



Modern Slavery Statement

KUFPEC Australia Pty Ltd

ACN 001 800 924

Date: 26 April 2021

Modern Slavery Statement

1. Introduction

Modern slavery is a crime and a violation of fundamental human rights.

KUFPEC Australia Pty Ltd (ACN 001 800 924) (**KAPL**) has zero-tolerance in relation to any form of slavery or human trafficking, and seeks to ensure it is fully compliant with the *Modern Slavery Act 2018* (Cth) (**MSA**).

KAPL is committed to doing its utmost to implement and enforce effective systems and controls to ensure modern slavery does not take place anywhere in its business, or as part of its supply chain.

2. Company background

KAPL is an upstream oil and gas exploration and production company based in Perth, Western Australia.

KAPL is wholly owned by Kuwait Foreign Petroleum Exploration Company k.s.c.c. (**KUFPEC**), which itself is wholly owned by Kuwait Petroleum Corporation (**KPC**).

KPC is the national oil company of the State of Kuwait.

3. Reporting Period

This Modern Slavery Statement relates to the financial reporting period 1 January 2020 to 31 December 2020 (**Reporting Period**).

4. Structure, operations and supply chain

4.1 Structure

(i) Overview

As part of its corporate structure, KAPL utilises a number of wholly owned subsidiaries being KUFPEC (Perth) Pty Ltd (ACN 069 607 316), KUFPEC Australia (Julimar) Pty Ltd (ACN 139 500 502) (**KAJ**), KUFPEC Australia (Wheatstone Iago) Pty Ltd (ACN 167 058 022) (**KAWI**) and KUFPEC Australia (WA356 Permit) Pty Ltd (ACN 139 500 468) (collectively **KAPL Group**).

KAPL prepares financial statements for it and the KAPL Group on a consolidated basis.

A corporate chart in respect of KAPL, KAPL Group and the relevant ownership structure is contained in **Attachment A**.

(ii) Reporting entities

KAPL, KAJ and KAWI are all 'reporting entities' under the MSA and are covered by this Modern Slavery Statement on a joint basis.

KAJ and KAWI are used for the purposes of corporate structuring only and KAPL undertakes all operations, and procurement, for the KAPL Group.

References to "KAPL" in this Modern Slavery Statement should be read to mean KAPL singularly, or KAPL, KAJ and KAWI collectively, as the context requires.

4.2 Operations

KAPL's principal asset in Australia is a 13.4% interest in the Wheatstone LNG Project (**Wheatstone**) located at Ashburton North, near Onslow, Western Australia. Wheatstone is operated by Chevron Australia Pty Ltd (**Chevron Australia**).

KAPL markets its share of LNG, condensate and domestic gas from Wheatstone to a range of local, and international, buyers.

KAPL also holds a number of exploration permits, both operated and non-operated, in the Carnarvon Basin, offshore Western Australia

The petroleum titles held by KAPL or entities in the KAPL Group are listed in the table in **Attachment B**.

4.3 Supply chain

KAPL's operations primarily involve non-operated joint venture (**JV**) interests in oil and gas assets. The operators of these assets (e.g. Chevron Australia) have sophisticated procurement processes, which include compliance with modern slavery risks, amongst other things.

KAPL has limited ability to influence the procurement processes of its operators, other than holding targeted rights under the relevant joint operating agreements in respect of the approval of certain classes of contracts, and the contracting strategy for major developments.

KAPL undertakes some direct procurement on a 'corporate' basis. This involves leasing office space, leasing company vehicles, corporate travel, staff carparking, IT hardware and software, reserves certification and office supplies and consumables.

KAPL also undertakes procurement as the 100% holder of a number of exploration permits. This procurement is limited to seismic consultancy services at present, but may be more extensive in the future if the permits proceed to the secondary term and one or more exploration wells are drilled.

5. Risk of modern slavery practices in supply chain

5.1 Overview

There is limited risk of modern slavery in KAPL's operations and supply chain.

As described in section 4. above, KAPL's operations are primarily limited to non-operated JV interests in oil and gas assets. These assets are all located offshore Western Australia.

KAPL's workforce consists of a combination of local staff and secondees from KUFPEC and other 'K' companies wholly owned by KPC. KAPL's employment conditions meet, or exceed, all requirements under Commonwealth and State law.

KAPL's supply chain involves the procurement of goods and services within Australia and, other than some IT software subscriptions, KAPL does not procure any goods and services internationally.

Australia is recognised as having a 'low' risk of modern slavery¹.

5.2 Specific modern slavery risks in supply chain

KAPL has identified IT hardware, and office supplies and consumables, as the key modern slavery risks in its supply chain, primarily due to the opaque nature of the source of many of these components / items.

6. Actions taken to address modern slavery risk

KAPL has implemented a 'fit-for-purpose' approach to managing compliance with the MSA having regard to the nature of its operations and limited risk of modern slavery in its supply chain.

This approach takes the form of:

- (i) evaluating supply chain risk;
- (ii) annual MSA certification by any suppliers deemed to have a 'higher' modern slavery risk;
- (iii) appropriate pre-qualification of new suppliers to ensure MSA compliance;

¹ Refer Verisk Maplecroft Modern Slavery Index Classification 2020.

- (iv) inclusion of specific language in all new contracts for goods and services warranting MSA compliance (at the time of entering into the contract and for the duration of the contract term) (**MSA Warranty**);
- (v) implementation of standalone Anti-Slavery Policy for KAPL and the KAPL Group;
- (vi) comprehensive review of employment conditions to ensure they meet, or exceed, all requirements under Commonwealth and State law; and
- (vii) staff awareness and training.

7. Effectiveness of actions

Given the relatively low risk of modern slavery in KAPL's operations and supply chain it is difficult to assess the effectiveness of the approach outlined in section 6. above on an empirical basis.

Nevertheless, the following actions have been undertaken by KAPL:

- (i) supply chain risk is evaluated on an annual basis as part of KAPL's C&P assurance process. The most recent evaluation did not identify any change to the existing supply chain risk setting;
- (ii) annual MSA certification by any suppliers deemed to have a 'higher' modern slavery risk is tracked, and the results collated as part of KAPL's overall compliance reporting to senior management and the KAPL Board;
- (iii) pre-qualification of new suppliers engaged by KAPL in the Reporting Period did not identify any material MSA non-compliance;
- (iv) all new contracts for goods and services entered into by KAPL in the Reporting Period contained the MSA Warranty, and there were no cases of suppliers seeking deviations to this provision;
- (v) the new Anti-Slavery Policy applying to KAPL and the KAPL Group went 'live' in late 2019 and familiarisation training was held with all staff at the relevant time. Further staff training on the MSA is scheduled to occur in the course of 2021, and biennially thereafter; and
- (vi) the review of employment conditions was undertaken in conjunction with an external law firm as part of a wider remuneration bench-marking exercise in 2019. This review confirmed that KAPL met, and in most cases exceeded, the relevant requirements under Commonwealth and State law.

8. Consultation

Noting that KAJ and KAWI are used for corporate structuring purposes only, KAPL has consulted with these entities and the other wholly owned subsidiaries in the KAPL Group.

Relevant SMEs within KAPL and KUFPEC have also been engaged in respect to this Modern Slavery Statement, to the extent applicable.

9. Approval

This Modern Slavery Statement has been approved by the KAPL Board in accordance with the terms of its Constitution.

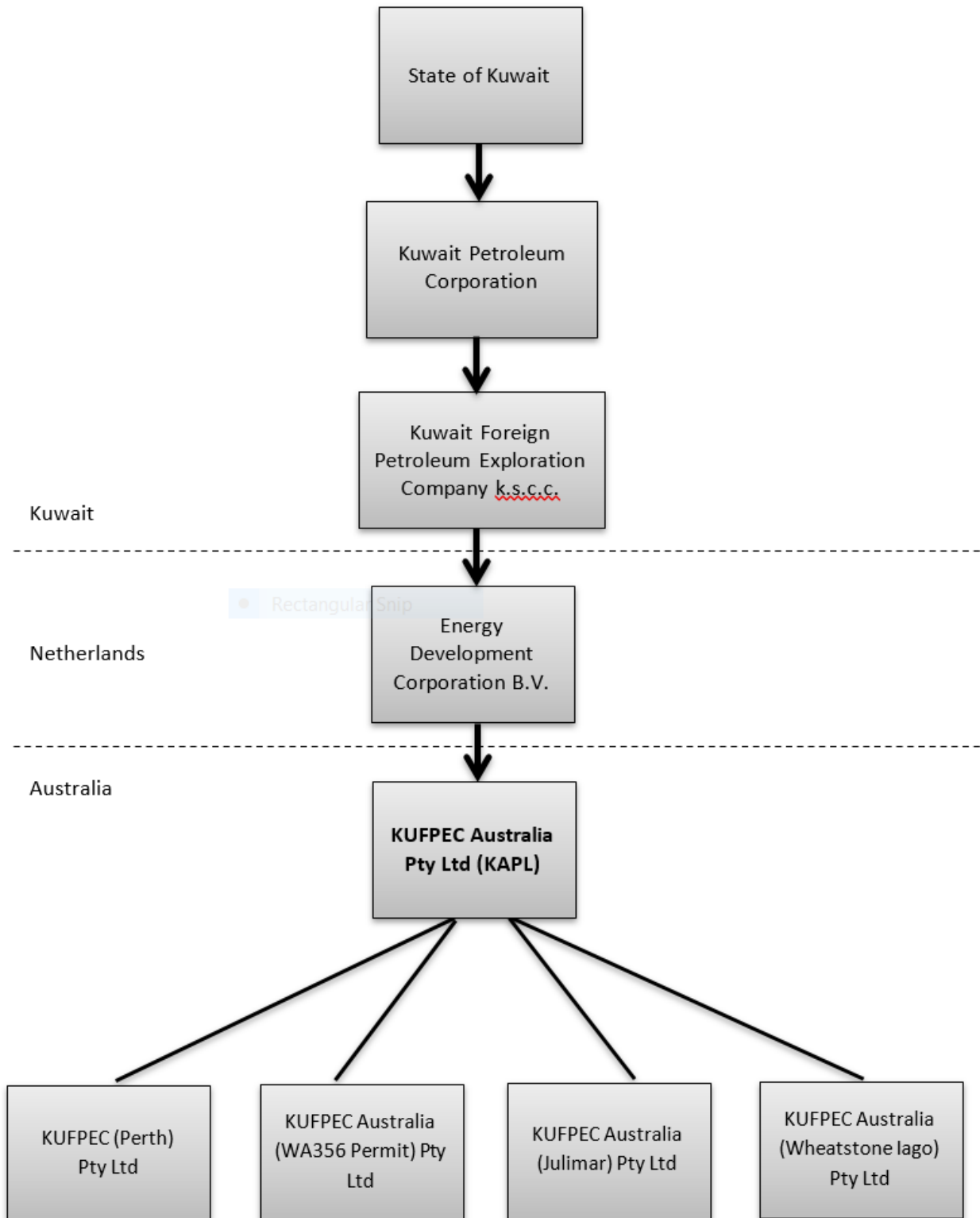


Mr Saeed M. Al-Shaheen

Board Chair

KUFPEC Australia Pty Ltd

ATTACHMENT A
KAPL CORPORATE CHART



ATTACHMENT B

KAPL – PETROLEUM TITLES

Title	Interest	Entity	Description
Operations			
<i>Wheatstone LNG Project</i>			
WA-49-L	35.0000%	KUFPEC Australia (Julimar) Pty Ltd	Production (Julimar Brunello fields)
WA-48-L	33.3333%	KUFPEC Australia (Wheatstone Iago) Pty Ltd	Production (Iago field)
WA-46-L, WA-47-L	8.0000% (beneficial interest only)	KUFPEC Australia (Wheatstone Iago) Pty Ltd	Production (Wheatstone field)
WA-25-PL	13.4000%	KUFPEC Australia (Julimar) Pty Ltd KUFPEC Australia (Wheatstone Iago) Pty Ltd	Wheatstone pipeline
WA-26-PL	35.0000%	KUFPEC Australia (Julimar) Pty Ltd	Julimar Brunello pipeline
WA-29-PL	35.0000%	KUFPEC Australia (Julimar) Pty Ltd	Julimar Brunello Phase 2 pipeline
WA-3-IL	13.4000%	KUFPEC Australia (Julimar) Pty Ltd KUFPEC Australia (Wheatstone Iago) Pty Ltd	Wheatstone offshore platform
<i>Mutineer Exeter Fletcher Finucane (MEFF)</i>			
WA-26-L, WA-27-L	37.5000% (Mutineer Exeter fields)	KUFPEC Australia Pty Ltd	Decommissioning
WA-54-L	50.0031% (Fletcher field), 37.5023% (Finucane field)	KUFPEC Australia Pty Ltd	Decommissioning
Exploration			
WA-536-P	35.0000%	KUFPEC Australia (Julimar) Pty Ltd	Exploration
WA-356-P	35.0000%	KUFPEC Australia (Julimar) Pty Ltd	Exploration
WA-538-P	100%	KUFPEC (Perth) Pty Ltd	Exploration
WA-539-P	100%	KUFPEC (Perth) Pty Ltd	Exploration
WA-71-R	100%	KUFPEC (Perth) Pty Ltd	Retention (Bunyip field)