



JOINT MODERN SLAVERY STATEMENT UNDER THE MODERN SLAVERY ACT 2018 (CTH) FOR THE REPORTING PERIOD 1 JANUARY 2020 TO 31 DECEMBER 2020

Shell Energy Holdings Australia Limited has prepared this modern slavery statement in consultation with each of the following reporting entities, and is published by the following reporting entities in compliance with the *Modern Slavery Act 2018* (Cth) (No. 153, 2018) (“Modern Slavery Act”):-

- 1) Shell Energy Holdings Australia Limited (“SEHAL”);
 - 2) QGC Upstream Investments Pty Ltd (“QGC Upstream”);
 - 3) QGC Midstream Investments Pty Ltd (“QGC Midstream”); and
 - 4) ERM Power Limited (“ERM Power”),
- (collectively “Shell”, “our” or “we”)ⁱ

Note on ERM Power: At the time this statement’s publication, ERM Power Limited will have been re-named to Shell Energy Operations Pty Ltd. However, as this statement pertains to ERM Power Limited’s structure, operations and supply chain from 1 January 2020 to 31 December 2020, we have maintained the previous entity name of ERM Power Limited for this statement. In addition, as ERM Power’s integration into Shell is ongoing, we have noted throughout this statement where ERM Power’s approach or processes differ from that of Shell. Finally, at the time this statement’s publication, ERM Power’s policies, for which links are listed under the “ERM Power” sub-heading in “Our values, policies & approach to human rights”, will be decommissioned; however would be available upon request as ERM has adopted the equivalent Shell policies.

Introduction

Shell is opposed to all forms of modern slavery. Such exploitation is against Shell’s commitment to respect human rights as set out in the Universal Declaration of Human Rights and the International Labour Organization 1998 Declaration of the Fundamental Principles of Rights at Work. This is Shell’s first published statement under the Australian Modern Slavery Act setting out the steps we have taken against modern slavery in our business and supply chains.

Who We Are

Shell has been active in Australia since 1901. Historically, our significant investments in Australia have spanned both the upstream and downstream sectors. Today, we are a leading natural gas producer and are playing our part in the transition to a low-carbon future by investing in the power sector, renewable energy sources and carbon abatement activities.

Our investments cover a range of offshore and onshore gas projects and Shell is in the unique position of operating projects in both Queensland and Western Australia.

In Queensland, we are the operator of the onshore QGC natural gas project (“QGC Project”) and are a 50% Joint Venture partner in Arrow Energy’s Surat Gas project. These projects both involve the exploration, development and production of natural gas.

Shell, through its relevant subsidiaries in QGC Upstream and QGC Midstream, is the operator and majority interest holder in the QGC Project. 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).

The QGC Project 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.

The QGC Project has supplied the domestic market since 2006 and international customers since 2014. Shell is an active participant in the domestic market, supplying gas from our QGC project, and trading through Shell Energy Australia, our gas and power trading business, supplying around 16% of East Coast demand in 2019.

In Western Australia, we operate Prelude Floating LNG (“Prelude FLNG”) and are also part of several joint venture projects including:

- North West Shelf
- Gorgon
- Browse
- Crux

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%). Prelude FLNG relies on onshore services to support its operations. Most of these services are managed via locations in the Kimberley region of Western Australia and Darwin in the Northern Territory.

In 2017, we established Shell Energy Australia Pty Ltd (a wholly owned subsidiary of SEHAL), Shell’s trading arm, with the aim of bringing increased diversity of supply and integrated energy solutions to the market.

In November 2019, Shell Energy Australia Pty Ltd acquired 100% of ERM Power Limited, a leading commercial and industrial electricity retailer in Australia. ERM Power’s power trading and energy retail expertise strongly complemented Shell’s existing and expanding gas trading portfolio in Australia.

ERM Power is one of Australia’s leading commercial and industrial electricity retailers. It provides large businesses with end-to-end energy management, from electricity and gas retailing to integrated solutions that improve energy productivity.

ERM Power has been powering Australia for more than 30 years and is the largest dedicated retailer of energy to business in Australia, and today is the second largest electricity provider to commercial businesses and industrials in Australia by load. ERM Power also operates 662 megawatts of low emission, gas-fired peaking power stations in Western Australia and Queensland, supporting the transition to renewables.

Shell is supporting Australia’s energy transition with investments in solar generation, battery storage and power retailing. Additional information on ERM Power can be found at: <https://www.shell.com.au/business-customers/shell-energy-australia.html>

Shell Australia

Shell operated

■ Bratwurst	100%
■ Crux	82%
■ Factory	100%
■ Freija	100%
■ Gangarri	100%
■ Prelude	67.5%
■ QGC	approx 75%
■ Shell Energy Australia	100%

Wholly owned subsidiaries

■ ERM Power	100%
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Non operated

■ Arrow	50%
■ Browse	27%
■ ESCO Pacific	49%
■ Gorgon	25%
■ North West Shelf	16.67%
■ Outer Exmouth*	50%



*Effective 30 June 2020, Shell transferred its exploration interests in the Exmouth Plateau to Chevron following a portfolio review.

As illustrated by the above map, we have significant operations in Australia. Our website provides more detailed information about our business, including our strategy, products and operations, as well as our approach to sustainability: <https://www.shell.com.au>.

Our business and supply chains

Shell's businesses in Australia are part of a global group of energy and petrochemical companies. Our aim is to meet the growing need for more and cleaner energy solutions, in ways that are economically, socially and environmentally viable, now and in the future.

For further information on our global businesses and supply chains, please refer to Royal Dutch Shell plc's statement under the UK Modern Slavery Act: [Statement under the UK Modern Slavery Act for Financial Year 2020](#).

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

Our business activities are inclusive of exploration for oil and gas onshore and offshore, developing onshore and offshore fields, producing liquified natural gas, transport which includes shipping and trading, and corporate services (e.g., legal, commercial/business development, HR, IT, external and government relations and finance).

With the acquisition of ERM Power, we added Electricity & Gas Retailing, Energy Solutions (including demand side management, consultation, advice, delivery and tracking), Wholesale Markets (including Trading) and Generation to our business activities.

The majority of our Australian trading & supply business' trading activities relate to financial transactions in the electricity market, with wholesale clients or those 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 are transactions undertaken with other Shell Group companies.

We employ around 2,800 staff in Australia, drawn from diverse backgrounds across the breadth of Australia, from capital cities to some of the most remote areas of the nation.

Shell's contracts and procurement ("C&P") team in Australia comprises over 100 people. Shell in Australia spent approximately US\$1.46 bln on goods and services in 2020, and procures goods and

services from over 1500 suppliers and contractors (“Suppliers”), both nationally and internationally*. This statement predominantly describes how our C&P team approaches modern slavery risk in the purchase of goods and services as we believe this to be an area that poses higher labour rights risk, and our focus, for the purpose of this statement, is on our direct Suppliers.

In Australia, Shell (excluding ERM Power) generally procures goods and services related to the asset life cycle. This means goods and services related to exploration, construction services, offshore installations, wells services, rotating equipment, engineering and maintenance services, transportation and logistics, fuel and consumables. Such goods and services include maintenance, repairs and operating supplies, rigs, contracted labour, catering, safety equipment, facility managements and professional services.

ERM Power’s goods and services procurement covers IT, metering equipment, industrial parts for generation power stations, engineering, gas & maintenance services, and consumables. Such goods and services include maintenance, repairs & operating supplies, contracted labour, catering, safety equipment, facility managements and professional services. ERM Power’s Suppliers are predominately located in Australia.



Shell operates in all countries we source goods and services for our Australian operations from. Based on contract value, our top three Suppliers are located in Australia, France and South Korea. This is followed by the United Kingdom, Singapore, Malaysia, United States and Netherlands. This is depicted in the map.

Our procurement team aims to develop and strengthen relationships with Suppliers that are committed to the Shell Supplier Principles, or to equivalent standards related to 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.

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

Our values, policies & approach to human rights

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. The diagrams below illustrate our approach to human rights. Visit the following website for more on our policy and procedures towards human rights: www.shell.com/sustainability/transparency/human-rights.

Approach to human rights



Labour rights

We respect our employees' and contractors' rights by working in line with the International Labour Organization's core conventions and the UN Global Compact. Labour rights include freedom of association, the right to collective bargaining, non-discrimination and equal opportunity, conditions of work, adequate remuneration and freedom from forced labour and child labour.

Communities

We manage the impact we may have on people living near our operations in line with the International Finance Corporation's Performance Standards and the UN Guiding Principles on Business and Human Rights. Our Health, Safety, Security, Environment and Social Performance Control Framework expects us to first avoid or, where this is not possible, minimise our impacts on people through project design. We work with local communities to jointly identify solutions and opportunities.

Security

Shell aims to keep staff and facilities safe while respecting the human rights and security of local communities. We carefully assess the security threats and risks to our operations. We work with governments and partners to safeguard assets and provide a secure working environment for employees and contractors. Shell only uses armed security in countries where the threats are most severe or if it is a requirement under local laws. Since their development in 2000, companies in Shell have actively implemented the Voluntary Principles on Security and Human Rights that guide companies in assessing human rights risks when working with public and private security organisations.

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; no payment of recruitment fees by workers; regulations on freedom of association and collective bargaining; a safe, secure and healthy workplace; and the provision of wages and benefits that meet or exceed the national legal standards. We will develop and strengthen relationships with contractors and suppliers that are committed to the principles found on Shell.com or to similar standards through their own activities and the management of their own suppliers and subcontractors. Contractors and suppliers should provide workers with a dedicated whistleblowing mechanism where grievances related to the above topics can be logged confidentially.

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.

We believe that an integrated approach to human rights, by embedding it into our policies, business systems and processes, allows us to efficiently and effectively manage human rights within our existing ways of working. Our approach applies to all our employees and Suppliers. We focus on four areas where respect for human rights is particularly critical to the way we operate: labour rights, communities, supply chains and security.

We want to enable employees, people in the communities where we operate, contractors and any third party to raise concerns about human rights, should they have them, so they can be resolved, enabling us to meet our commitment to provide access to remedy. To achieve this, we have community feedback mechanisms at all our major facilities and have a Shell Global Helpline, which is operated by an independent provider. Further information on the Helpline can be found under the heading “Effectiveness and performance management” below.

Our 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 our expectations of Suppliers regarding labour and human rights. These include (but are 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;
- providing wages and benefits that meet or exceed the national legal standards.

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

As ERM Power’s integration into Shell is ongoing, there are aspects of its operations which have retained ERM Power’s values, Supplier code of conduct and processes which existed prior to Shell’s acquisition. These are set out in the sub-heading “ERM Power” below.

ERM Power

The paragraphs under this sub-heading are specific to ERM Power.

ERM Power, our partnerships and non-controlling shareholding entities aim to conduct business in a safe, responsible and fair manner and we recognise the importance of managing our supply chain in support of these principles. We operate our business in compliance with all applicable laws, regulations and standards consistent with the Shell Code of Conduct, and both ERM Power and Shell values. ERM Power applies these principles to sourcing and procurement and seeks to engage in business with Suppliers who share these values and adhere to the minimum requirements outlined in ERM Power Supplier Code of Conduct.

The core values that underpin the way we do things at ERM Power are set out in the diagram below. Our ERM Power values are Simplify, Amplify, Exemplify. These straightforward and action-oriented values underpin the way ERM Power operates and guide its growth.



Simplify

Creating simple, innovative solutions to problems
 Re-engineering the way we work
 Making it easy to do business
 Cutting through complexity



Amplify

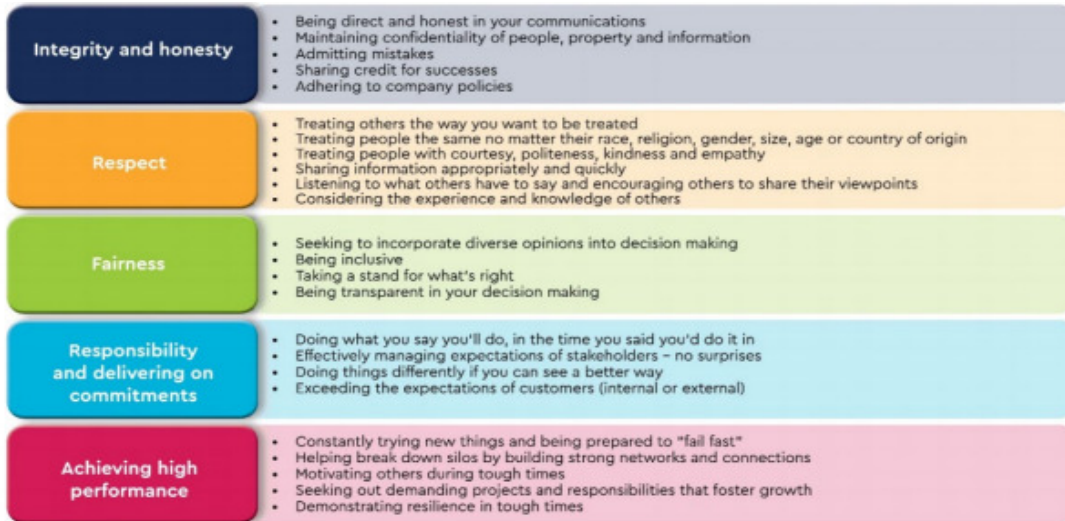
Turning it up
 Delivering additional value
 Speaking up for what's right
 Taking a good idea and making it real



Exemplify

Setting the standard
 Shaping our sector
 Realising the potential
 Transforming the business

These values are supported by a set of expected professional behaviours, which are set out in the diagram below:



The operations and practices of Suppliers can have a range of social impacts including but not limited to labour, human rights, workplace health and safety and community impacts. ERM Power aims to support responsible labour practices that contribute to the development of fair and inclusive workplaces, consistent with international standards set out in the International Bill of Human Rights and the ILO Declaration of Fundamental Principles and Right at Work. Recognising our responsibility to respect human rights ERM Power developed a Supplier Code of Conduct in 2019 ([ERM Power Supplier Code of Conduct](#)) and made it available to all Suppliers.

ERM Power favours Suppliers who share the same objectives and values and expects Suppliers to comply with the minimum requirements identified below ("Supplier Minimum Requirements"):

- Suppliers must comply with all applicable local and national laws and regulations with regards to employment practices, benefits, health and safety and anti-discrimination;
- Suppliers must have written workplace management policies and standards inclusive of equal opportunity, anti-discrimination and anti-harassment, bullying principles and employee grievance resolution;
- Suppliers must be able to evidence compliance with their workplace management policies and standards outlined above; and
- Suppliers must not use any form of child, forced or involuntary labour and abide with all applicable international standards and domestic regulations relating to the employment of children.

ERM Power has a strong commitment to corporate governance and actively promotes ethical and responsible decision making and provides an employee feedback mechanism through our current Whistleblower Policy. In keeping with the spirit of ERM Power's Code of Business Conduct, we

encourage any person or persons who have witnessed, or who are aware of, a suspected Wrongful Act (as defined in the Whistleblower Policy) to report it in accordance with this Policy.

All reports will be investigated discretely, and only those persons who need to know the fact, and the details, of a report, will be informed of it. Where necessary, ERM Power might employ external resources to assist with an investigation.

ERM Power implements and oversees the provision of the Whistleblower Policy training program to Personnel. This training program is reviewed regularly to ensure that it is relevant to Personnel and ERM Power's business. We recognise that the level of awareness of Wrongful Acts, amongst all employees, must be high so that they can identify, prevent and control Wrongful Acts.

Following our acquisition by Shell Energy Australia Pty Ltd, ERM Power adopted the Shell Code of Conduct, Shell General Business Principles, and Shell's Values in December 2019.

Since December 2019, ERM Power has commenced a program to update our Supplier contractual terms and conditions to be compliant with Shell's requirements, with a full rollout expected to be completed by the end of 2021. Such activities include or will include:

- Commencing 1 September 2020, we have been progressively integrating Shell policies, systems, and processes and applied the Shell General Business Principles including Shell's Values throughout our business.
- Throughout 2019 and 2020 ERM Power asked its Suppliers to abide by ERM Power's Supplier Code of Conduct. However, as part of the transition to adopting the Shell Supplier Principles (which have embedded human rights principles within), throughout 2020 ERM Power targeted Supplier contracts within our Energy Solutions line of business and these contracts were updated to include the Shell Supplier Principles and ensure compliance with these Principles. The aim is that by Q1 2021 ERM Power will have adopted the Shell Supplier Principles.
- In 2021 ERM Power will transition to the Shell Whistleblower Policy and Shell Global Helpline operated by an independent provider, enabling employees, people in the communities where we operate, contractors and any third party to raise concerns, so they can be resolved, ensuring we meet our commitment to provide access to remedy.

Description of Risk

Based on Shell's (excluding ERM Power) risk assessment, the main areas for potential modern slavery risks in our operations and supply chain are as follows:

- Suppliers located in high risk countries such as China, Malaysia and Philippines – locations that comprises less than 1% of our total contract spend
- High risk supplier categories such as
 - Protective and Preventive Equipment
 - Cleaning Services
 - Facility Management
 - Engineering & Maintenance
 - Logistics – Marine & Land
 - Waste & Water Management
- Seafarer Welfare in our Marine Operations

ERM Power

Based on ERM's risk assessment, the main areas for potential modern slavery risks in our operations and supply chain are as follows: -

- High risk supplier categories such as
 - Protective and Preventive Equipment Suppliers
 - Cleaning Services Suppliers
 - Facility Management
- Suppliers located in high risk countries such as China.

Risk assessment

We recognise that certain areas of our supply chain may pose a higher labour rights/modern slavery risk due to their location and the nature of the goods and services procured. This section describes the approach our C&P team generally takes in assessing the risk of modern slavery practices in our operations and supply chain. As ERM Power has not fully integrated with Shell's C&P processes, the steps taken by ERM Power are set out in a separate sub-heading below.

Risk assessments on our Suppliers are a combination of both country and category risk. Supply chain country risk is derived from external indices provided by Verisk Maplecroft, which indicates the potential for modern slavery risks. Supply chain category risk has been determined by analysis of typical contract work-scopes, where there may be higher risks of unethical labour practices in the recruitment of migrant workers.

The risk assessments are one of the tools we use to implement or improve risk-based controls if we identify any areas for improvement, and we review our approach to improving our Labour rights risk assessment in our supply chains on a continuous basis.

Undertaking assessments of our Suppliers' capability to manage Labour Rights/Worker Welfare risks within their operations and respective supply chains allows us to comply with the requirements set out in the Shell General Business Principles, and pass on expectations to our Suppliers through the Shell Supplier Principles.

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

A risk-based approach has been adopted based on a combination of the Supplier's trading address, country of service execution/goods manufacture and what services the Supplier will be providing. If the Supplier is identified as having an elevated risk for Labour Rights/Worker Welfare, we must undertake a detailed assessment of the Supplier's management systems and processes to ensure that they are capable of effectively managing the risks within their own operations and respective supply chains.

Where requested by a Shell representative, the Supplier is required to respond to our Industry Standard Labour Rights questionnaire and provide the identified supporting documentation.

A Shell data specialist will then review the information and documentation provided and will assess the robustness of the Supplier's management systems, providing feedback to the Shell Contract Management team. This allows for decisions to be made about 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 them 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.

ERM Power

The paragraphs under this sub-heading sets out the Supplier risk assessment process followed by ERM Power.

For ERM Power, certain areas of the supply chain may pose a higher labour rights risk due to their location and the nature of the goods and services procured.

Supply chain country risk is an indicator of the potential for modern slavery risks. ERM Power has adopted a risk-based approach to identifying modern slavery risks in its supply chains, based on a combination of the supplier's trading address, country of service execution/goods manufacture and what services the supplier will be providing. If the supplier is identified as having an elevated risk for labour rights/worker welfare, they undertake an assessment of the supplier's management systems and processes to ensure that they are capable of effectively managing the risks within their own operations and respective supply chains.

Where requested by ERM Power, the Supplier's role in this process is to respond to a questionnaire and provide the identified supporting documentation.

ERM Power will review the information and documentation provided and will assess the robustness of the Supplier's management systems, providing feedback to a Shell's C&P team and the Contract Holder to allow for decisions to be made on the Suppliers suitability.

The Supplier will be given feedback on any gaps identified, and in the event of any identified gaps will be expected to work with the Contract Holder to close them within a limited timeframe and undergo a re-assessment.

The ERM Power Supplier Code of Conduct makes clear the human rights expectations it has of its Suppliers, and adherence to the Principles is a basic condition of every contract.

Impact of COVID-19 on our risk assessment

In 2020, we recognised the potential for the COVID-19 pandemic to increase the risk of modern slavery in our supply chain. We continued to monitor these risks and have outlined some of the ways we have identified and managed them:

- (1) In relation to our shipping division in Australia, risks are mitigated by ensuring compliance to the Maritime Labour Convention ("MLC") and International Safety Management code. Regular assessments are planned and executed annually at the shipyards. Due to the impact of COVID-19, the crew were required to be quarantined in Australia. Actions to manage the effects of quarantine were put in place in 2020 by ensuring suitable accommodations for quarantine periods, provision of care packages and ensuring having adequate leave time.
- (2) Following the risk-based mechanism, protective and preventive equipment ("PPE") and cleaning services were identified as potential risk categories. These were identified due to the increase in demand and the shortage of supply leading to a potential increase of burden onto the existing vulnerable workers to fulfil the demand. The steps then taken to understand the potential risks are set out below under the heading "Due diligence".
- (3) We recognise that border closures and travel restrictions have limited our movements to conduct site visits that provide visibility for assurance purposes. This has led to a deferral of

site visits and assurance activities for 2020. The site visits and assurance plans will be reinstated in 2021.

Due diligence

We recognise the role of labour rights due diligence in bringing our commitments to life. This section describes the due diligence taken in assessing potential modern slavery risks. As ERM Power has not fully integrated with Shell's C&P processes, the steps taken by ERM Power are set out in a separate sub-heading "ERM Power" below.

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

Suppliers deemed to be at higher risk for labour rights issues are then engaged to undertake a detailed assessment of their management system prior to the award of a contract. This assessment includes a declaration of their own process to assess and manage labour rights risks with their own Suppliers.

The results of these Supplier assessments are summarised in a rating depending on the number and significance of any gaps between our requirements and the Supplier's policies or performance. Where gaps are found, we may work with the Supplier to help them implement corrective action. We have set out more detail on this in the heading "Effectiveness and performance management" below, but some of our corrective actions may include things like carrying out on-site audits or considering potentially terminating the contract if serious or persistent shortcomings are found. The most common shortcomings found during our Supplier assessments typically relate to lack of policy in the areas listed below, as opposed to performance gaps:

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

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

As mentioned above, in 2020 we conducted deep dives on our PPE and cleaning services contracts. This was done by engaging the Suppliers to understand their approach to modern slavery risks, the processes and policies in place to mitigate the risk and the assurances that are executed. This engagement is part of a standing agenda between the Supplier and the Shell Contract management team.

ERM Power

ERM Power recognises the role of due diligence in effectively managing our supply chains.

In October 2020 we undertook a high-level audit of our first tier Suppliers and those deemed to be at higher risk for labour rights issues were engaged to undertake a detailed assessment of their management system. This assessment included a declaration of their own process to assess and manage labour rights risks with their own Suppliers.

The assessments were designed to identify and seek corrective action where gaps between our Supplier Code of Conduct and Supplier practice existed. No gaps were identified in the first round and further audits are planned in 2021.

Throughout 2020, new ERM Power contracts were prepared in consultation with Shell's C&P team which assist and provide advice to ERM Power on contractor selection and relevant terms and conditions. In conjunction with the Shell Supplier Principles, Shell companies use a service to undertake risk-based labour rights due diligence of Suppliers. ERM Power commenced the use of this service in 2020 with assistance of the Shell's C&P team.

Once the full roll out of ERM Power contract compliance to Shell's requirements is completed (commenced in 2020 and expected to be completed in 2021), the model procurement contracts that Suppliers will agree and adhere to will include the Shell General Business Principles and the Shell Supplier Principles. Suppliers are further 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.

Training

All Shell staff (including ERM Power staff) undertake regular refresher training on our Code of Conduct and associated 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 a number of languages.

As described above, attention to modern slavery and related human rights issues are an integral part of our C&P process. The Contract Management Team are provided with training to gain visibility on up to date accurate Supplier information. Following the completion of assessments on their Suppliers, our staff who manage contracts with a higher labour rights risk may be given individual coaching and support on how to manage Supplier corrective action plans.

In 2020, we continued to deliver a rolling program of training for Shell staff on our global procurement process, including guidance on when and how to undertake assessments of Suppliers. In addition, our e-learning tool on human rights was updated in 2020 and is available to all Shell employees and Shell contract staff. It includes both a specific supply chain and Worker Welfare case study to further enhance understanding of our due diligence processes to manage labour rights and modern slavery in the supply chain. In 2020 we 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](#)
- ✓ [The Shell Sustainability Report](#)
- ✓ [Human rights in Shell](#)
- ✓ [The Shell Global Helpline](#)
- ✓ [Shell Whistleblower Policy](#)
- ✓ [ERM Whistleblower-Policy](#)

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. Note that as ERM Power has not fully integrated with Shell, the steps taken by ERM Power are set out in a separate sub-heading “ERM Power” below.

Through our Supplier qualification process, Suppliers may be subject to on-site 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 violation of human rights. It is for all employees and contract staff in Shell and for third parties with which Shell has a business relationship if they observe wrongdoing by a Shell company or employee.

In addition, Shell has developed a Whistleblower policy for Australia. The Shell Australia Whistleblower 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 Whistleblower policy explains these Whistleblower protections, how they will apply in relation to the group of Australian companies that are controlled directly or indirectly by the UK incorporated Royal Dutch Shell plc (Shell Australia) 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 on-site audits. If corrective action is not undertaken satisfactorily, then Shell has the ability to terminate the contract for breach of supplier principles. In addition, contracts may be terminated with immediate effect if Suppliers breach 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 our Sustainability Report outlines the percentage of countries in which we operate where we have procedures in place to prevent child labour and forced labour. For 2020 we reported 100 %.

Shell has specialists who investigate concerns or allegations about a breach of our Code of Conduct. 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 post-award contract management reviews annually that assess the impact and the compliance to human rights criteria. However, due to the COVID-19 pandemic, reviews were deferred to 2021.

Additionally, in 2020, globally Shell added a new manual on Worker Welfare to our management system, known as our HSE&SP Control Framework. The chapter requires an assessment of Worker Welfare risk and, where necessary for higher risk locations in Shell's global operations, a contractual obligation requiring contractors to develop a Worker Welfare plan that includes, among others, ethical recruitment practices and no use of forced labour. In addition, we have detailed guidance for our own project management teams that support the design of worker camps. The guidance establishes minimum global standards with emphasis on the elements of Worker Welfare and respect for people. We continuously aim to deliver a standard of accommodation and facilities that improves people's 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 to the right and we expect the content of Worker Welfare plans to cover the areas addressed by these principles.

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

ERM Power

In 2020, ERM Power started to introduce contract clauses requiring adherence to [ERM Power Supplier Code of Conduct](#) and clauses allowing an audit of the Supplier's performance against the provisions in the agreement were introduced to new contracts.

They also encouraged any person or persons who have witnessed, or who are aware of, a suspected Wrongful Act to report it in accordance with ERM Power's [Whistleblower Policy](#).

All reports will be investigated discreetly, and only those persons who need to know the fact, and the details, of a report, will be informed of it. Where necessary, ERM Power might employ external resources to assist with an investigation.

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 practice, 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 of bodies including IPIECA, the IOGP, IOE (International Organisation of Employers), The Conference Board, the United Nations Global Compact Action Platform on Decent

The Building Responsibly Worker Welfare Principles

1. WORKERS ARE TREATED WITH DIGNITY, RESPECT, AND FAIRNESS
2. WORKERS ARE FREE FROM FORCED, TRAFFICKED, AND CHILD LABOR
3. RECRUITMENT PRACTICES ARE ETHICAL, LEGAL, VOLUNTARY, AND FREE FROM DISCRIMINATION
4. FREEDOM TO CHANGE EMPLOYMENT IS RESPECTED
5. WORKING CONDITIONS ARE SAFE AND HEALTHY
6. LIVING CONDITIONS ARE SAFE, CLEAN, AND HABITABLE
7. ACCESS TO DOCUMENTATION AND MOBILITY IS UNRESTRICTED
8. WAGE AND BENEFIT AGREEMENTS ARE RESPECTED
9. WORKER REPRESENTATION IS RESPECTED
10. GRIEVANCE MECHANISMS AND ACCESS TO REMEDY ARE READILY AVAILABLE

Work in Supply Chains and our attendance and participation at the UN Annual Forum on Business and Human Rights, 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.

Shell (excluding ERM Power)

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

In 2020, we engaged the operators of these joint ventures (“Joint Venture Operator”) to understand their current approach to the Modern Slavery Act. Specifically, how modern slavery is addressed within their business policies and processes and what risks, along with their mitigations are actively in use across the operations and supply chain.

All Joint Venture Operators have clear public policies which oppose the occurrence of modern slavery (Human Rights Policy, 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.

All Joint Venture Operators have 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.

ERM Power

ERM Power has a partnership with ICG for the Neerabup Power Station, near Perth in Western Australia and non-controlling shareholdings in the following operating entities:

- Alliance Automation:
A multi-disciplined industrial automation and electrical engineering, specialising in delivering value added solutions, consultancy and support to the Mining, Oil and Gas, Water and Waste Water, Infrastructure and Manufacturing market sectors both in Australia and overseas.
- 1st Energy:
An Australia based electricity retailer servicing residential customers in New South Wales, Victoria, Queensland, and Tasmania.
- Solpod:
A manufacturer of a range of Australian-made commercial solar mounting products and solar solutions.

ERM Power is committed to the prevention of modern slavery across its supply chains and encourages its partnership and non-controlling shareholding entities to have appropriate policies and systems in place to prevent the potential for modern slavery to impact their supply chains. In 2020 ERM Power commenced engagement with its partnership and non-controlling shareholding entities and informed them that ERM Power will be adopting the Shell Code of Conduct, Shell General Business Principles and Shell Supplier Principles.

In 2020, an assessment of its modern slavery risk in its operations, its partnerships and non-controlling shareholding entities’ supply chain determined that ERM Power’s operations, partnership and non-controlling shareholding entities have limited direct exposure to modern slavery practise risk.

Engagements are expected to take place in early 2021 to explore opportunities for its partnership and non-controlling shareholding entities to adoption the principles of these policies and/or understand

what materially equivalent policies and procedures they have in place with respect to managing potential modern slavery risk in their supply chains.

Consultation with reporting entities

SEHAL consulted with its board as well as the boards of the other reporting entities mentioned above to develop this Statement. These consultations occurred during the entities' board meetings. In addition, SEHAL confirmed with its relevant subsidiaries and the reporting entities providing this Statement on whether they follow the Shell processes as described in this Statement. Key differences from the Shell process have been set out in this Statement.

Continuous improvement

In 2021, we will continue to monitor the potential risks of modern slavery in our operations and supply chain including continuing to look for ways to improve our monitoring and responses to potential modern slavery risks in our operations and supply chain.

This statement was approved by the boards of each of the four reporting entities covered by this statement.

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Benjamin Lamb

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Benjamin Lamb

Director: Shell Energy Holdings Australia Limited

Date: 29-Jun-2021

DocuSigned by:

Benjamin Lamb

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Benjamin Lamb

Director: QGC Upstream Investments Pty Ltd

Date: 29-Jun-2021

DocuSigned by:

Godson Njoku

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Godson Njoku

Director: QGC Midstream Investments Pty Ltd

Date: 30-Jun-2021

DocuSigned by:

Greg Joiner

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Gregory Joiner

Director: Shell Energy Operations Pty Ltd (previously known as ERM Power Limited)

Date: 30-Jun-2021

Annex 1

Details of Reporting Entities:

- Shell Energy Holdings Australia Limited – Unlisted public company Limited by shares - ACN 054 260 776 - Shell House, 562 Wellington Street, Perth WA, 6000
- QGC Upstream Investments Pty Ltd – Australian Proprietary Company (large), Limited by Shares – ACN 131 104 651 - Level 30, 275 George Street, Brisbane, QLD, 4000
- QGC Midstream Investments Pty Ltd – Australian Proprietary Company (large), Limited by Shares – ACN 130 857 215 - Level 30, 275 George Street, Brisbane, QLD, 4000
- ERM Power Limited — Australian Proprietary Company (large), - ACN 122 259 223- Level 30, 275 George Street, Brisbane, QLD, 4000

ANNEX 2

Australian Act Mandatory reporting requirements	UK Act recommended reporting requirements	Section – page #	This 2020 statement includes
Identify the reporting entity	Describe the organisation’s structure, it’s business and its supply chain	Reporting entities - #1	<ul style="list-style-type: none"> ▪ Relevant reporting entity that complies with modern slavery act
Describe the structure, operations and supply chains		Who we are - #1 Our business & supply chain - #3	<ul style="list-style-type: none"> ▪ Business structures, operations and supply chains ▪ Verisk Maplecroft risk profile of our locations and supplier map
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Describe the parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk.	Description of risks – # 8 Risk Assessment - #9	<ul style="list-style-type: none"> ▪ Top potential risks ▪ Tools used and steps taken for high risk suppliers
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.	Organisation’s policies in relation to slavery and human trafficking; its due diligence processes in relation to slavery and human trafficking in its business and supply chains; Describe training about slavery and human trafficking available to its staff	Values, Policies and approach - #5 Risk Assessment - #9 Impact of Covid 19 - #10 Due Diligence – #11 Training – #12	<ul style="list-style-type: none"> ▪ Our approach to human rights inclusive of values and policies ▪ Due diligences in place ▪ Action taken to mitigate risks ▪ Assessment of risk and mitigations of risks due to COVID-19 ▪ Approach taken to build capabilities
Describe how the reporting entity assesses the effectiveness of such actions	Organisation’s effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate	Effective and Performance Management - #15	<ul style="list-style-type: none"> ▪ Internal Assurances and on-site audit ▪ Worker Welfare Principles ▪ Monitoring of grievances mechanisms ▪ Monitoring of performance data
Describe the process of consultation with (i) any entities the reporting entity owns or controls; and (ii) for a reporting entity covered by a joint statement, the entity giving the statement	N/a	Collaboration with others – #15	<ul style="list-style-type: none"> ▪ Process of consultation with reporting entities including joint ventures.
Include any other information that the reporting entity, or the entity giving the statement, considers relevant.	N/a	Continuous Improvement – #16	<ul style="list-style-type: none"> ▪ Approach to progress improvement in mitigating the risk of Modern Slavery

Cautionary Note

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate legal entities. In this Statement “Shell”, “Shell Group” and “Group” are sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, the words “we”, “us” and “our” are also used to refer to Royal Dutch Shell plc and its subsidiaries in general or to those who work for them. These terms are also used where no useful purpose is served by identifying the particular entity or entities. “Subsidiaries”, “Shell subsidiaries” and “Shell companies” as used in this Statement refer to entities over which Royal Dutch Shell plc either directly or indirectly has control. Entities and unincorporated arrangements over which Shell has joint control are generally referred to as “joint ventures” and “joint operations”, respectively. Entities over which Shell has significant influence but neither control nor joint control are referred to as “associates”. The term “Shell interest” is used for convenience to indicate the direct and/or indirect ownership interest held by Shell in an entity or unincorporated joint arrangement, after exclusion of all third-party interest.