MODERN SLAVERY STATEMENT FY21

1 ABOUT HORIZON

Horizon Oil Limited ACN 009 799 455 [Horizon] is an Australian ASX-listed public company [ASX code: HZN] with upstream petroleum operations in China and New Zealand. Horizon's corporate headquarters and registered office is in Sydney, Australia. Horizon has prepared this Modern Slavery Statement [Statement] in accordance with the Australian Modern Slavery Act 2018 [Act].

This Modern Slavery Statement demonstrates Horizon's commitment to making the right kind of impact and to minimise the risk of modern slavery in our operations and supply chain and, enhancing the communities in which we operate.

2 STRUCTURE, OPERATIONS AND SUPPLY CHAINS Reporting criteria 1 & 2

2.1 - Horizon's reporting entity and organisational structure

Horizon makes this Statement for the financial year ended 30 June 2021 [**FY21**].

This Statement covers all of Horizon's controlled entities, details of which are set out in Horizon's Annual Report 2021 (**Horizon Group**). Each entity within the Horizon Group is governed by Horizons' policies, procedures, and systems.

As at the end of FY21, the Horizon Group employed a total of 16 personnel, which has subsequently reduced to 12 as at the date of this statement, all based in Australia.

2.2 - Horizon's operations

For the reporting period, Horizon's operations comprised the exploration, development and production of oil and gas. Produced crude oil was sold to customers in Australia, New Zealand and China.

The Horizon Group's activities are primarily conducted through joint ventures governed by joint operating agreements and/or production sharing contracts. In addition to its corporate headquarters in Sydney, Australia, the Horizon Group's operations can be summarised as follows:

[a] China (Beibu) and New Zealand (Maari)

Horizon holds interests in producing offshore oil assets in China (**Beibu**) and New Zealand (**Maari**). Horizon's revenue is wholly generated from the production and sale of crude oil from Beibu and Maari. Crude oil from the Beibu operations is sold into the Chinese domestic market and crude oil from the Maari operations is sold into the domestic refinery market in New Zealand and Australia.

Horizon is a non-operating joint venture participant in Beibu and Maari and therefore delegates the day-to-day decisions in respect of the Beibu and Maari operations to the operator of these oil projects.

[b] Papua New Guinea

During the reporting period, Horizon held interests in exploration and pre-development natural gas assets in PNG. These interests were disposed of during FY21, with the transaction reaching completion on 2 December 2020. No exploration activity was undertaken in PNG during FY21 prior to 2 December 2020.

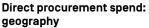
Horizon was both an operating and non-operating joint venture participant in PNG. In respect of its operated joint venture interests, Horizon was directly responsible for the day-to-day operational decision making during the reporting period up until the date of completion.

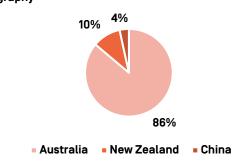
2.3 - Horizon's supply chain

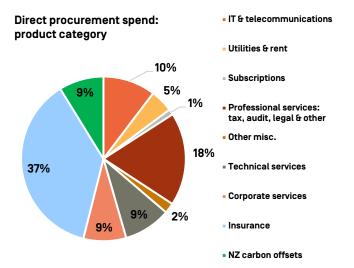
Horizon's supply chain involves primarily oil field engineering, fabrication and technical services, logistics, specialist consultancies, corporate services, and labour.

During FY21, Horizon had approximately 98 direct suppliers and approximately US\$6 million in direct procurement spend, which excludes taxes, joint venture and intercompany transfers and debt principal repayments. Nearly 86% of Horizon's direct procurement spend occurred in Australia. A geographical and product category break-up of Horizon's direct procurement spend is shown in the following charts.









In the case of Horizon's non-operated joint venture interests, Beibu and Maari, procurement processes are wholly managed by the relevant joint venture operator.

Horizon also has an indirect supply chain which includes, for example, cleaning services and provision of uniforms and electronic components within our oilfield processing equipment.

3 OPERATIONAL AND SUPPLY CHAIN RISKS Reporting criteria 3

Horizon continues to review its suppliers and supply chain to identify and assess any incidence of modern slavery. The scope of the review included Horizon's corporate head office and its operated and non-operated joint ventures. In assessing the risks of modern slavery practices potentially attributable to its operations and supply chain, Horizon referred to material published by the Walk Free Foundation, including the 2018 Global Slavery Index (**GSI**).

Potential risks of modern slavery practices were assessed according to the following indicators:

- **Geographic location** based on the estimated prevalence of modern slavery practices in that location;
- Industry sector certain industry sectors are deemed high risk in terms of modern slavery practices;
- Product or commodity certain products or commodities are deemed high risk in terms of modern slavery practices¹.

Based on this review, Horizon identified the following areas which may be at high risk of modern slavery practices:

• IT and telecommunications equipment - The oil and gas industry relies heavily on IT and telecommunication equipment in the conduct of its operations. Horizon's indirect supply chain associated with IT and telecommunications equipment may include electrical components sourced from countries considered to have a high prevalence of modern slavery.

During FY21, Horizon's direct spend in this category was ~US\$600k.

 Personnel protective equipment and uniforms – Horizon procures personal protective equipment and uniforms for use in its operations. Horizon's indirect supply chain associated with personal protective equipment and uniforms may include labour and materials sourced from countries considered to have a high prevalence of modern slavery.

During FY21, Horizon's direct spend in this category was <\$US5k.

Labour – Labour engaged in Horizon's operations in Beibu and Maari are residents of various countries who are engaged in work on a structured roster basis. As in the prior reporting period, the COVID-19 pandemic and the restrictions imposed on international travel, including mandatory quarantine requirements in China and New Zealand, may adversely affect the ability of rostered labour to travel easily between their work site

¹An analysis of the labour involved in the production of Horizon's goods and services was included as part of this indicator.



and their point of origin. This could result in unduly extended rostered time on duty and/or an inability to return home in a timely manner. Such situations, if not properly managed, could give rise to situations that increase the potential risk of modern slavery practices.

4 ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS Reporting criteria 4

Horizon's focus in FY21 was to strengthen its understanding of potential risk of modern slavery practices in its operations and supply chains and commit to actions that will improve its ability to identify and reduce those risks in future. Horizon has regular engagement with joint venture partners and operators on key risks and their management including human rights.

A number of activities were undertaken during FY21 as outlined below.

4.1 -Actions undertaken in FY21

During FY21 key activities undertaken by Horizon included:

- updated mapping and assessment of modern slavery risk for all aspects of its operations, supply chains and products against the 2018 GSI;
- developed and implemented a structured modern slavery consultation and awareness programme for Horizon personnel (to be undertaken annually);
- updating of internal risk registers to explicitly evaluate and assess risks of modern slavery within different jurisdictions;
- preparation and communication of the results of the modern slavery risk assessment to the Board;
- engaged external auditors to enquire and report systems and processes in place to identify and assess risk of modern slavery within one of the operator's supply chain; and

development of planned actions for FY22

4.2 - Actions planned for FY22

During FY22 Horizon plans to undertake the following key activities:

- continue to refine the pre-qualification process for operators, suppliers, and service providers to ensure that modern slavery risks are specifically addressed, and incorporate modern slavery clauses into new contracts;
- continue to work with our joint venture partners to expand our review of the risks in international operations and evaluate ways in which modern slavery risk management is specifically embedded into their operational systems; and
- ongoing awareness program for Horizon personnel.

5 EFFECTIVENESS ASSESSMENT Reporting criteria 5

As part of Horizon's risk management system, Horizon reviews risks of modern slavery every 6 months, reporting the results to the Risk Management Committee and the Board. The established controls and the effectiveness of the mitigating actions are assessed as part of the risk management process.

6 CONSULTATION WITH OWNED / CONTROLLED ENTITIES Reporting criteria 6

Horizon's controlled entities are listed in Horizon's Annual Report 2021. These controlled entities all operate under the direction and governance of Horizon. Horizon's Risk Management Committee will retain oversight of modern slavery risks as part of the risk management process. Horizon's management has also been involved in the compilation and endorsement of this statement for approval by the Board.

This statement was approved by the board of Horizon Oil Limited on 18 November 2021.

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Chris Hodge Managing Director and Chief Executive Officer

