



CNOOC AUSTRALIA INTERNATIONAL HOLDINGS PRIVATE LIMITED

**Australian Modern Slavery Statement
pursuant to section 14 of the *Modern Slavery Act 2018* (Cth)
for the year ended 31 December 2020**

Introduction

This is a joint modern slavery statement by CNOOC Australia International Holdings Private Limited (**CNOOC AIH**), covering itself, its wholly owned subsidiary CNOOC Australia E&P Pty Ltd (**CNOOC E&P**) and CNOOC E&P's wholly owned subsidiary CNOOC NWS Private Limited (**CNOOC NWS**), pursuant to section 14 of the *Modern Slavery Act 2018* (Cth) (**Act**).

CNOOC AIH is a foreign company incorporated in Singapore, a wholly owned subsidiary of CNOOC Limited (**CNOOC**), a Chinese oil production company listed on the Hong Kong stock exchange and controlled by the China National Offshore Oil Corporation.

Entities

The reporting entities covered by this statement pursuant to section 5 of the Act are CNOOC Australia International Holdings Private Limited ARBN 605 732 689, CNOOC Australia E&P Pty Ltd ACN 118 934 062, and CNOOC NWS Private Limited ARBN 103 548 867 (together, **CNOOC Australia**).

Structure, operations, and supply chains

CNOOC AIH is the Australian parent and international holding company for oil & gas investments made in the region including Australia, New Zealand and Papua New Guinea. It is the only company within CNOOC Australia that has employees. These employees provide support functions for the CNOOC Australia group within its leased office space in Perth. Currently there are 9 employees working in the Perth office performing head office, project management, admin, finance, HR and legal functions, with support from professional services providers as and when required.

CNOOC E&P is a direct subsidiary of CNOOC AIH, and it is responsible for exploration and evaluation of potential oil and gas projects in Australia, and is the immediate parent company of CNOOC NWS. There were no active exploration projects conducted by CNOOC E&P in 2020.

CNOOC NWS owns a 5.3% non-operational license interest in the North West Shelf Project. The NWS project is operated by Woodside and is Australia's largest natural gas production development, accounting for more than 20% of Australia's LNG production.

CNOOC AIH also owns or co-owns petroleum prospect licenses in the Papua New Guinea region through its 70% ownership of PNG Energy Limited. Some of those are co-owned together with ExxonMobil and Oil Search and operated by ExxonMobil. The remaining licenses have not been in active operation for the last few years.

Risk of modern slavery practices

Risks of modern slavery include: forced labour, particularly in the manufacture and production of raw materials; poor working conditions and forced or child labour, where materials are sourced from high-risk geographies known to be associated with these practices; and forced or unpaid work and unsafe working conditions, as low skilled workers can be vulnerable to exploitative practices.

CNOOC Australia considers that the risks of modern slavery practices in its operations and supply chains is low. This is because CNOOC Australia does not carry out any operational functions in its oil and gas projects. Therefore, CNOOC Australia's direct supply chain and operational activities are limited to the activities performed in the Perth office.

In terms of the supply chains of the North West Shelf Project, the operator Woodside is responsible for all procurement processes, and therefore CNOOC Australia delegates all responsibility for the

day-to-day operations to Woodside. CNOOC Australia considers the risk of modern slavery in this operation and its supply chain to be low because Woodside is a reputable and publicly listed company domiciled in Western Australia, who conduct comprehensive risk management activities in connection with their suppliers and have well established governance policies.

Further, CNOOC Australia also considers the risk of modern slavery in the operation and supply chain of their interests in the Papua New Guinea region to be low because the operator ExxonMobil is a large, publicly listed and reputable company that conducts comprehensive supplier risk management and has well established governance policies.

Actions to address the risk

Integrity is a core CNOOC value and a defining characteristic of how we work. Fostering ethical, responsible and safety-oriented behaviors everywhere CNOOC achieves better results and builds loyalty and trust with all of our stakeholders. Key to our culture of integrity is our commitment to take all reasonable steps to ensure that slavery and human trafficking are not taking place in any of our supply chains or in any part of our business. CNOOC has introduced measures to address the risk of modern slavery and also continue to consult with legal advisors in this area.

All CNOOC subsidiaries employees are expected to commit to and comply with our CNOOC Limited Compliance Manual for Entities and Employees. This contains our Code of Conduct, and Code of Ethics which strongly ensure compliance with all laws, including labour laws and human rights principles.

We consider our suppliers to be partners in our business success and as such it is important that they have the same commitment to ethics, integrity and sustainable business practices as we do. When reviewing tenders from high-risk suppliers, we assess whether bidders can comply with our work policies and standards before proceeding to the commercial evaluation stage in our tendering process.

After a procurement request is approved, the procurement team actively search online for local providers who have relevant permits or qualification to provide required services or goods. They will then shortlist a couple of potential providers. Before asking for quotes, we require each supplier to complete a supplier pre-qualification questionnaire (PQQ) to collect and verify their business information. These suppliers are also checked against CNOOC group's restricted list for any history of unethical or undesirable activity. Only when the supplier is approved by our PQQ and registered in our local supplier list, will we invite them to the bidding.

Assessment of effectiveness

CNOOC Australia consider its actions taken to address the risks of modern slavery in its supply chains and operations are effective. There have been no reported instances of employees in modern slavery conditions or suppliers engaging in modern slavery practices.

Process of Consultation

CNOOC AIH has consulted with CNOOC E&P and CNOOC NWS in preparing this statement, including by briefing relevant directors and company secretaries.

This statement was approved by the Board of CNOOC Australian International Holdings Private Limited on 20 August 2021.



Mao Xingquan
Director