



INPEX



INPEX AUSTRALIA
MODERN SLAVERY STATEMENT 2020

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Disclosure note

This Modern Slavery Statement (Statement) has been published by INPEX Operations Australia Pty Ltd (IOAPL) (ABN 48 150 217 262), with registered office of Level 22, 100 St Georges Terrace, Perth, Western Australia, 6000. IOAPL makes this single joint Modern Slavery Statement to cover other relevant group companies including subsidiary entities undertaking business in Australia (for the purposes of this Statement the “INPEX Australian Entities”)¹.

The Statement is the first Modern Slavery Statement made under the *Modern Slavery Act (Australia) 2018 (Cth)* and for the reporting period 1 January 2020 to 31 December 2020. The Statement addresses actions taken by the INPEX Australian Entities towards modern slavery risks in their operations and supply chains. Modern slavery risks and impacts of INPEX global activities are addressed in the INPEX CORPORATION’s Modern Slavery Statements published annually pursuant to the *UK Modern Slavery Act 2015*.

¹ This Joint Statement covers the following entities: INPEX Australia Pty Ltd (IAPL) (100% owned by INPEX CORPORATION) registered in Australia. Employer company; INPEX Operations Australia Pty Ltd (IOAPL) is the Australian registered operating company; INPEX Ichthys Pty Ltd (IIPL) holds upstream assets in the Ichthys LNG Project; INPEX Holdings Australia Pty Ltd (IHAPL), holding company registered in Australia (wholly owns the operator company IOAPL and IIPL); Ichthys LNG PL (ILNG PL) an incorporated joint venture company. Processes the feed gas; INPEX Oil & Gas Australia Pty Ltd (IOGAPL) is 100% owned by INPEX CORPORATION registered in Australia. Participating interest in Prelude Floating LNG; INPEX Alpha Ltd (100% owned by INPEX CORPORATION) registered in Japan with an Australian branch. Holds non-operator interest in the Ravensthorpe, Griffin, Van Gogh/Coniston oil fields.



President Director's message

I am pleased to present INPEX Australia's first Modern Slavery Statement.

As a global company, we play an essential role in society by delivering energy in a sustainable way and contributing to economic and social development of communities in which we operate.

We recognise that human rights are important rights that derive from the dignity of individuals, and we are committed to preventing human rights violations such as slavery and human trafficking throughout our global business and supply chain.

We take the health and safety of our personnel and communities in which we operate, and our economic contribution to Australia, very seriously.

We continue to work in close cooperation with government authorities and business partners to help keep everyone safe and well during the COVID-19 global pandemic.

Hitoshi Okawa
President Director, Australia
June 2021

About INPEX

INPEX CORPORATION is Japan's leading energy company and is listed on the Tokyo Stock Exchange.

Its primary business includes research, exploration, development, production and sales of oil, natural gas, other mineral resources and renewable energy. It is currently engaged in projects located in approximately 20 countries worldwide and employs more than 3,000 people on a consolidated basis.

INPEX is committed to contributing to the creation of a brighter future for society through its efforts to develop, produce and deliver energy in a sustainable way. INPEX will proactively engage in energy structure reforms towards the realisation of a net zero carbon society by 2050, while responding to the growing energy demands of Japan and the world and fulfilling its responsibility for the development and stable supply of energy over the long-term.

For further information about INPEX CORPORATION, please refer to <https://www.inpex.co.jp/english/company/>



INPEX Values are shared by all INPEX entities irrespective of location. They serve as a common foundation to unite INPEX's global workforce as one team in its vision to become a top-class energy company.

INPEX Values represent our shared understanding of the behaviours we strive to demonstrate in the way we work.

INPEX in Australia

INPEX CORPORATION has a long and successful business relationship with Australia that began in 1986, including with the early stage investment and development of Ichthys LNG, one of the most significant oil and gas projects in the world.

Ichthys LNG plays a significant role in bringing our two nations together by providing lasting social and economic benefits to Australia while delivering long-term energy security to Japan, the world largest LNG importer. Ichthys LNG is expected to supply approximately 10 per cent of Japan's LNG requirements over the next four decades.

INPEX CORPORATION (through wholly owned Australian subsidiaries) also has non-operated interests in other Australian assets, including the Santos-operated Coniston/Novara and Van Gogh oil fields, as well as in the Shell-operated Prelude FLNG facility.

More information about INPEX's Australian projects is available at: www.inpex.com.au/projects

INPEX companies in Australia

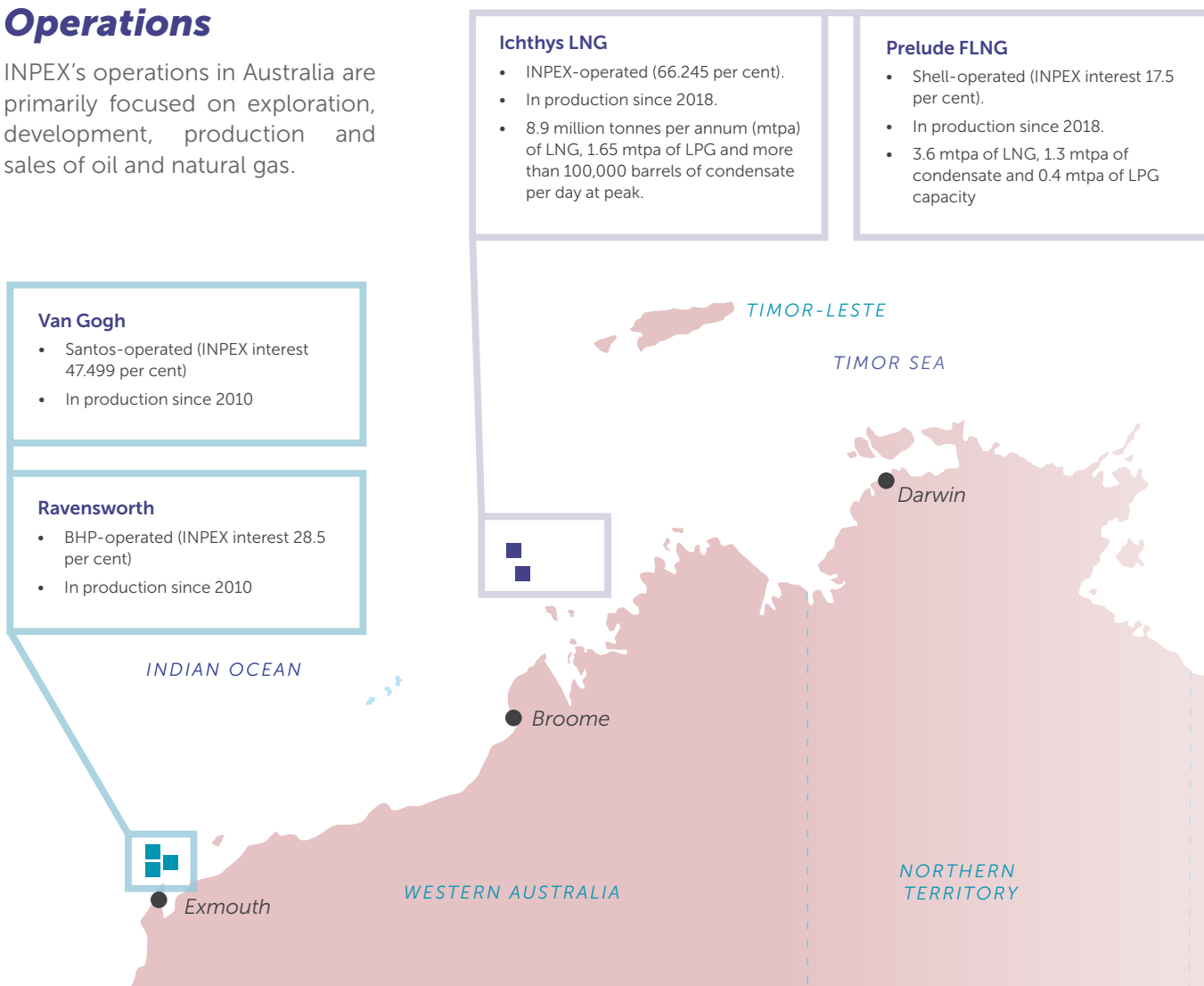
INPEX CORPORATION has seven Australian-based entities and five branches of Japanese companies in Australia. These companies are all governed in accordance with the corporations laws of Australia and Japan. They are 100 per cent owned and controlled by INPEX. In 2020, INPEX held a 66.245 per cent share in Ichthys LNG Pty Ltd, which is an incorporated joint venture company. Information regarding the corporate structure in Australia is available in INPEX's 2019 Tax Transparency Report <https://www.inpex.com.au/media/gwyncb1t/2019-inpex-tax-transparency-report.pdf>

IOAPL is the operator of all INPEX Australian assets and it is the service provider to all non-operated assets and corporate functions in Australia. IOAPL is also the entity used for contracting and procurement in Australia other than labour contracts with INPEX employees. INPEX Australia Pty Ltd (IAPL) is the entity that employs workers for the Australian businesses, excluding secondees and non-Australian nationals employed by INPEX CORPORATION.

The other INPEX Australian Entities do not manage operations and/or supply chains nor engage personnel. Accordingly, for the purpose of this Statement, INPEX has focused on the activities of IOAPL and IAPL to address modern slavery risks.

Operations

INPEX's operations in Australia are primarily focused on exploration, development, production and sales of oil and natural gas.



Our approach to human rights

INPEX is committed to achieving the United Nations (UN) Sustainable Development Goals through its business activities and works within international frameworks to strengthen the social and economic benefits of its operations.

INPEX's commitment to respect human rights is underpinned by the INPEX Group Human Rights Policy <https://www.inpex.co.jp/english/csr/compliance/pdf/INPEX-Group-Human-Rights-Policy-en.pdf>

Guided by the UN Guiding Principles on Business and Human Rights, the Policy affirms our commitment to respect human rights and mitigate adverse human rights impacts in our operations and supply chain. This Policy applies globally to all INPEX personnel.

Our commitment to upholding human rights is embedded in INPEX's management system including in Corporate Social Responsibility Principles, Business Principles and the Business Code of Conduct.

Respecting human rights is a priority for our business and stakeholders. The strengthening of our global human rights management structure is one of our core objectives.

INPEX supports international standards such as the *International Bill of Human Rights* and the *International Labour Standards of the International Labor Organization*. In 2011, INPEX adopted the Ten Principles of the UN Global Compact, including areas relating to labour, environment and anti-corruption.

As part of commitments with financiers for Ichthys LNG, we undertake activities related to labour, community and Indigenous People complying with the International Finance Corporation Environment and Social Performance Standards.

In 2020, INPEX Australia had:



approximately
1000
employees



engaged
1100
suppliers



total spend to suppliers
more than
A\$1.6 billion



goods from more than
20
countries



Modern slavery risks

Operations

IOAPL operations are predominantly based in Australia. Together with INPEX's policies and standards and a strong regulatory environment in Australia, its direct operations and domestic supply chain are considered to be at low risk of exploitation and modern slavery.

Approximately 1,000 employees are directly employed by IAPL pursuant to written employment contracts, underpinned by clear and accessible Human Resource (HR) Policies which reflect minimum legislative entitlements. Where applicable the terms of statutory industrial instruments such as Modern Awards are also applied.

Most employees work in either Perth, Western Australia or Darwin, Northern Territory as well as on our offshore facilities within Australian Commonwealth waters.

The Business Code of Conduct applies to all personnel. Established grievance procedures, anonymous whistleblowing hotlines and statutory whistle-blower protections are part of our HR framework.

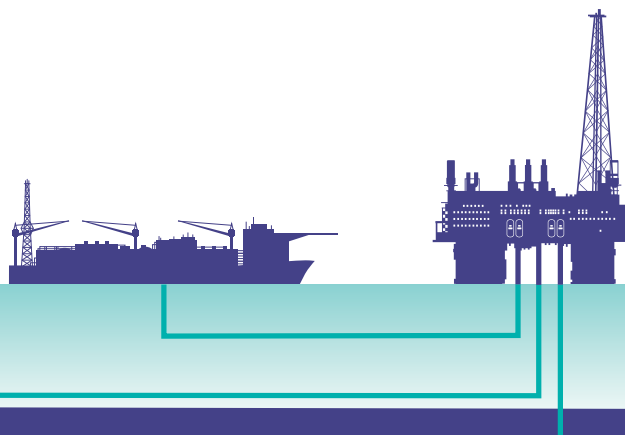
Supply chain

In our operations in Australia, our broad supply chain provides services such as engineering, fabrication, construction, drilling, maintenance, Information Technology (IT), HR, labour, cleaning and much more.

In addition, we procure materials, equipment, and logistics such as fuels, chemicals, pipes, IT hardware, valves and laboratory, industrial, drilling and electrical equipment.

In 2020, IOAPL engaged with over 1,100 suppliers with total spend over A\$1.6 billion. Generally, our suppliers are based in Australia, but in some instances, we source goods internationally from countries including India, United Kingdom, Italy, France, Netherlands, Japan and Germany.

We recognise some of our suppliers work in and procure goods from countries that are considered to have a medium prevalence of modern slavery according to Global Slavery Index 2018. This includes countries such as the Philippines, India and Indonesia. INPEX will continue to perform assessments of modern slavery risks in our supply chain while maintaining a risk-based approach in monitoring suppliers.





Addressing modern slavery risks

An important way in which INPEX manages the risk of modern slavery arising in its global supply chain is through its contracting and vendor due diligence processes. INPEX's Contracts team conducts a range of supplier due diligence assessments at various stages of its sourcing and procurement process.

Anti-bribery, corruption and modern slavery risk assessment

All suppliers and partners are assessed by a global entity database tool, which is customised to identify potential anti-bribery and anti-corruption (ABC) risks quickly and efficiently prior to onboarding. This risk-based assessment process is part of INPEX's ABC due diligence.

The ABC due diligence involves examining an entity's ABC standard, organisational profile, operating jurisdiction, business activities and other relevant information to identify any indications or warning signals related to ABC risks, including human rights and modern slavery risks. The assessment is continuously monitored throughout the term of any contract to identify human rights and modern slavery risks.

In 2020, our ABC risk assessments found that no suppliers and partners that IOAPL engaged with had an indication of risks associated with human rights and modern slavery.

Supplier due diligence

As part of our contracting process, participating suppliers are required to complete a mandatory supplier self-assessment on modern slavery risks, which was introduced late 2019.

The Modern Slavery Self-Assessment Questionnaire (SAQ) was developed in collaboration with the industry working group. The SAQ is designed to assist vendors/suppliers to identify modern slavery related risks and improve transparency across shared supply chains. Through utilisation of the common set of 18 questions, the SAQ aims to foster collaborative efforts between suppliers and organisations to address modern slavery risks and identify areas for further due diligence while reducing the burden for suppliers. The SAQ has been embedded into INPEX's tendering process.

Desktop supplier assessments

On receipt of tender responses, we review information provided to identify any higher risk suppliers through an evaluation of country risk, workforce risk profile, industry risk profile, management capability, and estimated contract value. In 2020 we conducted approximately 100 of these assessments.

If red flags are identified, clarifications are undertaken with the tenderer. If the desired outcomes are not satisfactory, recommendations are made not to proceed with the tender process with that entity.

With the exception of one tenderer, all tenderers self-assessed modern slavery risks in their supply chains as low in 2020. One tenderer did not complete the SAQ, which is a mandatory requirement for the tender process, therefore has been recommended not to progress further.

Compliance audits

Where our range of risk assessment processes and activities identify higher risks that require onsite inspections of the suppliers operating facilities or processes, we include these into our annual audit compliance scheduling.

Where relevant, the learnings from assessments and audits are applied across categories within our supply chains, so INPEX strengthens its efforts across its supplier base. Moving forward, INPEX plans to strengthen its practices in review, audit and compliance for both Tier 1 suppliers and lower tier and subcontracted relationships.



Addressing modern slavery risks, cont.

General conditions of contract

To ensure INPEX's commitment for respecting human rights is cascaded to its suppliers, the General Conditions of its contracts include human rights clauses, requiring compliance with all applicable laws relating to anti-slavery and human trafficking including the *Modern Slavery Act 2018 (Cth)* and the INPEX Group Human Rights Policy.

Suppliers are required to ensure that their own employees and suppliers adhere to our human rights, sustainability and business requirements.

Where direct services are involved, suppliers must establish and maintain satisfactory industrial relations practices and compliance with Australian labour law, including the requirement to develop and commit to a Human Resources and Industrial Relations Management Plan (HRIRMP).

As part of the tender evaluation process, assessment is made on the suppliers' employment engagement methods, requiring personnel to be employed under written employment contracts which are in accordance with applicable laws, such as meeting minimum pay rates under associated Award benchmarks. These agreements are reviewed as required by our Industrial Relations team and audits are routinely conducted on HRIRMPs.

Sodan Hotline

INPEX has a grievance mechanism to enable all personnel including supplier personnel to raise concerns or report unethical conduct. The Sodan Hotline (whistle-blower) system is in place for personnel to report through an independent party and remain anonymous. In 2020, the new INPEX Global Hotline was also established to strengthen its compliance and corporate ethics in three key areas:

- Bribery and corruption
- Violation of antitrust laws (competition laws)
- Accounting fraud

Similarly, we require our key suppliers to have a grievance process in place for their workforce and key issues raised by our supplier workforce are monitored through regular meetings with our suppliers to ensure they are addressed appropriately.

Non-operator survey

In 2020, INPEX conducted a survey with operators of non-operated interests to confirm their policies and processes in relation to human rights.

The survey confirmed that all operators of non-operated projects that INPEX Australian Entities are involved in, have key processes in place including training for their employees, grievance mechanisms and a due diligence process for potential suppliers.



Assessing the effectiveness of actions

Supplier engagement

Compliance with INPEX requirements is monitored through regular meetings and audits. Regular meetings with key suppliers include review of labour practices in line with approved HRIRMPs.

This includes review of suppliers engaged in countries such as India and the Philippines, countries with a moderate risk of modern slavery prevalence. Our direct suppliers in these locations predominantly work in the IT sector and are recognised large multi-national corporations. Whilst the COVID-19 pandemic has recently impacted the ability to conduct onsite visits in international locations, we have continued to engage with local management about their services and amenities, including their recruitment and workforce engagement practices.



Supplier audit

In 2020, INPEX conducted a review of a supplier performing fabrication works in Batam, Indonesia. The country has a moderate modern slavery prevalence risk and the construction is generally considered as a higher risk sector for modern slavery practices. The review was focused on checking compliance with the International Finance Corporation (IFC) Performance Standards 2 – Labour and Working Conditions, including child labour, forced labour, working conditions and grievance mechanism.

The review did not identify any non-compliance of the IFC Performance Standard 2 and it was determined that the supplier has the necessary systems, processes, plans and procedures in place to identify and eliminate any potential breaches within their direct/indirect workforce in their fabrication yard. The review recommended that findings are shared with INPEX from annual ethics audits on their subcontractors and labour suppliers to provide continued visibility and transparency moving forward.

Internal compliance structure

INPEX has established an internal working group to provide support for modern slavery related work including preparation of this Statement. The working group includes representatives from Corporate Affairs, Human Resources, Industrial Relations, Legal and Supply Chain teams to ensure key parts of the business are engaged with.

Awareness of our human rights commitments are raised internally through various communications including presentations at key meetings, intranet stories and posters.

Training

INPEX is committed to conducting business with the highest ethical standards and provides necessary training for its employees. Our mandatory training includes Equal Employment Opportunity (EEO) training, ABC training and Aboriginal Culture Awareness training.

All INPEX personnel are required to undertake EEO training every two years to build their knowledge of practices, behaviours, applicable laws and regulations governing proper business conduct and ability to demonstrate ethical behaviour in diverse workplaces.

A mandatory annual e-learning ABC training is provided to all INPEX personnel to ensure they understand requirements under INPEX ABC Standard. In addition, face-to-face ABC training is also delivered every two years for targeted groups who are working in areas of high-risk ABC.

Localised Aboriginal Cultural Awareness training is provided to all INPEX personnel to build knowledge of Aboriginal history in the region and cultural awareness in the workplace and local communities.

These training programs support in strengthening INPEX's socially responsible culture and building our personnel's abilities to demonstrate the culture.

Partnering with industry

INPEX is a member of an industry modern slavery working group which consists of several resource and private sector companies based in Australia. The working group meets regularly to share common risks and challenges in relation to modern slavery and discuss ideas of collaboration to mitigate and address modern slavery risk in our businesses, sharing best practice and creating collaborative opportunities to tackle modern slavery risks within the mining, energy and resources supply chains.

INPEX is also an active member of IPIECA, the global oil and gas industry association for environment and social issues, and participates in its Human Rights Working Group.





Joint statement consultation and approval

Consultation in relation to this Statement has occurred with INPEX CORPORATION, senior management of the INPEX Australian Entities and Ichthys LNG joint venture participants.

This Joint Statement is approved by the IOAPL Board of Directors and signed by Mr Hitoshi Okawa in his capacity as the Australian agent for INPEX Alpha Pty Ltd and Director and Chair of each of the other INPEX Australian Entities.



Hitoshi Okawa
President Director, Australia





INPEX Australia
Level 22, 100 St Georges Terrace
Perth, Western Australia 6000

T: +61 8 6213 6000
F: +61 8 6213 6455
E: enquiries@INPEX.com.au
W: INPEX.com.au

 @INPEXaustralia

 @INPEXau

 @INPEXaustralia

 @INPEXaustralia

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