



FY2022

**Modern Slavery
Statement**

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Our Commitment

Roc Oil Company Pty Limited (**ROC**) is committed to supporting and respecting the protection of internationally proclaimed human rights. We understand that modern slavery and human trafficking can occur in many forms and are committed to operating responsibly and ensuring we have robust standards and processes to minimise and address modern slavery risks.

At ROC we are dedicated to continuous improvement of our policies and procedures relating to the identification of modern slavery risk and we continue to review and improve our approaches to combating modern slavery within our operations and supply chain on an ongoing basis.

This Modern Slavery Statement covers the activities (operations and supply chain procurement) of the reporting entity, ROC, and ROC's controlled entities for the reporting period 1 January 2022 to 31 December 2022.

This Modern Slavery Statement outlines the steps ROC has taken, and will continue to take, to identify, address and mitigate these risks across its operations and controlled entities, especially in countries where modern slavery may be suspected.

This statement is approved by the Board of Roc Oil Company Pty Limited.



Lorne Krafchik
Chief Executive Officer

Introduction

This Modern Slavery Statement has been prepared in accordance with the *Australian Modern Slavery Act 2018* (the **Act**) and is aligned with the United Nations Guiding Principles on Business and Human Rights. The Modern Slavery Statement covers the activities (operations and supply chain procurement) of the reporting entity, ROC, and ROC's controlled entities for the reporting period 1 January 2022 to 31 December 2022.

Under the Act, the definition of modern slavery encompasses trafficking of persons, slavery and the slave-like practices of servitude, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.

ROC acknowledges its responsibility to respect human rights and continues to take steps to address modern slavery risks across its operations and supply chains. This Modern Slavery Statement outlines the steps ROC has taken, and will continue to take, to identify, address and mitigate these risks across its operations and controlled entities, especially in countries where modern slavery may be suspected.

Structure, Operations and Supply Chains (Criteria 1 & 2)

Organisational Structure

The reporting entity for this Modern Slavery Statement is ROC, a consolidated entity comprising of 15 wholly owned subsidiaries.

ROC is an independent upstream oil and gas company, 100% owned by Hainan Mining Co. Ltd (**Hainan Mining**), a Shanghai-listed public company principally engaged in iron ore exploration, mining, sales and international trade and mixing iron ore products. In early 2023, Hainan Mining acquired the remaining 49% of ROC from Fosun International Limited. The transaction is pending government approval. Hainan Mining is domiciled in the People's Republic of China.

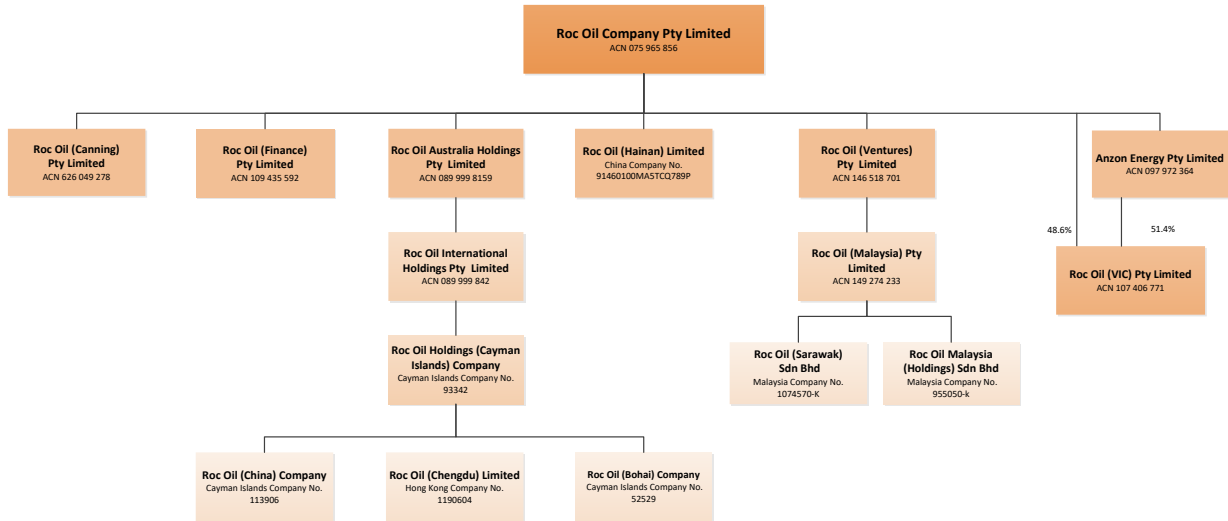
ROC operates out of its registered head office at Level 11, 20 Hunter Street Sydney, with regional offices in Beijing and Chengdu, China, and Kuala Lumpur, Malaysia. ROC's assets are owned by various separate controlled entities. In Malaysia, Roc Oil (Sarawak) Sdn Bhd is responsible for all Malaysia-based operations. Roc Oil (China) Company, Roc Oil (Bohai) Company and Roc Oil (Chengdu) Limited are responsible for ROC's China-based operations. All controlled entities operate under the direction and governance of ROC and share the same Board, Board committees, and executive management team.

Figure 1 provides an overview of the ROC group corporate structure. For more information on the ROC group's organisational structure and governance, please refer to the 2022 Annual Financial Report at <http://www.rocoil.com.au/Media-Centre/Financial-Reports/>.

ROC employed 130 people during 2022, comprising of 46 employees in Malaysia, 75 employees in China and 9 employees in Australia. Each regional office is responsible for hiring and training its workforce, guided by ROC company policies and procedures. The ROC Group structure is presented in Figure 1.

Figure 1 – ROC Group Structure

(as at 31 December 2022)



Corporate Governance

As the parent company, ROC’s Board of Directors is responsible for establishing and maintaining good corporate governance of the company and group. Our corporate governance processes provide the foundation for guiding our employees, partners, and suppliers on our commitment to respect human rights and engage in ethical decision-making.

Given the relatively small size of our Board, it oversees and monitors all of ROC’s compliance with regulatory requirements and our own ethical standards, including Audit and Risk, Nomination, Remuneration and Health, Safety and Environment issues.

Operations

ROC is experienced in exploration, development, and operation of both onshore and offshore oil and gas fields in China, Southeast Asia and Australia. ROC operates across the full range of upstream business activities from exploration and appraisal to development and oil and gas production.

ROC’s asset portfolio includes ownership interests in strategic oil and gas assets in Australia, China and Malaysia. Table 1 and Figure 2 summarise ROC’s interests and activities in several oil and gas fields, each of which can consist of several ‘blocks’, or exploration or production licence areas.

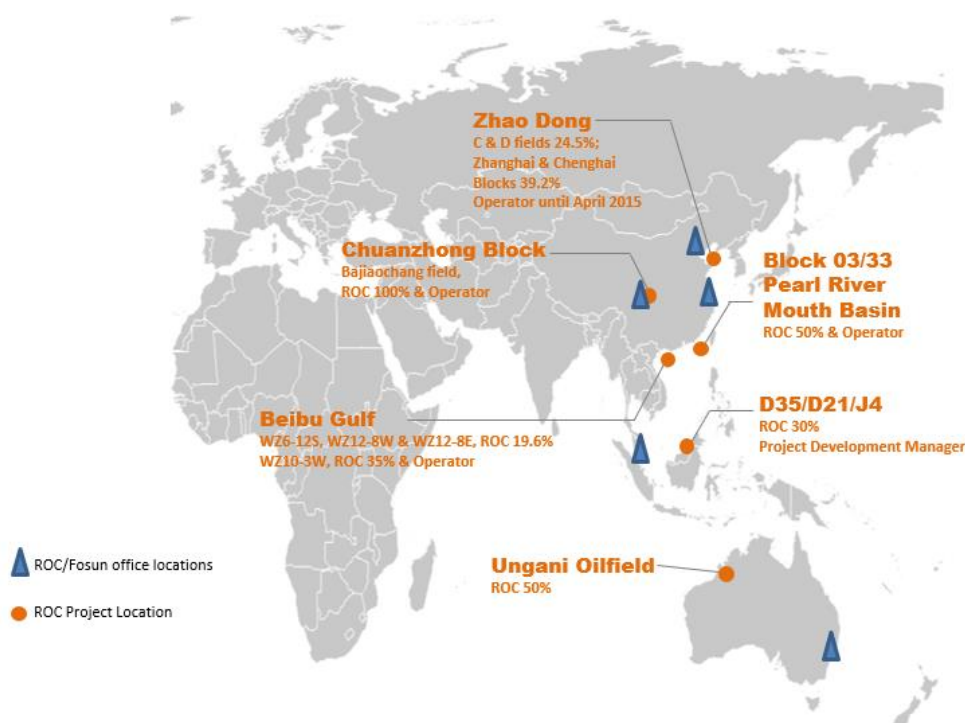
During the reporting period, ROC was both an operating and non-operating joint venture participant. In respect of our operated joint venture interest, ROC was directly responsible for the day-to-day operational decision making.

Table 1 – Summary of ROC’s Asset Portfolio

Country	Field/Block	Activities and Interest
Australia	Ungani Oilfield (L20 & L21)	Oil production. Non-operated working interest under a JV agreement (50%).
China	Beibu Gulf (WZ6-12 and WZ12-8W)	Oil and gas production. Non-operated working interest under a Production Sharing Contract and joint venture agreement (19.6%).
	Beibu Gulf (WZ12-8E)	Exploration and development. Operator, 40% for exploration and 19.6% after government back-in.
	Beibu Gulf (WZ10-3W)	Oil appraisal and development. Operator for appraisal (58%) and for development planning and execution (35%).
	Bohai Bay, Zhao Dong Block (C and D Fields)	Oil development and production. Non-operated working interest under a Production Sharing Contract (24.5%).
	Bohai Bay, Chenghai and Zhanghai Blocks	Oil exploration and appraisal/development. Non-operated working interest for exploration and appraisal, 80%; development and production, 39.2% (after government back-in).
	Pearl River Mouth Basin 03/33 – Contract Area A	Oil exploration and appraisal. Operator (50%).
	Pearl River Mouth Basin 03/33 – Contract Area B	Oil exploration and appraisal. Operator (50%).
	Sichuan Basin (Chuanzhong Block) - Bajiaochang (BJC) Gas Field	Gas production. Operator (100%)
Malaysia	D35/D21/J4	Oil and gas development and production. Non-operated working interest under a Production Sharing Contract (30%), Project Development Manager for redevelopment operations.

Figure 2 – ROC Asset Locations

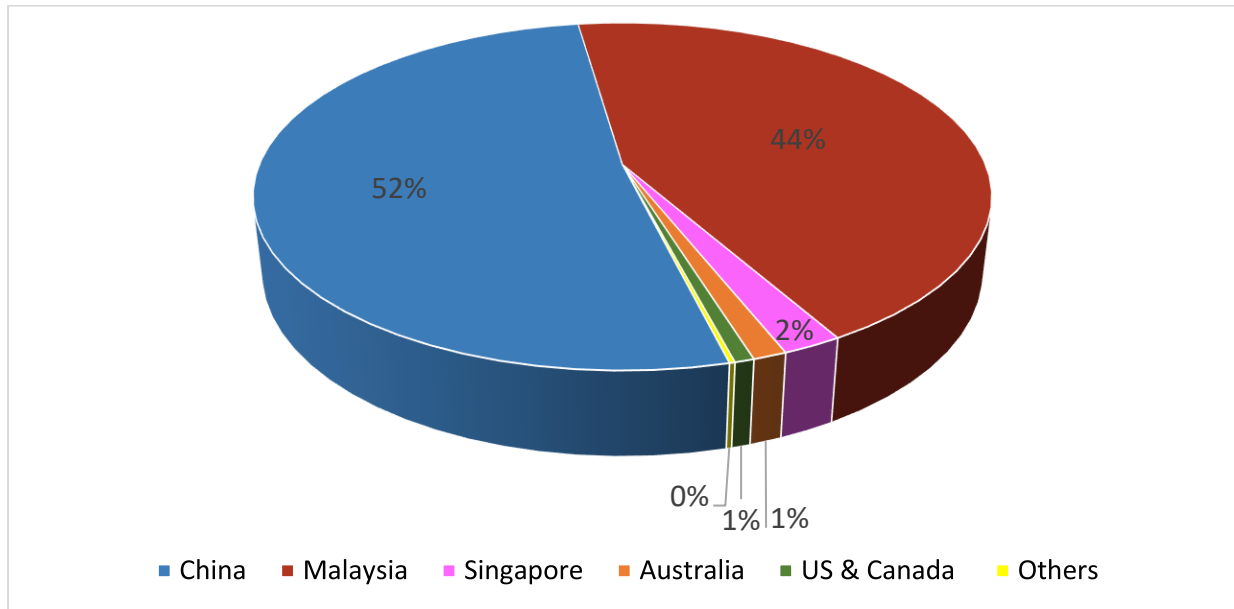
(as at 31 December 2022)



Supply Chain

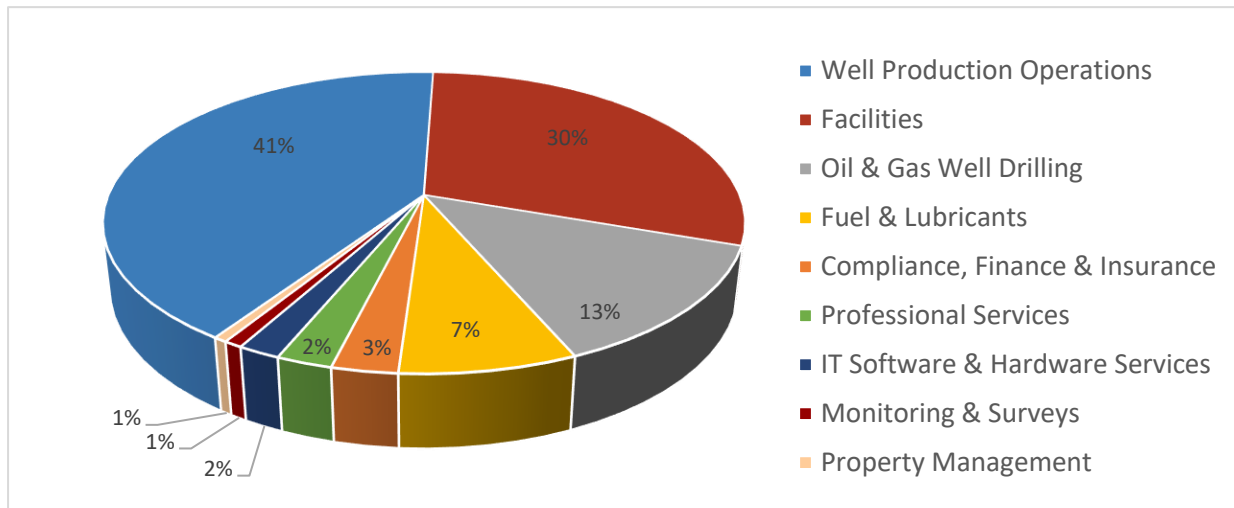
Procurement and supply chain management within the ROC group is a decentralised function and controlled at the regional level. During 2022, ROC spent AUD 205.2 million across 173 Tier 1 (direct) suppliers. Most Tier 1 suppliers are based in Malaysia and China, supporting our Southeast Asian and Chinese operations. Figure 3 shows the breakdown by supplier location.

Figure 3 – Spend by Supplier Location



Our direct supply chain costs consisted primarily of expenditure supporting our existing assets and development activities across our broader portfolio, including drilling, completions and well intervention, corporate services equipment, parts and consumables. Figure 4 shows the breakdown by spend category.

Figure 4 – Supply Chain Categories



Modern Slavery Risks (Criterion 3)

ROC is committed to being vigilant in its efforts to identify and address modern slavery within its business so that its purchasing decisions can have a positive impact to reduce prevalence of modern slavery.

During the reporting period, ROC updated its review and the following modern slavery risk factors were considered in undertaking the review:

- Geographic locations of ROC operations/workforce and supply of goods or services.
- Entity risk, considering the maturity of ROC's policies, procedures and training, and the systems of governance/oversight over controlled entities and suppliers.
- Workforce profile and conditions, considering the mechanisms for workforce engagement of ROC personnel (e.g., third-party labour contracting, migrant workers) and workforce skill levels.
- The types of products and services in the supply chain, some of which present a heightened risk of modern slavery.

Operations Review

ROC reviewed our workforce during the reporting period, considering location, method of employment (i.e., employee or contractor) and the nature of roles performed. Most ROC personnel are based in Beijing and Chengdu, China and in Kuala Lumpur, Malaysia. Most employees are employed in skilled roles in either a technical operational (i.e., engineering, geology etc) or corporate (i.e., legal, human resources, finance) role.

High-risk factors for modern slavery can include operating in areas with higher prevalence of vulnerable populations (e.g., migrant workers and base-skilled workers), and business models structured around high-risk work practices (e.g., third-party labour hire).

In reviewing our operations risk, few risk indicators for modern slavery have been identified, as our workforce comprises skilled labour employed directly by ROC entities and employees are covered by our group policies and procedures. Therefore, we consider there is minimal risk for our operations to directly cause modern slavery practices.

Supply Chain Review

The supply chain review was performed by identifying the largest supply categories (by spend) for Tier 1 goods and services across ROC operations and identifying potentially high-risk categories and associated risk factors. We acknowledge that modern slavery risks are present in many suppliers regardless of size.

We note that some sector-specific high-risk product and service categories as listed by some organisations, include cleaning, security, maintenance, asset management, labour hire, logistics/transport, IT hardware, and consumables/materials. We used public information to assess which product or service categories could contribute to, or be linked to incidences of modern slavery, and therefore be considered as potentially high-risk categories, which include:

- Marine transport
- Property management
- IT hardware
- Property maintenance and cleaning
- Waste management

- Contract labour
- Personal protective equipment (PPE)

During the reporting period, marine transport and property management together comprise 2% of the expenditure for the reporting year. The other potentially high-risk categories all represent less than 3% of the expenditure per category.

ROC's joint venture partners include national oil companies such as CNOOC, PetroChina and Petronas, all of whom have rules and regulations on tendering, contracting and material supply which take into consideration environmental and social risks in the supply chain, such as safety and health, labour rights, environmental protection and business ethics.

ROC acknowledges that some of our Tier 1 suppliers are based in geographic areas that may have risks of modern slavery.

Actions to Address Risks (Criterion 4)

ROC is committed to maintaining the ethical standards of the company in the conduct of its business activities. Our reputation as an ethical business is important to our ongoing success and we expect our directors, employees and contractors to be familiar with, and have a personal commitment to, meeting these standards.

ROC has policies and guidelines in place that are intended to promote ethical and legally compliant business conduct. Our policies and Code of Conduct guide our actions and support our commitment to prevent human rights violations including modern slavery from occurring in our business.

Furthermore, we maintain procurement procedures and standard employment contracts, applicable to controlled entities in China and Malaysia.

In 2022, the key additional actions taken to assess and address modern slavery risks included:

- engaged with operators of our joint ventures to better understand their vendor and supply chain process;
- continued engagement with industry peers and joint venture participants for our non-operated assets;
- commenced desktop reviews of Tier 2 suppliers;
- reviewing our suite of risk-related policies and governance control measures for appropriateness for mitigating the modern slavery risks identified in our business;
- reviewing our contracts and incorporating a modern slavery clause into new high-risk value contracts; and
- providing modern slavery and human rights training across key business units.

Future Actions

We are committed to the continuous improvement of our modern slavery program.

During the next reporting period we plan to:

- release further internal training on Modern Slavery and our Code of Conduct;
- consider ways to improve the response rate for our supplier Modern Slavery Questionnaire;

- analyse data to look for trends and systemic issues allowing us to identify and implement controls to enhance our reporting capability and thereby better manage modern slavery risk in our supply chain, including improved and more informed supplier selection;
- create opportunities to collaborate with others, including our suppliers, clients, and those active in the field of human rights; and
- continue to review and assess the effectiveness of our policies and procedures and guidelines in identifying and minimising modern slavery risks across our business and supply chains.

Effectiveness Assessment (Criterion 5)

ROC used our existing risk management framework to assess performance through measures such as supplier questionnaires, conducting reviews and audits, monitoring grievances, and controlled entity reporting against performance measures detailed in our future action plan.

Consultation with Owned or Controlled Entities (Criterion 6)

This statement covers all controlled entities under ROC's group structure. Controlled entities all operate under the direction and governance of ROC and share the same executive management. Consultation with regional offices regarding Tier 1 suppliers and associated spend during 2022 occurred to support the preparation of this statement.

References

UN. 2011. Guiding Principles on Business and Human Rights. United Nations Human Rights Office of the High Commissioner. New York. Geneva.