages modern slavery risks through the way we work, how we assess the effectiveness of the strategies we use and the actions we take if our high expectations are not met. It also includes the actions we will take in 2024 to maintain progress and enhance our efforts.

In 2023, Shell in Australia spent approximately US$1.9 billion with over 2,200 suppliers and contractors, nationally and internationally, purchasing goods and services for our operations. Given the scale of our supply chains, it is recognised as a potential high-risk area and this Statement looks at how our Supply Chain team manages relevant modern slavery risks, with a focus on our direct suppliers. In addition to our supply chain, we centre our evaluation on three other areas where we have also identified high-risk potential on human rights: communities, security and workplace, including labour rights.

While Australia is recognised as a low-risk country within this Statement, we acknowledge that modern slavery still occurs in Australia, and we must continuously examine our supply chain performance to ensure the effectiveness of our strategy. Within these pages, you will find transparency and accountability as we engage with suppliers, partners and stakeholders, ultimately fostering a shared commitment to eradicate modern slavery around the world.

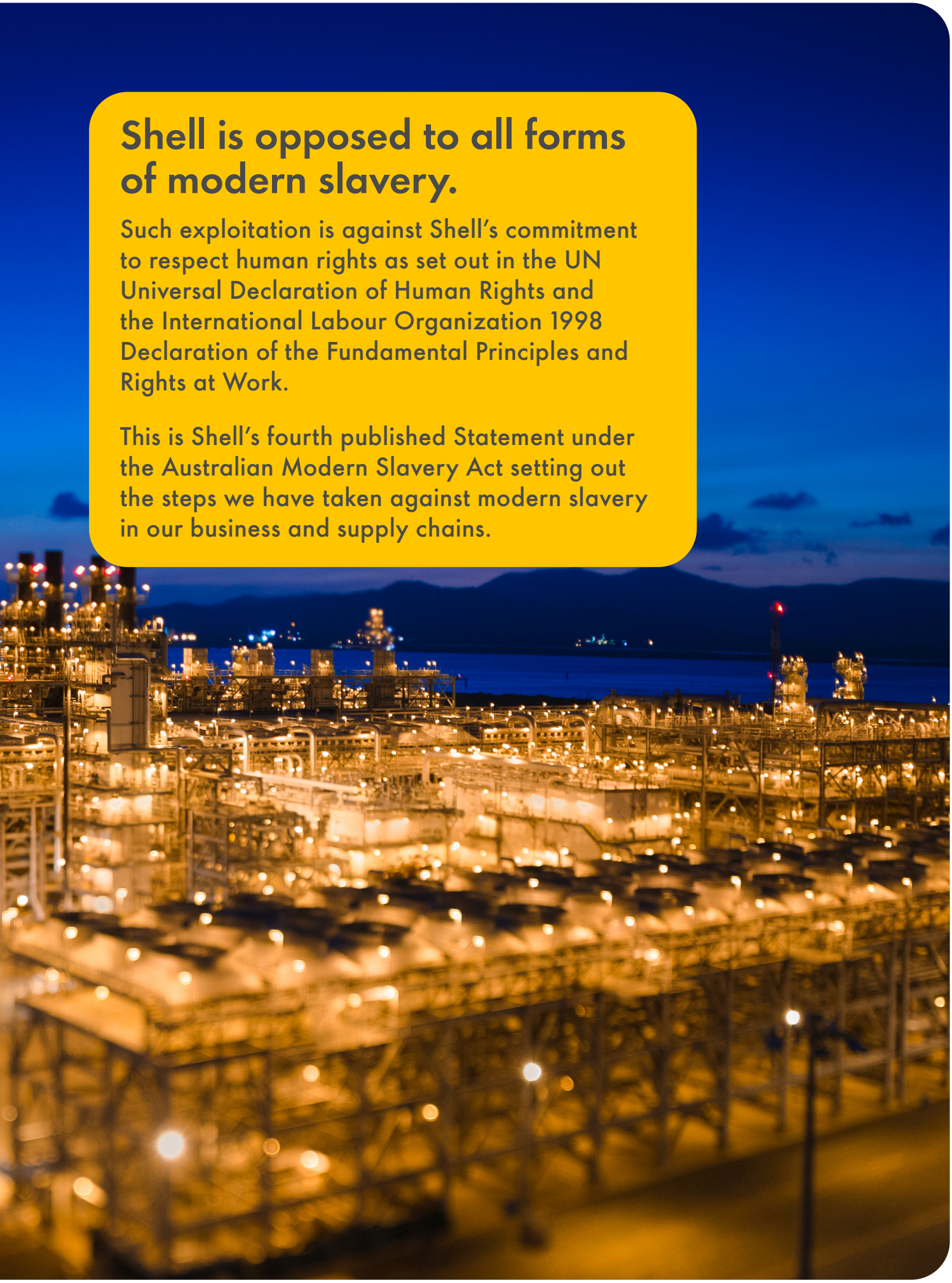
It is an incredible privilege to lead our Shell Australia business. I am proud of many things that we do, including the steps we take to ensure we conduct our work in a responsible way and to the highest standard possible.

**Cecile Wake**
Shell Australia Chair

## 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 UN Universal Declaration of Human Rights and the International Labour Organization 1998 Declaration of the Fundamental Principles and Rights at Work.

This is Shell's fourth 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

Shell has operated in Australia since 1901, starting with the country's first oil refinery, which was central to its fuel needs over a century ago. Today, our business spans onshore and offshore natural gas and liquefied natural gas (LNG) exploration and development, wholesale trading, power retailing and energy solutions, gas and solar power generation, onshore wind development, battery storage and carbon farming and abatement activities.

Throughout this time, the needs of our customers and the nation have changed, and we have continued transforming our portfolio to meet these needs.

In 2023, we made good progress delivering our Powering Progress strategy, including Shell's global target to become a net-zero emissions energy business by 2050. We continued to provide the secure and affordable energy our customers need today, while investing in more low- and zero-carbon energy for the future.

Shell is one of Australia's largest producers of LNG, an essential energy source for industries that can't easily run on electricity and for power generation that provides grid stability and flexibility in support of the continued growth of wind and solar energy.

Our integrated gas portfolio includes two Shell-operated gas production and liquefaction businesses, Shell QGC in Queensland, and Prelude Floating LNG (FLNG) off the coast of Western Australia. It also includes non-operated interests in Arrow Energy in Queensland and in Gorgon and North West Shelf (NWS) in Western Australia.

Throughout 2023, we maintained focus on ensuring a reliable supply of gas for Australian and international customers. We progressed the Crux Project in Western Australia, which will provide additional gas supply to Prelude FLNG. We also started construction on around 115 wells through Shell QGC's Sustaining Wells development program.

More recently, as part of the same program, Shell QGC sanctioned an additional phase that will add another 100 wells to our operations and provide continued supply while using existing gas processing plants.

We continued to grow our renewable power and energy solutions businesses in 2023 too.

Shell Energy progressed several battery energy storage system (BESS) projects including start up of the Riverina Energy Storage System 1 in New South Wales, which Shell Energy holds full operational rights to. In Victoria, we broke ground on the Rangebank project, Shell's first direct equity investment in a utility-scale BESS globally, and signed a 15-year offtake agreement with the Koorangie BESS.

We also partnered with Treasury Wine Estates to develop the country's largest winery solar installation and support their switch to 100% renewable electricity by the end of 2024.

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

## Shell in Australia 2023

| Shell-operated | % |
|---|---|
| Crux | 85 |
| Gangarri | 100 |
| Neerabup Power Station | 50 |
| Oakey Power Station | 100 |
| Prelude | 67.5 |
| QGC | 75 |

| Wholly-owned subsidiaries | % |
|---|---|
| Powershop | 100 |
| Select Carbon | 100 |
| Shell Energy Australia | 100 |
| sonnen | 100 |

| Non-operated | % |
|---|---|
| Arrow | 50 |
| Browse | 27 |
| ESCO Pacific | 49 |
| Gorgon | 25 |
| Kondinin Energy | 50 |
| North West Shelf | 16.67 |
| WestWind | 49 |

Notes:
On 31 March 2023, OX2 announced a 100% acquisition of ESCO Pacific.
On 31 October 2023, Shell Australia completed the sale of its interest in the Browse project.

## Queensland operations

Shell's QGC business is one of Australia's leading natural gas producers, focused on exploration, development and production of Queensland's world-class onshore gas reserves.

Shell is the operator and majority interest holder in the QGC venture. Our partners in the LNG plant on Curtis Island are CNOOC (50% equity in Train 1) and MidOcean Energy (2.5% equity in Train 2).

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. We remain an active participant in the domestic market, supplying gas from QGC, and trading gas and power through our Shell Energy Australia business.

We are also a 50% joint venture partner in Arrow Energy, a coal seam gas business that has been operating gas and power assets in Queensland since 2000. Its Surat Gas Project started construction in 2020 on more than 600 wells and will supply gas to domestic and international customers for over 27 years, at a peak rate of around 300 Terajoules per day.

## Western Australian operations

Shell's interests in Western Australia include the Prelude FLNG facility, the Crux Project and two non-operated ventures.

Prelude FLNG 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 facility produces natural gas from an offshore field approximately 475km northeast of Broome. It extracts, liquefies and stores 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.

We are also developing the Crux gas field to ensure a continued supply of gas to Prelude FLNG. The project consists of a not normally manned platform that will be connected to the Prelude FLNG facility via a 160km export pipeline. Shell's joint venture partner in the project is SGH Energy (15%).

We are also a non-operating partner in two major gas projects in Western Australia, mainly off the north-west coast.

The Gorgon Project, in which Shell holds a 25% stake, is one of the world's largest LNG projects and the largest single resource project in Australia's history. It is operated by Chevron, and the other joint venture participants are ExxonMobil, Osaka Gas, Tokyo Gas and JERA.

Shell is also a foundation participant in the North West Shelf (NWS) Project, holding a 16.67% equity stake and serving as a technical advisor. The NWS Project is operated by Woodside. The other participants are BP, Chevron, MIMI and CNOOC.

Shell was a 27% direct equity holder in the Browse Project located around 425km north-west of Broome, until we sold our interests in October 2023.

## Shell Energy Australia

Shell Energy Australia Pty Ltd (Shell Energy) is a wholly owned subsidiary of SEHAL and is Shell's renewables and energy solutions business in Australia. It uses its global reach, technical capability and market expertise to support customers' changing energy needs.

Shell Energy offers renewable and gas power generation and retailing, wholesale energy trading, low-carbon and smarter energy solutions services and grid-scale battery energy and storage. Through our Powershop business, we offer energy to homes and small businesses in Victoria, New South Wales, South East Queensland and South Australia.

Notably, Shell Energy is the second largest electricity provider to commercial and industrial businesses in Australia by load[1] offering innovative energy management solutions to help these customers navigate the energy transition. It has also been ranked number one for customer satisfaction in the Utility Market Intelligence (UMI) Survey[2] for 13 consecutive years.

**More information on Shell Energy Australia can be found at: www.shellenergy.com.au.**

1 By load, based on Shell Energy analysis of publicly available data.
2 UMI survey of large commercial and industrial electricity customers of major electricity retailers, including Shell Energy by independent research company NTF Group in 2011-2023.

Riverina Battery Energy Storage System

# Company structure, operations and supply chains

## Shell plc and Shell in Australia

Shell's businesses in Australia are part of a global group of energy and petrochemical companies employing 103,000 people and with operations in more than 70 countries. While providing the energy the world needs today, we are also helping to build the energy system of the future through innovation and advanced technologies. Shell serves around 33 million customers every day at more than 47,000 Shell-branded retail service stations and over 54,000 electric vehicle charge points across our retail stations and other destinations.

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 2023.

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

Our Integrated Gas business activities and operations include exploration, development and production of onshore and offshore natural gas fields and transport, including shipping and trading.

Shell Energy's business activities and operations include power generation, energy and gas retailing, project development and asset management, wholesale trading and customer support.

Both Integrated Gas and Shell Energy are supported by corporate services such as Legal, Commercial, Human Resources, Information Technology, Corporate Relations, Supply Chain, Finance and Health, Safety, Security and Environment (HSSE).

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 are 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 and operations in Australia, we employ almost 3,000 staff, drawn from diverse backgrounds and locations – from capital cities to regional areas.

Shell's Supply Chain team in Australia comprises over 80 people. In 2023, Shell in Australia spent approximately US$1.9 billion on goods and services, which it procured from over 2,200 suppliers and contractors (suppliers), both nationally and internationally.[1]

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

"While providing the energy the world needs today, we are also helping to build the energy system of the future through innovation and advanced technologies."

This Statement predominantly describes how our Supply Chain team approaches modern slavery risk in the purchase of goods and services for our operations 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 categories 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, such as repairs and operating supplies.

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

- engineering, procurement and construction, operations and maintenance, and equipment supply 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.

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, Singapore and the United Kingdom, followed by the United States and Switzerland.

Our Supply Chain 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 subcontractors.

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.

"Shell operates in all the countries from which we source goods and services for our Australian operations."

## Our values, policies and approach to human rights

### Powering Progress

Powering Progress sets out Shell's strategy to become a net-zero emissions energy business by 2050, generating value for our shareholders, our customers and wider society. As we move forward on this journey, we will power lives and respect nature while maintaining our core values of honesty, integrity and respect for people.

Powering Progress integrates sustainability with our business strategy and has four main goals outlined in the visual below.

**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 UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the 1998 Declaration of the Fundamental Principles of Rights at Work of the International Labour Organization, 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.

## Approach to human rights

### Human rights and the workplace

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 and the UN Global Compact.

### Human rights and 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.

### Human rights and 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.

### Human rights and 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.

Where we have potentially caused or contributed to adverse impacts, we provide and facilitate access to remedy through our community feedback mechanisms and the Shell Global Helpline or cooperate in good faith through other channels facilitated by an independent provider.

Shell does not require individuals or communities to permanently waive their legal right to bring a claim through a judicial process as a precondition of raising a grievance through a Shell grievance mechanism, nor will Shell otherwise take extrajudicial measures to obstruct state-based judicial processes.

Our high-risk contracts contain requirements for the contractor to provide access to remedy provisions in accordance with our Worker Welfare ambition. Similarly, they can also leverage Shell mechanisms if they choose. 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 International Labour Organization.

> When acquiring new companies, we integrate these companies into the Shell Control Framework.

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 that does not tolerate 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. When entering a joint venture operated by a partner, we expect them to apply standards, processes and principles that are materially equivalent to our own. When acquiring new companies, we integrate these companies into the Shell Control Framework.

Prelude FLNG

# Assessing and identifying our modern slavery risks

## Risks in our operations and supply chains

We recognise that certain areas of our operations and supply chains may pose higher labour rights and modern slavery risks due to their location and the nature of the goods and services procured. This section describes the approach our Supply Chain 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. In compliance with the Shell General Business Principles, we assess our suppliers' capability to manage labour rights and worker welfare risks within their operations and supply chains.

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 and worker welfare, we undertake a detailed assessment of the supplier's management systems and processes to ensure they are capable of effectively managing the risks within their own operations and 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 addition, we also have a right to audit, including site visits to assure capable management systems and processes.

In these cases, a Shell data specialist reviews the information and documentation provided and assesses the robustness of the supplier's management systems. They provide feedback to Shell's Contract Management team who will make decisions respective to the situation. This analysis helps inform which suppliers to shortlist for invitation to a tender and is considered in the evaluation of any bids we receive from the 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.

We continuously review our approach to our labour rights risk assessment in our supply chains to ensure they are fit for purpose.

The Shell Supplier Principles apply to all our suppliers and outline our expectations in accordance with the Shell General Business Principles. All Shell's procurement contracts include a clause requiring adherence to these Principles and ensuring compliance forms an integral part of our required regulatory reporting (e.g., the UK Modern Slavery Act and the Australian Modern Slavery Act).

## Risk assessments of our suppliers include 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 such as recruitment of migrant workers by contractors or agents working on their behalf.

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

- engineering, research and technology based services;
- building, facility construction and maintenance services;
- manufacturing components and supplies;
- transportation, storage and mail services; and
- mining, oil and gas services.

### Country risk

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

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

- South Korea;
- Indonesia;
- Malaysia;
- China; and
- India.

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

### Risks in business models

We acknowledge there may be risks as we utilise global framework agreements in Australia. 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.

Should an EFA need to be called off, local contract terms and conditions will be applied, and local due diligence over and above the existing EFA will be completed.

Additionally, global contractors may make use of subcontractors. Each of Shell's contractors and 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.

Contractually, subcontractors form part of the Contractor Group, and must meet the following requirements:

- they must comply with applicable laws, the Shell General Business Principles and the Shell Supplier Principles;
- if the Contractor Group supplies staff, they must behave in a manner consistent with the Shell Code of Conduct; and
- if the Contractor Group becomes aware of (suspected) violations, they can report using the Shell Global Helpline.

Shell continues to strengthen its risk assessment to identify risks of modern slavery in our supply chains or where mitigations may be needed in our businesses, including in areas of new business development.

## Modern Slavery Assessment Tool

To increase modern slavery risk visibility to more suppliers in our supply chain, in 2023 we implemented the utilisation of the Modern Slavery Assessment Tool (MSAT) via a third-party provider. This tool assists us to improve our understanding of potential risks across the supply chain. We intend to use the information provided in the assessments to engage with our suppliers to better understand and manage potential modern slavery risks.

Questions cover inherent risks (geographical and industry) and risk controls (policy, procedure, workforce). Sources of the assessment and analysis include The Social Responsibility Alliance; Global Slavery Index; International Labour Organization; Australian, United States and United Kingdom Government departments; and UNICEF.

Participating suppliers are selected based on contract category, status and expiration. They are asked to complete a self-assessment questionnaire online. After each supplier completes and submits the questionnaire, their responses are assessed to determine their modern slavery risk scores and associated risk category.

Each supplier that completes the assessment is assigned one of the following risk categories:

- high-risk (high levels of inherent risk);
- high-risk (inadequate risk control);
- medium-risk (partial risk control);
- low-risk (adequate risk control); and
- low-risk (low levels of inherent risk).

To determine the risk category, responses are evaluated for risks inherent to a supplier's operations, production and sourcing. The Inherent Risk Score is based on geography, type of goods, industry sector and workforce parameters that the supplier indicated in the MSAT. The Unmitigated Risk Score is based on the policy and procedure responses in the questionnaire. A supplier's Unmitigated Risk Score determines whether they are categorised as having inadequate, partial or adequate risk control. A lower risk score indicates fewer risks have been identified during the assessment.

Post assessment, action items are identified to reduce the unmitigated risks uncovered during the assessment across Shell's supply chain.

# Actions taken to address risks

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

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

Our manual on worker welfare that forms part of our management system known as the Health, Safety, Security, 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 add to their Joint Qualification System (JQS). It also includes a declaration of suppliers' own processes to assess and manage labour rights risks with their suppliers.

We continue to invite energy companies and associations to join and promote this initiative as part of our efforts to drive a shared commitment to eradicate modern slavery in all forms.

The International Association of Oil and Gas Producers is adding the JQS assessment questionnaire to a suite of pre-qualification questions.

Through our membership with the International Petroleum Industry Environmental Conservation Association, a global oil and gas association for advancing environmental and social performance and energy transition, we are able to promote this initiative to other energy companies.

The results of these supplier assessments performed by Shell's Supply Chain 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 areas of improvement 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;
- worker safety;
- dormitory, housing and working conditions;
- humane treatment, equal opportunities and freedom of association; and
- supply chain and performance management.

To address these, we contractually require suppliers and contractors to develop a worker welfare management plan to ensure compliance with the Building Responsibly Worker Welfare Principles. This includes actions to address ethical recruitment practices and no forced labour, as well as any gaps identified in the assessment of their management system. Building Responsibly has detailed guidance for every principle.

Such appraisals are particularly applicable where Shell uses suppliers in higher risk countries and suppliers with a high risk of using migrant workers.

In addition, we require industry recognised standards for the design of worker accommodation and facilities, such as the International Finance Corporation and European Bank for Reconstruction and Development's joint guidance note on Workers' Accommodation Processes and Standards. We also have internal guidance that establishes minimum global standards with emphasis on the elements of worker welfare and respect for people.

The Worker Welfare Centre of Excellence continues to have monthly network calls to provide training and awareness of worker welfare issues.

Furthermore, any supplier that signs a procurement contract with Shell agrees to adhere to the Shell General Business Principles, the Shell Supplier Principles and the Shell Code of Conduct. There is also an expectation that suppliers 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.

## Health, Safety, Security, Environment and Social Performance Control Framework

The HSSE & SP Control Framework defines mandatory standards, requirements and accountabilities.

The framework applies to Shell entities and Shell-operated ventures, including employees and contractor staff.

Mandatory manuals describe:

- purpose of the manual;
- accountabilities and responsibilities;
- scope; and
- requirements to be met

HSSE & SP Management System

Health

Personal Safety

Process Safety

Environment

Social Performance

Security

Product Stewardship

Transport

Contractor HSSE Management

Projects

Resources

## 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

Where contracts with higher labour rights and modern slavery risks are identified, Shell Energy also requires suppliers to provide an Employee Relations Management Plan (ERMP) for approval prior to contract award. The ERMP must 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, Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022, Modern Slavery Act 2018, Fair Work Amendment (Corrupting Benefits) Act 2017, Anti- Discrimination and Human Rights Legislation Amendment (Respect at Work) Act 2022 and, if applicable, the Labour Hire Licensing Act 2017 (QLD). Shell audits ERMPs to ensure compliance.

In 2024 and beyond, we will continue to improve our understanding of modern slavery risks in our operations and supply chains. This will include a review of our suppliers' responses on our modern slavery assessment questionnaires.

We will also visit our suppliers and have direct conversations with workers in the field, to further validate the assessments and provide additional assurance that suppliers are adhering to their commitments.

## Training at Shell

Shell staff undertake regular 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. Shell's Code of Conduct and General Business Principles are accessible on our website in several languages.

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 completion of supplier assessments , 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.

Since 2020, we've offered Worker Welfare training for staff at sites who are responsible for managing contractors, and for worker welfare assessments and plans. For our suppliers, we have developed a Worker Welfare information pack to enhance their understanding of how to manage Worker Welfare and Labour Rights when working for Shell. We have supported Building Responsibly and Ipieca in the joint development of labour rights training which we offer, free of charge, to all our contractors.

In 2023, we prioritised four high-risk potential areas where respect for human rights is critical to how we operate: supply chains, communities, security and the workplace including labour rights.

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

Shell Powering Progress

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 described 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 staff or third-party auditors.

The Shell Global Helpline is a means to report grievances or any activity that is inconsistent with the Code of Conduct, including human rights violations. All Shell employees, contract staff and 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 a Whistleblower Policy for Australia. The policy has been prepared to meet 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 Whistleblower protections, including how they 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. It also describes 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.

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 share what percentage of the countries we operate in have procedures in place to prevent child labour and forced labour. For 2023, 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.

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 verifies that the contractor addresses such changes and continually assesses suppliers' worker welfare performance and applies 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 performance indicators, is 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 and gap closures are planned and completed. Lagging indicators include the number of complaints reported, investigated and resolved – provided there is a reporting system 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 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 and 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, the International Association of Oil and Gas Producers, the International Organisation of Employers, The Conference Board, the UN 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 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

## Looking ahead

At Shell, our business principles guide how we go about delivering our Powering Progress strategy. These principles are based on our core values of honesty, integrity and respect for people and include the steps we take to safeguard against forced labour in our business and supply chains.

This Shell Australia Modern Slavery Statement sets out these steps throughout 2023. We continue to make progress and remain committed to enhancing our efforts in this area, including learning and adjusting our approach where necessary. While in our Statement we identify Australia as a low-risk country, we recognise that modern slavery still occurs in Australia.

Therefore, we need to continuously examine our supply chain performance and complete ongoing supplier verification to capture any areas of non-compliance. For 2024, this means we will:

- investigate new ways of working to provide additional due diligence further into our supply chain;
- conduct human rights training; and
- conduct a deep dive into our suppliers' modern slavery assessment responses.

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.

Cecile Wake

Company Director:
Shell Energy Holdings Australia Ltd

Date: 27 June 2024

Cecile Wake

Company Director:
QGC Upstream Holdings Pty Ltd

Date: 27 June 2024

Cecile Wake

Company Director:
QGC Midstream Holdings Pty Ltd

Date: 27 June 2024

# Appendix A

## Details of reporting entities:

| Reporting Entity | Entity Structure | Australian Company Number |
|---|---|---|
| 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 Environmental Products Australia Pty Ltd | Australian Proprietary Company, Limited by Shares | ACN 065 879 950 |
| 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 |
| Powershop Australia Pty Ltd | Australian Proprietary Company, Limited by Shares | ACN 154 914 075 |
| QGC Upstream Holdings Pty Ltd | Australian Proprietary Company, Limited by Shares | ACN 130 856 843 |
| QGC Upstream Limited Partnership | Limited Partnership | ABN 83 715 246 894 |
| 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 Holdings Pty Ltd | Australian Proprietary Company, Limited by Shares | ACN 130 927 203 |
| QGC Midstream Investments Pty Ltd | Australian Proprietary Company, Limited by Shares | ACN 130 857 215 |
| 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 2023 Statement includes |
|---|---|---|
| Identify the reporting entity | Reporting entity – pages 5-8 | • Relevant reporting entity that complies with the Modern Slavery Act |
| Describe the structure, operations and supply chains | Who we are – pages 5-8<br>Our business, operations and supply chains – pages 9-13 | • Business structures, operations and supply chains<br>• 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 14-16 | • Tools used and steps taken to identify top potential risks<br>• Country risks<br>• Category risks<br>• Risks in business models<br>• 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 | Actions taken to address risks – pages 17-19<br>Training at Shell – page 20 | • Our approach to human rights inclusive of values and policies<br>• Due diligences in place<br>• Action taken to mitigate risks<br>• Approach taken to build capabilities |
| Describe how the reporting entity assesses the effectiveness of such actions | Risk effectiveness – page 21 | • Internal assurances and onsite audit<br>• Worker Welfare Principles<br>• Monitoring of grievances mechanisms<br>• 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 | Report consultation – page 22 | • 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 | Looking ahead – page 23 | • Approach to progress improvement in mitigating the risk of modern slavery |