SHEL HoldCo Pty Ltd

2024 Modern Slavery Statement

under the *Modern Slavery Act 2018* (Cth)

REPORTING PERIOD:

1 January 2024 to 31 December 2024

Table of Contents

Introduction

As SHEL Holdco Pty Ltd enters our first year of reporting under the Commonwealth Modern Slavery Act 2018 (the Act), we affirm our commitment to identifying, addressing and mitigating the potential modern slavery risks within our operations and supply chain.

At SHEL, we are committed to the highest standards of ethical conduct and integrity across all aspects of our operations. As a leading childcare provider, we recognise our responsibility to uphold the rights and wellbeing of everyone connected to our organisation. We have zero tolerance for modern slavery and human trafficking, and are dedicated to ensuring that our business practices, supply chains, and partnerships are free from exploitation. This statement outlines the steps we are taking to identify, prevent, and address the risks of modern slavery as part of our ongoing commitment to ethical trade and the protection of human dignity.

We continue to strengthen our approach by improving due diligence processes, deepening supplier engagement and promoting responsible business practices throughout our organisation.

This statement was prepared to meet the mandatory reporting criteria set out under the Act. Modern slavery, as defined in the Act, describes situations where offenders use coercion, threats, or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery include but are not limited to; human trafficking, slavery, servitude, forced labour, debt bondage, child labour or any other form of slavery which involves deprivation of a person's liberties by another person to exploit them for commercial or personal gain. The sections below within this Statement respond to each criterion of the Act.

Reporting Criteria #1 & 2: The reporting entities – structure, operations and supply chains

The reporting entity covered by this modern slavery statement are:

- **SHEL Holdco Pty Ltd** – ACN: 670 538 780

(referred to collectively throughout this Statement as "SHEL, "we", "us", and "our", unless the specific context requires reference to an individual reporting entity or owned/controlled entity).

All numbers, statistics and facts described in this Statement are as at 31 December 2024, unless otherwise stated.

SHEL Holdco Pty Ltd also owns/controls the following entities:

Operational subsidiaries:

- **Story House Early Learning Pty Ltd** – ACN: 604 831 192
- **Kids House Early Learning Pty Ltd** – ACN: 620 540 383
- **Story House Management Pty Ltd** – ACN: 619 102 706
- **Story House Development Pty Ltd** – ACN: 619 310 048
- **Story House Early Learning No 1 Pty Ltd** – ACN: 612 772 540
- **Story House Early Learning No 2 Pty Ltd** – ACN: 612 772 513
- **Story House Early Learning No 4 Pty Ltd** – ACN: 608 157 802
- **Story House Early Learning No 8 Pty Ltd** – ACN: 615 678 950
- **Story House Early Learning No 9 Pty Ltd** – ACN: 612 863 591
- **Story House Early Learning No 10 Pty Ltd** – ACN: 615 678 861
- **Story House Early Learning No 12 Pty Ltd** – ACN: 615 678 941
- **Story House Early Learning No 15 Pty Ltd** – ACN: 615 678 987
- **Story House Early Learning No 16 Pty Ltd** – ACN: 619 309 778
- **Story House Early Learning No 18 Pty Ltd** – ACN: 615 678 978
- **Story House Early Learning No 19 Pty Ltd** – ACN: 619 308 815
- **Story House Early Learning No 20 Pty Ltd** – ACN: 619 309 161
- **Story House Early Learning No 21 Pty Ltd** – ACN: 626 773 493
- **Story House Early Learning No 23 Pty Ltd** – ACN: 626 967 762
- **Story House Early Learning No 27 Pty Ltd** – ACN: 628 011 414
- **Story House Early Learning No 28 Pty Ltd** – ACN: 628 011 398

Non-operational or holding company subsidiaries:

- **SHEL Midco Pty Ltd** – ACN: 670 540 735
- **SHEL Bidco Pty Ltd** – ACN: 670 541 581
- **Story House Group Holdings Pty Ltd** – ACN: 634 425 693
- **Story House Early Learning No 3 Pty Ltd** – ACN: 617 715 401
- **Story House Early Learning No 5 Pty Ltd** – ACN: 618 126 471
- **Story House Early Learning No 6 Pty Ltd** – ACN: 618 126 480
- **Story House Early Learning No 7 Pty Ltd** – ACN: 618 126 462

- **Story House Early Learning No 13 Pty Ltd –** ACN: 615 678 021
- **Story House Early Learning No 14 Pty Ltd –** ACN: 615 678 932
- **Story House Early Learning No 17 Pty Ltd –** ACN: 619 310 360
- **Story House Early Learning No 22 Pty Ltd –** ACN: 626 967 753
- **Story House Early Learning No 24 Pty Ltd –** ACN: 627 469 265
- **Story House Early Learning No 25 Pty Ltd –** ACN: 627 469 596
- **Story House Early Learning No 26 Pty Ltd –** ACN: 628 011 423
- **Story House Early Learning No 29 Pty Ltd –** ACN: 601 618 053
- **Star House Early Learning Pty Ltd –** ACN: 631 222 314
- **Play House Early Learning Pty Ltd –** ACN: 631 222 332

These subsidiary entities are also covered by the descriptions contained in this Statement.

All SHEL entities report to, and are led by, a single executive team and a single Board of Directors.

Our Operations

As at 31 December 2024, SHEL operates a portfolio of 50 long day care services across Queensland, New South Wales and Victoria which provide early education to more than 6,000 children each week. To deliver its services, SHEL employs over 1,600 educators in a mix of full-time, part-time, and casual capacities. More than 96% of our educators are tertiary qualified or working-towards being qualified educators. Where temporary appointments are required, SHEL will engage staff through agency services and where relevant, licensed labour-hire providers.

Our supply chain

In the reporting period, SHEL engaged with over 250 suppliers to support the delivery of early education and care at its centres. SHEL spent approximately $38m during the reporting period with its suppliers ranging from large, international corporations to small, local businesses.

A summary of key supply chain categories is outlined below:

- contractors (including building works, commercial cleaners, gardeners, repair and maintenance workers, marketing services and HR services);
- centre resources (including food, nappies, furniture and office supplies);
- education resources (including art and craft supplies, teaching aids and play equipment);
- marketing and professional services (including tax and legal advisors, education program providers, and auditors);
- technology services (including software licences and IT services); and
- people costs (including agency and casual recruitment and educational development)

The majority of our supply chain (both by individual supplier numbers and as a proportion of total procurement spend) is with Australian-based companies. It is SHEL's preference to partner with suppliers who maintain a modern slavery policy and prioritise products sourced ethically and from Australia.

Reporting Criteria #3 and 4: Identifying, assessing and addressing potential modern slavery risk

SHEL did not receive any reports, or otherwise become aware, of any actual or suspected incidences of modern slavery practices of any kind in its operations or supply chains during the reporting period.

Risk identification and assessment approach

In preparing this Statement, SHEL considered the risk that our operations and supply chain may be causing, contributing, or directly linked to modern slavery practices.

We adopt a risk-based approach to identifying and assessing modern slavery risk, including prioritising actions where we can exercise influence to meaningfully address risk to people. The four primary factors used to assess modern slavery risk include: vulnerable populations, high-risk categories, high-risk geographies and high-risk business models. As needed, SHEL also considers a number of other bespoke risk factors that we consider as likely to elevate modern slavery risk.

Internal risk assessments are used as a first screen to identify areas of the business with increased potential or likelihood of modern slavery, for example within specific employee populations or within specific categories of suppliers. Where inflated levels of risk are identified, SHEL adopts a materiality approach to identify which areas of the business will be the focus of further assessment in the reporting period.

During this reporting period, SHEL has identified its supply chain as a priority for further review. This decision stems from the comparably lower oversight of modern slavery risks and mitigation measures within the supply chain in contrast to our internal operations. We have also outlined our existing understanding of modern slavery risk and current risk mitigation initiatives below.

Following the internal risk assessment, SHEL conducted a supply chain risk assessment to identify suppliers with elevated modern slavery risk. Where a supplier has been assessed as being higher-risk, SHEL seeks to review the supplier's current process (if any) to identify, assess and manage modern slavery risks, and determine the appropriateness of the approach. We adopt a tailored approach which considers the ability for SHEL to engage with and/or influence the supplier, as well as the size and maturity of the organisation.

| Internal risk assessment | Supply chain risk assessment | Supplier assessment and engagement (where reasonable) |

Risks in Operations

SHEL operates exclusively within Australia. All our employees are engaged under written employment contracts that are compliant with Australian labour laws and supported by robust processes and controls managed by our Support Office. As such, the operational risk of Modern Slavery within our workforce is considered low.

However, whilst highly unlikely, we recognise the presence of factors that may increase the vulnerability of some employee groups, including service-based teams, support office staff, and agency workers. These risks are actively considered and managed through SHEL's risk management framework and processes.

We have outlined below employee groups which may experience increased risk of modern slavery:

Employee Groups	Potential risks and vulnerabilities
Casual and/or temporary contract employees	• Job insecurity and employer pressure
Labour-hire and agency employees	• Limited and/or inadequate oversight, safeguard and protections
Employees on temporary visas	• Reduced awareness of rights
Unpaid and/or volunteer arrangements	• Opaque subcontracting chains • VISA dependency
Employees under the age of 18	• Difficulty accessing and/or lack of support services

SHEL's people and culture team has established robust policies and procedures to ensure the protection of all workers, however, it has also outlined specific processes below that ensure any employees with increased vulnerability are well supported and protected during their employment.

Actions to manage risk in Employment Practices

Recruitment and onboarding process
- SHEL employs workers on casual and/or temporary contracts to address unexpected vacancies and unplanned leave. All casual and temporary employees are

subject to the same onboarding processes as permanent employees and are engaged under written employment contracts compliant with Australian labour laws. Our onboarding process includes clear communication of working rights and entitlements, and SHEL's Whistleblower Policy.

- When engaging third-party suppliers to fill short-term vacancies, we ensure such suppliers adhere to appropriate controls to meet legal and regulatory standards. SHEL has a robust process of selecting and engaging with third-party suppliers which includes validation of licensing and acceptance of SHEL's employment requirements.

- Stringent pre-employment checks are conducted for all prospective employees, including validation of working rights, police checks, and qualification verifications.

Employment contracts and rights
- All employees are provided with written employment contracts that clearly outline their rights and obligations, ensuring transparency and alignment with modern awards and Australian labour law.

- Employees receive information on workplace entitlements.

Whistleblower policy and procedure
- SHEL's Whistleblower Policy allows employees to report concerns, including modern slavery-related issues, anonymously and without fear of reprisal. This mechanism ensures that potential risks are identified and addressed promptly.

Ongoing Monitoring and Support
- Regular payroll audits and people and culture reviews ensure compliance with wage and hour regulations.

- Employee engagement surveys and access to an Employee Assistance Program (EAP) support ongoing wellbeing and provide platforms for feedback.

- Our investment in Humanforce helps to ensure wage compliance with applicable awards. Humanforce is updated through approval processes and produces auditable change records, ensuring that our employment practices are transparent and free from undue influence.

Specialist modern slavery training for senior management

To strengthen our capacity to identify and mitigate modern slavery risks, SHEL's senior management team has attended training sessions facilitated by an external provider. These sessions covered:

- Common forms of modern slavery and key risk indicators

- Legal, financial, and reputational risks of inadequate modern slavery management

- The Act, mandatory reporting criteria, and recommendations from statutory reviews.

- Best practices for managing risks, including examples of developing and mature modern slavery management frameworks

By fostering a culture of awareness and accountability, SHEL is committed to ensuring that our operations remain free of modern slavery risks and that all employees are supported and protected throughout their employment

Risks in supply chain

The results of the internal and supply chain risk assessment process identified the following supplier categories as having an elevated risk of modern slavery:

- Property and facilities management services (including cleaning, gardening and maintenance and repair services)
- Construction / trade contractors (including builders, maintenance and repairs trades)
- IT support and hardware services

Property and facilities management services / Construction / trade contractors

SHEL engages cleaners, gardeners, and repair and maintenance contractors to deliver services to its operations. Most of these suppliers are engaged by our support office, however due to the geographic spread of our service network, during the reporting period some contractors were engaged directly by a centre. This could represent a higher risk of modern slavery where contractors engaged by an individual centre who may use less robust assessment and approval processes to the central support office. To date, the team members at our individual centres have not been trained on modern slavery or supplier due diligence. Currently, training and modern slavery due diligence is only completed by our support office, where the majority of procurement is centralised. SHEL also engages building and construction contractors to provide services to its centres under construction and refurbishment work to existing services.

Suppliers in these industries typically use a combination of their own employees and subcontractors to deliver their services, at times utilising low-skilled and migrant labour which inherently increases the risk of modern slavery. We are alert to the risks of modern slavery in these categories of workforces, and the potential that migrant populations who do not have English as their primary language skill, may have limited understanding of their legal rights in Australia. Such risks may be further elevated due to the opaque operating structures of some providers and sub-contracting arrangements, which may reduce the supplier and Story House Early Learning's oversight and understanding of employment conditions.

There is also the risk that such contractors are not using ethically sourced material or supplies, providing inadequate training or conducting insufficient enquiries into labour being utilised to ensure that modern slavery does not take place within their operational structures.

IT support and hardware services

Story House Early Learning outsources most of its IT support and hardware services to a Managed Service Provider (MSP) whose operations are based in Australia. Our MSP delivers a combination of software and hardware solutions using platforms and hardware from well-known, reputable suppliers which are subject to similar modern slavery reporting and compliance requirements to Story House Early Learning. However, we recognise that second-tier suppliers and below are likely to carry an increased risk of modern slavery.

Actions to manage risk in supply chain

SHEL has been working to address supply chain risks by undertaking risk assessments of its current suppliers to identify those which present higher risks and implement new processes and policies to reduce or mitigate these risks. SHEL recognises that without sufficient risk assessment on its suppliers, we are unable to identify, mitigate and /or remedy modern slavery risk within our supply chain. In future reporting periods, SHEL intends to mitigate and/reduce risks identified by updating its supplier onboarding process to include modern slavery risk and mitigation. This process will seek to ensure, on a best endeavors basis, new suppliers meet SHEL's expectations to be working within our centres and in accordance with our values.

SHEL intends to carry out the following procedures when onboarding new suppliers:

- request information from direct suppliers about its suppliers / contractors;
- suppliers agree to include standard terms and conditions which require them to comply with the Act and address Modern Slavery risks and obligations;
- provide training to centre staff about Modern Slavery and supplier engagement and onboarding approval processes;
- providing SHEL with a copy of their Modern Slavery Statement and/or Policy (or similar) annually (where available); and
- having open and honest conversations to ensure that they are addressing their own Modern Slavery risks;

SHEL will continually review its internal policies, including its Whistleblower Policy to enable our employees, suppliers and contractors to notify us of any issues that may be occurring or contributing to Modern Slavery.

Reporting Criteria #5: Measuring effectiveness

SHEL recognises that we are still in the early stages of developing a formal modern slavery response framework, particularly in relation to undertaking substantive, supplier-specific due diligence in relation to identified and assessed areas of potentially elevated risk. We consider that steps taken during this reporting period have laid a foundation of key priority areas for potential future targeted due diligence and supplier engagement.

The following is a baseline measuring effectiveness framework that we consider appropriate for monitoring the implementation of an improved, more holistic response framework:

Focus Area	Action Item	Key performance indicators (KPIs)
Supply chain due diligence	Request information from direct suppliers about its suppliers / contractors	% of suppliers who responded/provided information
	Issue self-assessment questionnaires to priority / high-risk suppliers	Track number of surveys issued and supplier response rates.
Supplier contracts	Request suppliers to include standard terms and conditions which require them to comply with the Act and address Modern Slavery risks and obligations.	% of new high-risk supplier contracts with modern slavery clauses.
Supplier monitoring	Request a copy of supplier's Modern Slavery Statement and/ or Policy (or similar).	% of suppliers (by spend) who have and/or can provide a modern slavery statement (or similar)
Governance and Policy	Roll out / update modern slavery policy	Policy reviewed annually.
Risk Assessment	Annual risk assessment of total procurement spend.	Track % of suppliers assessed and changes in supply chain risk profile across reporting periods
Grievance and Remediation	Monitor accessibility of existing grievance procedures.	Track number of modern slavery related complaints received.

Reporting Criteria #6 & 7: Consultation with owned entities and other information

All SHEL entities have been involved in appropriate consultation in relation to the preparation and contents of this Statement, and in relation to our modern slavery response more generally.

Reporting Criteria #8: Approval

This Statement has been approved by the Board of SHEL HoldCo Pty Ltd on behalf of the reporting entities and all owned/controlled entities listed below in relation to the First Reporting Criteria.

Pursuant to the requirements of the Act, the contents of this Statement have been reviewed and confirmed as accurate by a duly authorised person.

Paul Cochrane
Director & CEO

5 June 2025