

PETRONAS Australia

Modern Slavery Statement

For the period: 1 January to 31 December 2023

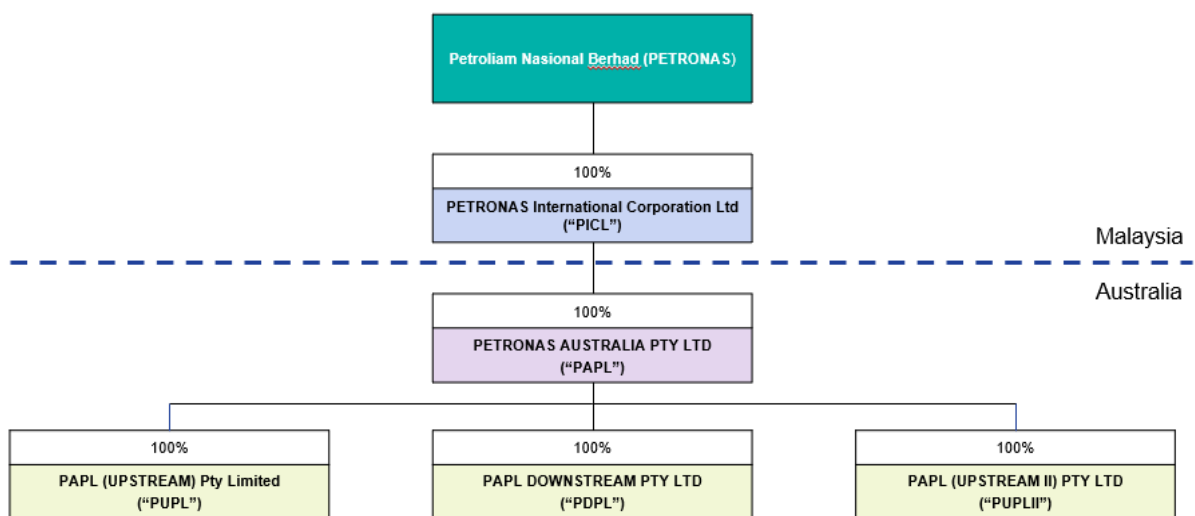
1.0 REPORTING ENTITIES¹

- 1.1 Petronas Australia Pty Ltd (ABN 25 064 998 867) jointly submits this Modern Slavery Statement (“**Statement**”) with its subsidiaries: PAPL (Upstream) Pty Limited (ABN 58 131 318 888), PAPL (Upstream II) Pty Limited (ABN 90 146 203 901) and PAPL (Downstream) Pty Limited (ABN 43 147 649 205), together, the “**Reporting Entities**”.
- 1.2 Pursuant to the *Modern Slavery Act 2018* (Cth), the Reporting Entities jointly submit this statement for the financial year ending 31 December 2023.

2.0 STRUCTURE & OPERATIONS²

Corporate Structure

- 2.1 Each of the Reporting Entities is a company limited by shares and incorporated and domiciled in Australia.
- 2.2 Petronas Australia Pty Limited (“**PAPL**”) is a wholly owned subsidiary of PETRONAS International Corporation Limited (“**PICL**”), a company incorporated in Malaysia under the *Malaysian Offshore Companies Act 1990*. The ultimate holding company is the Petroleum Nasional Berhad (“**PETRONAS**”), a Malaysian State-owned body corporate established under the *Malaysian Companies Act 1965*. PETRONAS is Malaysia’s national oil and gas company.
- 2.3 PAPL is the legal and beneficial holder of all shares in PAPL Downstream Pty Limited (“**PDPL**”), PAPL Upstream Pty Limited (“**PUPL**”) and PAPL (Upstream II) Pty Limited (“**PUPLII**”).
- 2.4 The corporate group structure of the Reporting Entities is set out visually below.



¹ *Modern Slavery Act 2018* (Cth), s 16(1)(a).

² *Ibid*, s 16(1)(b).

Operations

- 2.5 As at the date of this Statement, PAPL employs 36 personnel in human resources, legal, financial, technical, accounting, commercial and safety roles. A total of 13 employees are employed on a secondment basis from PETRONAS, and 23 are locally hired. The other Reporting Entities have no employees.
- 2.6 The Reporting Entities are partners in joint ventures that are operated by members of the Santos group of companies as part of the Gladstone Liquefied Natural Gas Project (**GLNG Project**). The GLNG Project was formed to extract coal seam gas (**CSG**) for processing into liquefied natural gas (**LNG**) to meet export demand.
- 2.7 The Reporting Entities hold interests in the GLNG Project in Australia, they do not operate or conduct any gas operations.

The GLNG Project

- 2.8 The GLNG Project in Queensland produces LNG for export to global markets from the LNG plant at Gladstone. Gas is also sold into the domestic market. The LNG plant has two LNG trains with a combined capacity of 8.6 mtpa. Production from Train 1 commenced in September 2015 and Train 2 in May 2016. Feed gas is sourced from GLNG's upstream fields, Santos portfolio gas and third parties.
- 2.9 The participating interests in the GLNG Joint Venture are as follows:
- a) Santos – 30%;
 - b) PAPL – 27.5%;
 - c) TotalEnergies – 27.5%; and
 - d) KOGAS – 15%.
- 2.10 The GLNG Project involves the development of coal seam gas fields in the Bowen and Surat Basins in Queensland and consists of downstream and upstream operations. The downstream and upstream operations are undertaken by various unincorporated joint ventures which the Reporting Entities have interests in.
- 2.11 The upstream joint ventures are operated by one of Santos CSG Pty Ltd, Santos TOGA Pty Ltd, Santos Ventures Pty Ltd and Bronco Energy Pty Ltd, all of which are part of the Santos group of companies. The Reporting Entities have interests in the upstream joint ventures forming the GLNG Project.
- 2.12 GLNG Operations Pty Ltd ("**GLNG OPL**") was established to operate and manage the downstream assets on behalf of the project participants including the Reporting Entities. PAPL has a 27.5% participating interest in GLNG OPL.
- 2.13 PAPL's portion of the LNG produced as part of the GLNG Project is delivered to Malaysia and is used as part of Malaysia's energy security source.

3.0 THE SUPPLY CHAINS AND RISKS OF MODERN SLAVERY PRACTICES³

- 3.1 PETRONAS recognises that its contractors contribute towards economic growth for the benefit of society. A supply chain that respects rights of workers while creating opportunities for development is consistent with the PETRONAS Human Rights Commitment and Contractors Code of Conduct on Human Rights ("**CoCHR**").

³ *Modern Slavery Act 2018* (Cth), s 16(1)(b) and (c).

- 3.2 As the Reporting Entities' business is limited to their investments in the GLNG Project, there is overlap with the supply chain of Santos in relation to the GLNG Project as its entities are the operators of the Upstream aspects of the GLNG Project. We refer to and acknowledge the Modern Slavery Statement submitted by Santos.
- 3.3 The contractors and suppliers solely engaged by the Reporting Entities outside of the GLNG Joint Venture fall mostly within professional services such as external law and accounting firms, consultants, payroll, travel agents, recruitment agencies, and insurers. As such, the prevalence and risk of modern slavery occurring in the supply chains of these vendors is low as they rely on a highly skilled professional workforce.
- 3.4 Outside of the professional services identified above, potential high-risk vendors in the Reporting Entities' supply chains include cleaners, hospitality and IT providers. These services used by the Reporting Entities represent a potential high-risk area given their reputation of employing a high proportion of blue-collar and temporary migrant workers who might be vulnerable due to not having the requisite Visa documentation to work in Australia and have a poor understanding of Australian workplace rights and laws which makes them more susceptible to being exploited by employers.
- 3.5 The cleaning company, IT service providers and hospitality providers used by the Reporting Entities completed the Know Your Customer Self-Declaration Questionnaire (**KYCQ**) in 2023. Searches were also conducted across the KYC6 external database. No red flags or high likelihoods of modern slavery within any of their supply chains were highlighted. More details surrounding the KYCQ and KYC6 searches are set out in paragraphs 4.12 to 4.17 below.

4.0 ACTIONS TAKEN TO ADDRESS RISKS OF MODERN SLAVERY PRACTICES⁴

- 4.1 Respecting human rights across PETRONAS' value chain, inclusive of employees, suppliers, contractors, partners and communities in which PETRONAS operates is very important to upholding its duty as a business enterprise. Human rights are the foundations of sustainable development and creating a positive social impact comes with proper management of social risks. Upholding human rights through fair and ethical practices is fundamental to PETRONAS' business.
- 4.2 The Reporting Entities, as part of the PETRONAS group of companies, comply with and implement each of the following in order to address the risks of modern slavery practices in their businesses:
- a) The PETRONAS Human Rights Policy (approved in November 2023 to replace the Human Rights Commitment);
 - b) The PETRONAS Contractors Code of Conduct on Human Rights ("**CoCHR**");
 - c) PETRONAS Human Rights Commitment (adopted in 2015 and replaced by the PETRONAS Human Rights Policy from November 2023);
 - d) PETRONAS' Code of Conduct and Business Ethics ("**CoBE**"); and
 - e) PETRONAS Anti-Bribery and Corruption Policy and Guideline ("**ABC Manual**").

Human Rights Policy

- 4.3 In November 2023, the PETRONAS Human Rights Policy (**HRP**) was approved by the PETRONAS Board of Directors.

⁴ *Modern Slavery Act 2018* (Cth), s 16(1)(d).

- 4.4 The HRP commits PETRONAS (including the Reporting Entities) to respect all internationally recognised human rights, as set out in the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, being guided by the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, complying with all applicable laws in the countries in which PETRONAS operates.
- 4.5 The HRP applies to every employee, director and officer of PETRONAS, including the Reporting Entities. Third parties that may perform works or services for or on behalf of PETRONAS are encouraged to adopt the HRP or similar principles and standards.
- 4.6 The HRP endorses the following five key principles:
- a) **Respect and acknowledgment of all internationally recognised human rights** including elimination of all forms of discrimination, modern slavery, child labour and human trafficking;
 - b) **Adoption of a risk-based approach to human rights due diligence:** risk-based due diligence is undertaken to identify, prevent, mitigate and address actual and potential adverse human rights impacts arising from activities performed across the organisation, in the supply chain, and resulting from business relationships;
 - c) **Access to effective grievance mechanisms and remedies:** access to a confidential, reasonably prompt, non-retaliatory and fair grievance mechanism for the PETRONAS group to report any adverse human rights impacts that we identify to have been caused or contributed to by the Reporting Entities;
 - d) **Appropriate governance for this policy and its processes groupwide:** the policy is intended to be embedded at all levels within the PETRONAS group; and
 - e) **Commitment to maintaining appropriate disclosure and reporting groupwide:** to ensure consistent reporting worldwide and with all relevant stakeholders.

Human Rights Commitment

- 4.7 The PETRONAS Human Rights Commitment is a statement that expresses PETRONAS' respect for internationally recognised human rights. It is based on the UN's Guiding Principles on Business and Human Rights. It applies to PETRONAS' own operations including the Reporting Entities, contractors, and any third party within its premises or performing work on its behalf. It requires PETRONAS to comply with its Code of Conduct and Business Ethics, policies and guidelines to demonstrate its respect for human rights and provide human rights awareness training to its employees and contract personnel.
- 4.8 The Human Rights Commitment was replaced by the HRP from the date of approval of the HRP in November 2023.

Contractors Code of Conduct on Human Rights

- 4.9 The CoCHR is a statement that expresses PETRONAS' respect for internationally recognised human rights. It is based on the UN's Guiding Principles on Business and Human Rights. The CoCHR establishes PETRONAS' expectations of contractors on human rights and serves as a guide for contractors that are performing work or services for or on behalf of the PETRONAS group of companies.

- 4.10 At a minimum, the CoCHR requires the Reporting Entities' contractors to adhere to the following principles which directly or indirectly relate to the management of the risk of modern slavery:
- a) **Freedom of labour:** By not engaging or employing people, under any circumstances, against their own free will or engaging in bonded labour/debt slavery.
 - b) **Prevention of child labour:** By not employing children below the legal minimum working age requirement of any country. Employees and contract personnel must be at least eighteen (18) years of age (unless otherwise determined by the local laws of the host country).
 - c) **Wages and benefits:** By complying with all applicable laws related to employee compensation, including minimum wage, overtime hours and legally mandated benefits.
 - d) **Working hours:** By complying with local laws of the host country or agreements regarding working hours, overtime hours, and work during holidays.
 - e) **Establishment of grievance mechanisms:** Provide a means of grievance reporting and appropriate follow-up measures while ensuring that the identity of the complainant is protected.
 - f) **Non-discrimination:** By respecting diversity in the workplace and not engaging in any form of unlawful discrimination based on gender, race, ethnicity, skin colour, religion, nationality, sexual orientation, age, marital status, pregnancy, political affiliation, or disability in hiring and employment practices
 - g) **Humane treatment:** By respecting employee's rights and ensuring no harsh and inhumane treatment, including any form of mental or physical coercion, or verbal abuse of employees.
 - h) **Foreign or migrant workers:** Where if foreign or migrant employees are engaged, they are to be employed in full compliance with the labour and immigration laws of the host country. Prior to hiring, the basic terms of employment must be provided to employees in their native language or language in which they understand. Passports and other forms of personal identification must remain in the employee's possession at all times and are never to be withheld by Contractor or any third party in full compliance with the labour and immigration laws of the host country.
- 4.11 These principles apply to all PETRONAS contractors, subcontractors, consultants, suppliers, agents, representatives and others performing work or services for or on behalf of PETRONAS group of companies. The PETRONAS group companies include questions regarding contractors', suppliers' and vendors' human rights policies including whether the company provides training in respect of human rights to its employees and the existence of grievance mechanisms within the organisation in detailed KYCQs.

KYCQ and KYC6 Due Diligence

- 4.12 The KYCQ and KYC6 online screening system are part of the main control activities under the Third Party Risk Management (**TPRM**) program in PETRONAS which seeks to instil business discipline of having a robust due diligence process in order to safeguard PETRONAS Group from any corporate liability that can be attributed to PETRONAS arising from the misconduct of any third parties.

- 4.13 The KYCQ is a questionnaire that prospective vendors, consultants, suppliers, agents, distributors, joint venture parties, contractors and subcontractors must complete which contains queries in respect of five critical legal areas including human rights and modern slavery practices.
- 4.14 The KYC6 online screening system is used to screen potential counterparties against a centralised, independent database managed by Acuris Risk Intelligence for sanctions, adverse media coverage, law enforcement data, corporate registry data and politically exposed person data.
- 4.15 In 2023, each of the Reporting Entities' vendors were issued with the KYCQ and were required to complete and return the questionnaire in order for the Reporting Entities to continue doing business with them. KYC6 searches were also conducted for any high-risk entities. The Reporting Entities considered the answers provided in the KYCQs and the search results obtained from the KYC6 searches and assessed whether, among other things, the human rights procedures applied by the vendors were adequate and, if not, what measures could be put in place to mitigate or remove any potential areas of concern.
- 4.16 In 2023, no instances of modern slavery within the supply chains based on the information provided were identified.
- 4.17 All future vendors, consultants, suppliers, agents, distributors, joint venture parties, contractors and subcontractors are required to complete the KYCQs for assessment by the Reporting Entities prior to engaging in any new business.

CoBE

- 4.18 Benchmarked against international standards, the CoBE was launched for groupwide implementation in April 2012. The CoBE emphasises and advances PETRONAS' shared values of loyalty, professionalism, integrity and cohesiveness that are critical to the success and well-being of the PETRONAS group.
- 4.19 The CoBE applies to every individual working for or on behalf of the entire PETRONAS Group. It underpins the mission, vision and values of the Reporting Entities and requires all employees to commit to the highest standards of integrity and professionalism, mandating that business affairs are undertaken in an ethical, non-discriminatory and transparent manner.
- 4.20 Contractors, subcontractors, consultants, agents, representatives and others performing work or services on the Reporting Entities' behalf are also required to comply with the relevant parts of the CoBE. The CoBE contains detailed policy statements on the standards of behaviour and ethical conduct expected of each individual to whom the CoBE applies.
- 4.21 In 2022, the PETRONAS CoBE, which is adopted and followed by the Reporting Entities, was updated to include a human rights section under Part III: Workplace, Culture, and Environment. The update addresses occurrences of modern slavery and mandates all employees, contractors, partners and those involved in the Reporting Entities' operations to uphold the principles of respect for human rights and take measures to mitigate social and human rights risks, prohibit child labour, engage in or support human trafficking or modern slavery, including forced, bonded, or involuntary labour.

Mandatory Training

- 4.22 A mandatory training program titled Human Rights Management in PETRONAS exists and must be completed by all staff employed by PAPL. The training incorporates training related to the management of the risk of modern slavery and forced labour practices within PETRONAS and its supply chains.

WhistleNOW – PETRONAS Whistleblowing Platform

- 4.23 All staff within PETRONAS have access to the WhistleNOW Whistleblowing Platform which provides a secure and confidential avenue to report any concerns related to corruption or ethical misconduct including suspected instances of modern slavery.

5.0 ASSESSMENT OF THE EFFECTIVENESS OF ACTIONS TO ADDRESS RISKS⁵

- 5.1 As identified above, there are many policies in place to address and attempt to mitigate the risks of modern slavery occurring in the Reporting Entities' supply chains. The Reporting Entities will continuously review the above policies to determine whether any improvements can be made to assist with the detection and prevention of modern slavery and human trafficking in their business and supply chains.
- 5.2 The Reporting Entities will continue to ensure that all staff complete the mandatory training titled Human Rights Management in PETRONAS. Consideration will also be given as to when and how the training should be updated, the frequency of the training and whether targeted training should be provided to the staff of the Reporting Entities focusing on modern slavery in Australia and the risks of modern slavery in the Reporting Entities' supply chains, the available whistleblowing avenues and the importance of ensuring the KYCQ are completed by all vendors.
- 5.3 The due-diligence processes in place, including the KYCQ and KYC6 searches, are effective tools to identify any potential risks of modern slavery in the Reporting Entities' supply chains. The KYCQs with specified questions regarding risks of modern slavery in supply chains will continue to be issued to all new vendors and assessed by the Reporting Entities prior to conducting business. Consideration as to the regularity of the re-issuance of the KYCQs to and completion of additional KYC6 searches for existing vendors will be given as there is a risk that the information already provided will become outdated.
- 5.4 The Reporting Entities will also review and consider the Modern Slavery Statements of Santos as the Operator of the upstream aspects of the GLNG Project as well as any relevant vendors to monitor and assess any further risks of modern slavery in the Reporting Entities' supply chains.
- 5.5 As the current training offered to staff focuses on a broad range of human rights topics, the Reporting Entities will aim to arrange for an experienced third-party to deliver more targeted training to all staff in the upcoming financial year focusing on the risks of modern slavery in Australia and within the energy industry.

⁵ *Modern Slavery Act 2018* (Cth), s 16(1)(e).

6.0 CONSULTATION PROCESS WITH OTHER ENTITIES⁶

- 6.1 Consultation regarding the Modern Slavery reporting requirements has taken place at the board level for each of the Reporting Entities.
- 6.2 In the preparation of this Modern Slavery Statement, the 2022 Santos Modern Slavery statement has been reviewed and considered in light of Santos' position as the Operator of the upstream entities forming the GLNG Project.

7.0 BOARD APPROVAL

- 7.1 This Modern Slavery Statement has been approved by the Boards of Directors (principal governing bodies) of each of the Reporting Entities. The board of Petronas Australia Pty Limited approved this statement on 30 May 2024. The boards of PAPL Downstream Pty Limited, PAPL Upstream Pty Limited and PAPL (Upstream II) Pty Limited approved this statement on 6 June 2024.



Shariman Daud

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Petronas Australia Pty Limited



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⁶ *Modern Slavery Act 2018* (Cth), s 16(1)(f).

MODERN SLAVERY STATEMENT ANNEXURE

<u>Mandatory criteria</u>	<u>Page numbers</u>
a) Identify the reporting entities	1
b) Describe the reporting entities' structure, operations and supply chains	1 – 3
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	2 – 3
d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	3 – 7
e) Describe how the reporting entity assesses the effectiveness of these actions	7
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls	8