



**Shell Australia**

# 2022 Modern Slavery Statement

Period January 2022 – December 2022 | Published June 2023



# Contents

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- About this Statement .....2
- Message from Shell Australia Chair .....3
- 1 | Reporting entity.....5
- 2 | Company structure, operations and supply chains.....9
- 3 | Assessing and identifying our modern slavery risks ..... 14
- 4 | Actions taken to address risks ..... 16
- 5 | Risk effectiveness..... 20
- 6 | Report consultation ..... 22
- 7 | Other relevant information.....23
- Appendix A ..... 25
- Appendix B..... 26

# 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 2022 to 31 December 2022.**

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) Condamine Power Station Pty Ltd
  - 13) QGC Midstream Holdings Pty Ltd
  - 14) QGC Midstream Investments Pty Ltd
  - 15) QGC Train 1 Tolling Pty Ltd
  - 16) QGC Train 2 Tolling Pty Ltd
  - 17) QGC Train 2 Tolling No.2 Pty Ltd
  - 18) QGC Train 1 Pty Ltd
  - 19) QGC Train 2 Pty Ltd
  - 20) QGC Common Facilities Company Pty Ltd
- (collectively "Shell", "our" or "we")

# Message from Shell Australia Chair



In May, I was delighted to succeed Tony Nunan as Shell Australia Chair and assume the role of Senior Vice President Integrated Gas Australia. As Chair, I am pleased to share our 2022 Modern Slavery Statement.

2022 was a year that brought global energy security to the fore. Russia's invasion of Ukraine and the subsequent reduction of Russian gas in the market accelerated already increasing global energy prices. In Australia, local demand and supply conditions also further impacted the market.

These challenges reinforced the role companies like ours play in providing the critical energy the world needs today while also building the low- and zero-carbon energy system of tomorrow. Yet we understand that operating our business is a privilege not a right.

This is why everything we do at Shell is underpinned by our core values of honesty, integrity and respect for people, and our focus on safety. This includes our commitment to doing business in an ethical and transparent way.

We are committed to respecting human rights as set out in the 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, which is embedded into our policies, frameworks, business systems and processes.

Our approach at Shell is to focus our effort on four key areas, where human rights are critical to the way we operate and where we have identified the risks are highest for potential impact on human rights. These are workplace, communities, security and supply chain.

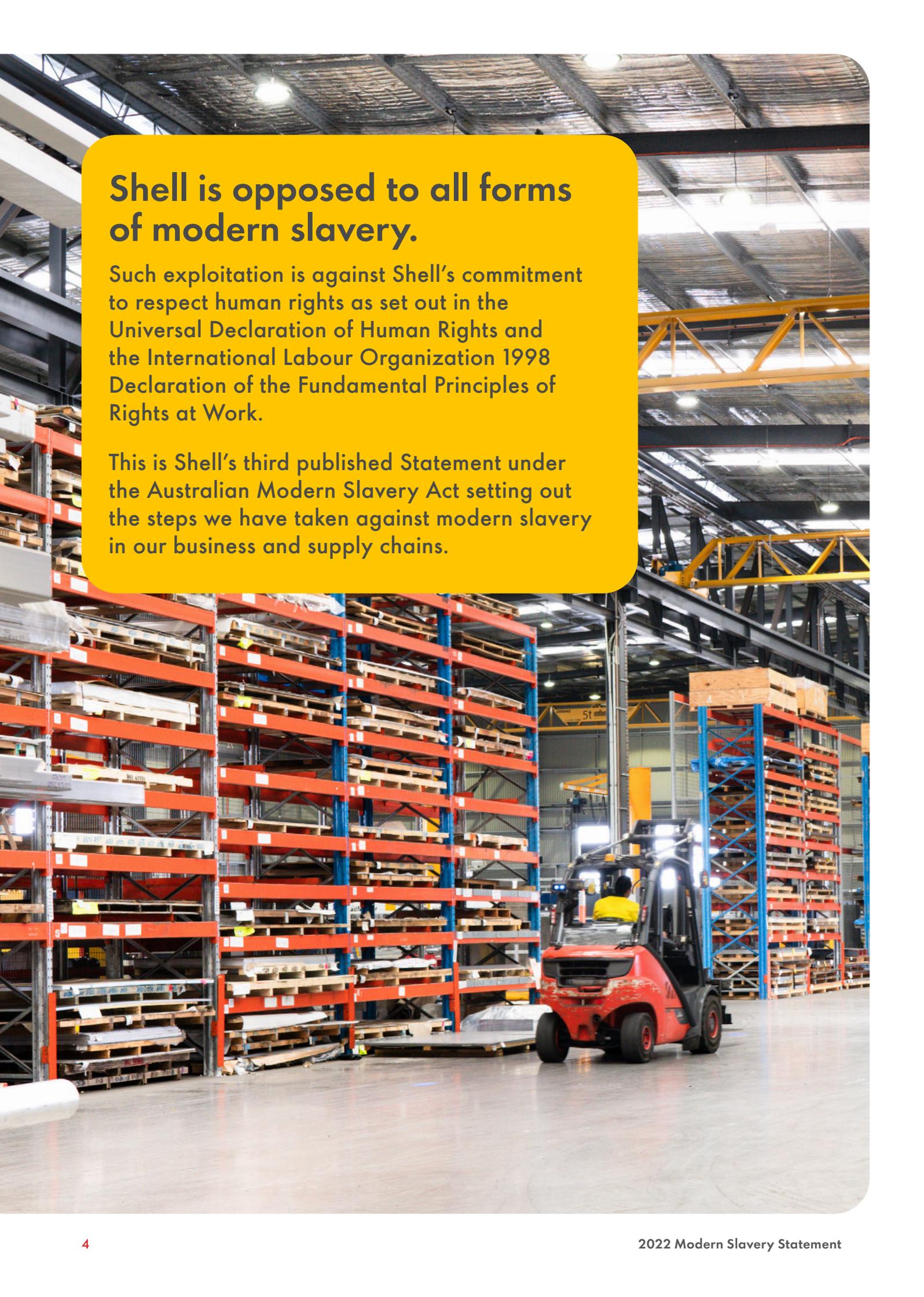
In 2022, Shell in Australia spent approximately US\$1.8 billion with over 1,300 suppliers and contractors, both nationally and internationally, purchasing goods and services for our operations. As such, we have identified the purchase of goods and services as an area posing higher labour rights risk. Our Statement therefore predominantly describes how our Supply Chain team manages modern slavery risk in this area, with a focus on direct suppliers.

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.

This Statement outlines how Shell Australia manages modern slavery risk 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 2023 to not only maintain our progress but enhance our efforts.

I feel honored to lead our Shell Australia business and am proud of the steps we take to ensure we deliver in a responsible way, 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 Universal Declaration of Human Rights and the International Labour Organization 1998 Declaration of the Fundamental Principles of Rights at Work.

This is Shell's third 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 been part of Australia since 1901 when it delivered the first cargo of bulk fuel ever to reach Australia. Throughout this 122-year relationship, the needs of our customers and the nation have changed and we have continued transforming our portfolio to meet these needs.

Through our [Powering Progress strategy](#), Shell is delivering secure and affordable energy with increasingly lower emissions. This includes in Australia, where we are providing the secure and affordable energy our customers need today, while investing in more low- and zero-carbon energy on our journey to net-zero.

Shell has a significant Liquefied Natural Gas (LNG) business in Australia that makes a valuable contribution to today's energy supply. This integrated gas portfolio includes our two Shell-operated gas production and liquefaction businesses, Shell QGC in Queensland and Prelude Floating LNG (Prelude FLNG) offshore in Western Australia, and our joint venture interests in Gorgon and North West Shelf in Western Australia and Arrow Energy in Queensland.

During 2022, we invested in several integrated gas projects to ensure a sustained supply of affordable and reliable gas for the Australian domestic market and for our international customers.

Through the latest phase of Shell QGC's Sustaining Wells program, we will drill around 145 new wells and connect them to existing gas processing plants – bringing around 210 petajoules of gas to market over the next 15 years. We also took a Final Investment Decision on the Crux project in Western Australia, which will provide further supplies of gas to Prelude FLNG to meet customer demand.

Our integrated gas operations are complemented by a growing portfolio of renewable power and energy solutions businesses, which we continued to grow through our Shell Energy business in 2022.

In March, Shell made its first wind investment in Australia, through a 49% acquisition of wind farm developer, WestWind Australia, which has a 3GW pipeline of projects and capacity across Victoria, New South Wales and Queensland.

October saw two significant projects added to our portfolio. The first was a 50% acquisition of Kondinin Energy Pty Ltd (KEPL) which, pending a Final Investment Decision, will be our first West Australian renewables development. The project's centerpiece is a wind development that will generate approximately 230MW across two stages. Approvals are also in place for a solar farm with up to 80MW of total capacity and a Battery Energy Storage System (BESS) with up to 60MW of total storage.

We also announced a partnership with AMPYR Australia on a 500MW/1000MWh grid-scale BESS in New South Wales. The Wellington BESS is one of the largest energy storage projects in the state, supporting renewable generation and contributing to improved reliability for the grid and energy consumers.

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](http://www.shell.com.au).

## Shell in Australia 2022

### Shell-operated

● Crux	82%
● 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%



\*Note: On 31 March 2023, OX2 announced a 100% acquisition of ESCO Pacific.

## 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 in the QGC venture. Our partners in the LNG plant on Curtis Island are CNOOC (50% equity in Train 1) and Tokyo Gas (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. 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 substantial new gas to market at peak production, increasing supply to domestic and international customers.

## Western Australian operations

### Prelude Floating LNG

Shell's interests in Western Australia include the Prelude Floating LNG facility, the Crux Project and 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 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.

### Crux Project

Shell Australia is preparing to develop the Crux gas field, located approximately 620 km north-east of Broome, to ensure a continued supply of gas to Prelude FLNG. The project consists of a platform operated remotely from the Prelude FLNG facility and connected to it via a 160km export pipeline. Shell's joint venture partner in the project is SGH Energy (15%).



Prelude FLNG

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 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.

### 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, Chevron, Mitsubishi/Mitsui and Woodside.



The Gorgon Project

### 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).

\*Note: On 29 April 2023, Shell Australia signed an agreement with BP for the sale of Shell’s interests in the Browse Project subject to regulatory approvals.

## Shell Energy Australia

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

Shell Energy helps commercial and industrial businesses to navigate the energy transition by offering energy management solutions and innovation across a portfolio of electricity, gas, environmental products and energy productivity. It is the second largest electricity provider to commercial and industrial businesses in Australia by load<sup>1</sup> and has been ranked number one for customer satisfaction in the Utility Market Intelligence (UMI) Survey<sup>2</sup> for 12 consecutive years.



In February 2022, Shell Energy expanded into residential retailing with the acquisition of Powershop, an energy retailer serving more than 200,000 households and small business customers across Victoria, New South Wales, South Australia and South East Queensland.

This acquisition complements Shell’s existing Australian investments in low- and zero-carbon assets and technologies and will form the basis to offer innovative products and services to meet evolving customer needs for low-carbon and smarter energy solutions, such as e-mobility and battery storage.

Shell Energy’s generation assets include 662MW of gas-fired peaking power stations in Western Australia and Queensland, supporting the transition to renewables, and the 120MW Gangarri solar energy development in Queensland.

Additional information on Shell Energy Australia can be found at: [www.shellenergy.com.au](http://www.shellenergy.com.au).

<sup>1</sup> By load, based on Shell Energy analysis of publicly available data.

<sup>2</sup> Utility Market Intelligence (UMI) survey of large commercial and industrial electricity customers of major electricity retailers, including Shell Energy by independent research company NTF Group in 2011-2022.

# 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 93,000 people and with operations in more than 70 countries. We use advanced technologies and take an innovative approach to help build a sustainable energy future. Shell is a customer-focused organisation, serving more than 1 million commercial and industrial customers, and around 32 million customers daily at more than 46,000 Shell-branded retail service stations.

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 2022](#).

In Australia, our business, operations 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 and operations are inclusive of exploration for gas onshore and offshore, developing onshore and offshore fields, producing liquefied natural gas, transport which includes shipping and trading, and corporate services, such as Legal, Commercial/Business Development, HR, IT, Corporate Relations, Supply Chain and Finance.

Through Shell Energy we offer electricity and gas retailing for large business customers, energy solutions services (including demand management, consultation, delivery and tracking, and specialist energy engineering), wholesale markets trading and supply, and generation and asset management. We also provide electricity and gas retailing for residential and small business customers through our Powershop business.

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 and operations in Australia, we employ around 2,800 staff, drawn from diverse backgrounds and locations – from capital cities to regional areas.

Shell's Supply Chain team in Australia comprises over 100 people. In 2022, Shell in Australia spent approximately US\$1.8 billion on goods and services, which it procured from over 1,300 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 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 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, facilities management 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, facilities management 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, Singapore and the United States, followed by United Kingdom and South Korea.

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 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 accelerate the transition of our business to net-zero emissions called **Powering Progress**. It is designed to create value for our shareholders, customers, and society.

Powering Progress is designed to integrate sustainability with our business strategy and has four main goals.

#### 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.

### Our purpose

To power progress together by providing more and cleaner energy solutions

### GENERATING SHAREHOLDER VALUE

Growing value through a dynamic portfolio and disciplined capital allocation

### RESPECTING NATURE

Protecting the environment, reducing waste and making a positive contribution to biodiversity.



### POWERING PROGRESS

Our strategy to accelerate the transition to net-zero emissions, purposefully and profitably



### POWERING LIVES

Powering lives through our products and activities, and by supporting an inclusive society.



### ACHIEVING NET-ZERO EMISSIONS

Working with our customers and across sectors to accelerate the transition to net-zero emissions.

Underpinned by our **core values** and our focus on **safety**

## 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.

## 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. 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. 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 to the Shell Control Framework.



# 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. 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 and 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 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 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 Shell's 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.

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
- Indonesia
- South Korea
- Italy
- Malaysia

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 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. 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. Collaboration with global teams to identify ways to directly assess tier 2 and tier 3 supplier compliance continues.

# 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, 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 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 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.

To address these shortcomings, we contractually require suppliers and contractors to develop a worker welfare plan to ensure compliance with the Building Responsibly Worker Welfare Principles (see page 18). That includes actions to address ethical recruitment practices and no use of forced labour, as well as any gaps identified in the assessment of their management system. Building Responsibly has detailed guidance for every principle. In addition, we require industry recognised standards, such as the International Finance Corporation (IFC) and European Bank for Reconstruction and Development's (EBRD) joint guidance note on Workers' Accommodation Processes and Standards, for the design of worker accommodation and facilities. We also have additional internal guidance that establishes minimum global standards with emphasis on the elements of worker welfare and respect for people.



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

During 2022, we completed contract deep dives on a selected number of contracts, assessing Modern Slavery Act compliance. This was over and above normal pre-qualification assessments.

We aimed to:

1. Assess contractor awareness of the Commonwealth Modern Slavery Act;
2. Determine how policies, procedures and standards are embedded within the contractor’s organisation;
3. Identify current risks within the contractor’s supply chain;
4. Map contractor supply chain regions of operation and label areas of high risk; and
5. Confirm implemented assurance processes and programs including training within the contractor’s organisation.

The process involved meetings with the selected contractors to hold collaborative conversations. In addition, each contractor was required to respond to a detailed questionnaire which included supplying documented evidence to support their policy, procedure or standard. In the instance of identifying gaps, additional conversations were conducted, with supplementary evidence gathered until gap closure.

## 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
- 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

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 and 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, 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 2023 and beyond, we will continue to complete contract deep dives in the form of questionnaire assessments. To further validate the assessments, we will commence physical 'go see' visits to our suppliers. Having direct conversations with workers in the field will enable additional assurance that suppliers are adhering to their commitments.

## 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.

We continue 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 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](#)

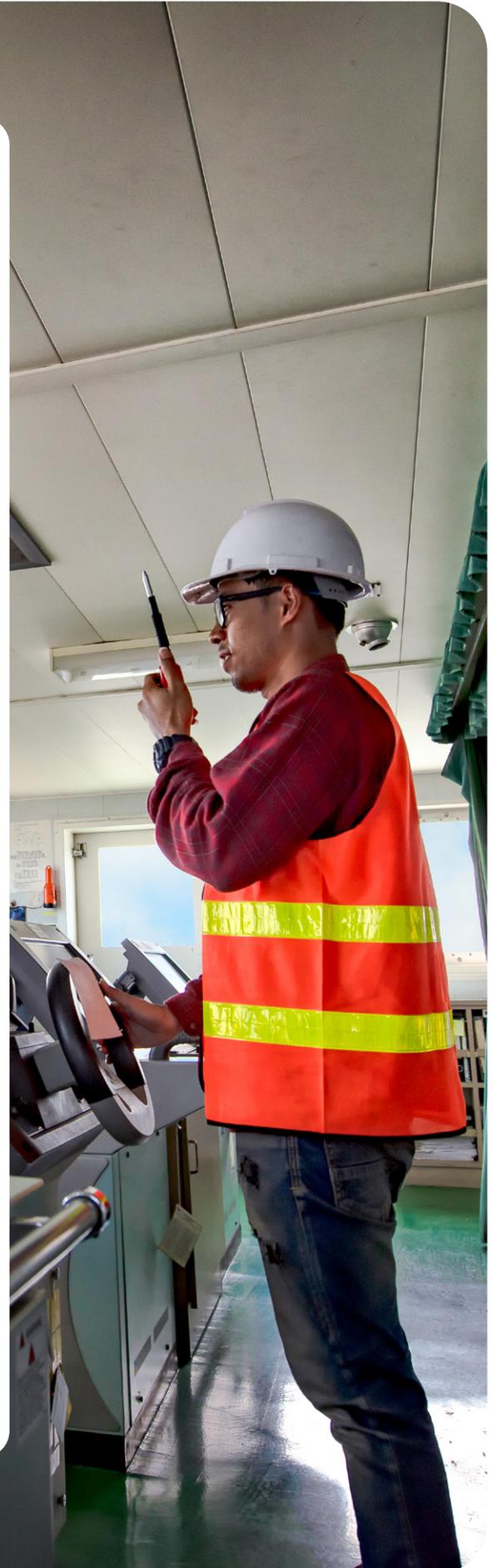
[Shell Supplier Principles](#)

[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 Shell employees and 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 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 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.

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 2022 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.

During 2022 we conducted questionnaire assessments of contractors to provide assurance that contractors continue to manage their policies, procedures and/or standards in accordance with the pre-qualification process.

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.

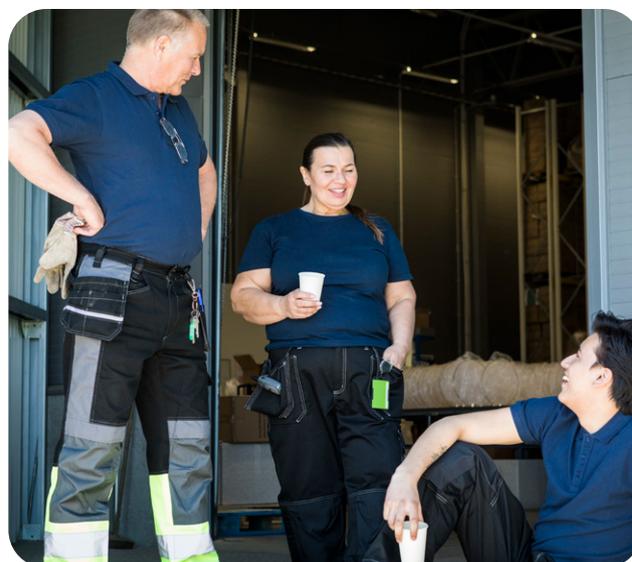
Additionally, suppliers are also required to demonstrate how they cascade our Shell Supplier Principles to their own suppliers and contractors.

A monitoring and reporting plan, which includes both leading and lagging 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.

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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 2022 we reported 100%.**

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# 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

## 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 2022. We continue to make progress and remain committed to enhancing our efforts in this area, including by learning and adjusting our approach where necessary. We will listen, learn and collaborate with industry associations, governments, non-government organisations and our contractors and suppliers across the world. For 2023, this means we will:

- continue to have open and transparent dialogue with our contractors and suppliers;
- learn from investigations into practices contrary to our values and policy.

In 2023, 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.

To provide additional assurance, we will conduct a first line audit of worker welfare activities. In addition to the planned contract deep dives, we will add a 'go see' approach or a physical visit to verify the implementation and effectiveness of worker welfare during site visits.

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.

Cecile Wake

Company Director:  
Shell Energy Holdings Australia Ltd

Date: 28 June 2023

Cecile Wake

Company Director:  
QGC Upstream Holdings Pty Ltd

Date: 28 June 2023

Cecile Wake

Company Director:  
QGC Midstream Holdings Pty Ltd

Date: 28 June 2023

## 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 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
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 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 2022 Statement includes
Identify the reporting entity	Reporting entity – <a href="#">pages 5-8</a>	<ul style="list-style-type: none"> <li>● Relevant reporting entity that complies with the Modern Slavery Act</li> </ul>
Describe the structure, operations and supply chains	Who we are – <a href="#">pages 5-8</a> Our business, operations and supply chain – <a href="#">pages 9-10</a>	<ul style="list-style-type: none"> <li>● Business structures, operations and supply chains</li> <li>● Shell’s Powering Progress strategy</li> </ul>
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 – <a href="#">pages 14-15</a>	<ul style="list-style-type: none"> <li>● Tools used and steps taken to identify top potential risks</li> <li>● Country risks</li> <li>● Category risks</li> <li>● Risks in business models</li> <li>● Risks in the supply chain</li> </ul>
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 – <a href="#">pages 16-18</a> Training at Shell – <a href="#">page 19</a>	<ul style="list-style-type: none"> <li>● Our approach to human rights inclusive of values and policies</li> <li>● Due diligences in place</li> <li>● Action taken to mitigate risks</li> <li>● Approach taken to build capabilities</li> </ul>
Describe how the reporting entity assesses the effectiveness of such actions	Effectiveness and performance management – <a href="#">pages 20-21</a>	<ul style="list-style-type: none"> <li>● Internal Assurances and onsite audit</li> <li>● Worker Welfare Principles</li> <li>● Monitoring of grievances mechanisms</li> <li>● Monitoring of performance data</li> </ul>
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 – <a href="#">page 22</a>	<ul style="list-style-type: none"> <li>● Process of consultation with reporting entities including joint ventures</li> </ul>
Include any other information that the reporting entity, or the entity giving the statement, considers relevant	Looking ahead – <a href="#">page 23</a>	<ul style="list-style-type: none"> <li>● Approach to progress improvement in mitigating the risk of modern slavery</li> </ul>

