



CNOOC UK LIMITED
Prospect House 97 Oxford Road
Uxbridge UB8 1LU United Kingdom
T +44 (0) 1895 237700 F +44 (0) 1895 555001
www.intl.cnooltd.com
Email firstname.lastname@intl.cnooltd.com

Section 54 – Slavery and Human Trafficking Statement

Integrity is a core CNOOC value and it is a defining characteristic of how we work. Fostering ethical, responsible and safety-orientated behaviours everywhere we work means we achieve better results and build loyalty and trust with all of our stakeholders.

Key to our culture of integrity is our commitment to the requirements of the Modern Slavery Act 2015 (the “Act”) and taking all reasonable steps to ensure that slavery and human trafficking is not taking place in any of our supply chains or in any part of our business. Effective human rights due diligence and supply chain management are extremely important to us. References to “us” and “we” in this statement refer to CNOOC UK Limited on behalf of itself and all of its subsidiaries in the UK including CNOOC Petroleum Europe Limited (“CPEL”). As CNOOC’s primary contracting entity for its operations in the UK, we recognise that the requirements of the Act are especially relevant to the supply chain of CPEL.

Since 2015, we have introduced numerous measures to address the new regime and we also continue to consult with external legal advisors in this area. A Modern Slavery Act Refresher training will take place in 2019 for all staff and contractors involved in contract procurement, aimed at reinforcing the need for due diligence in this area as part of contract review and placing process.

Risk assessment and due diligence was carried out in relation to our existing supply chain contracts to identify those territories and areas of procurement which might represent a higher risk to our business. We then issued correspondence to each relevant supplier notifying them of the requirements of the Act and requesting details of the measures they have taken to comply with the Act.

To manage these risks going forward, we have also updated our supply chain standard contract templates with a new clause to ensure that there is a firm contractual obligation on our counterparties to comply with the Act. Our tender documentation also includes a supplier questionnaire to assist with our due diligence and risk evaluation. When reviewing tenders from high-risk suppliers, we only consider awarding contracts to the technically acceptable bidders. This process ensures that only suppliers who are technically capable of meeting and do meet our work policies and standards are able to proceed to the commercial evaluation stage in our tendering process. Our Support for Signature contract approval process allows various stakeholders within the business to review supply chain contracts, and ensures that all contracts incorporate required standards and give effect to the Act.

We are a member of the International Petroleum Industry Environmental Conservation Association (“IPIECA”), the global oil and gas industry association for environmental and social issues. IPIECA has engaged with very experienced risk management supply chain

consultants Verisk Maplecroft and a selection of operators and suppliers to develop a comprehensive Modern Slavery supplier questionnaire which we in turn considered to develop our own more focussed questionnaire to supplement our existing supplier qualification processes. Current supplier qualification processes include the use of Achilles First Point Assessment (“FPAL”) which qualifies, evaluates and monitors suppliers on behalf of the UK oil and gas industry. FPAL has recently updated its supplier registration process to assist us in our compliance with the requirements of Section 54 the Act.

Our suppliers are partners in our business success and as such, it is important they have the same commitment to ethics, integrity and sustainable business practices as we do. We will not work with suppliers who do not demonstrate a commitment to the requirements of the Act. In order to ensure alignment, we are committed to providing our current and prospective suppliers with the appropriate resources and tools to enable them to work ethically, responsibly and safely. These tools include our Supplier Policies comprising, among other policies, our GBL-STD-0082 Standard for Human Rights and our supplier code of conduct, How We Work: Our Integrity Guide for Suppliers, all available on our website. These set expectations of how we do business within the supply chain, reinforcing adherence to our corporate values and company policies. Our Integrity Guide expressly sets out our expectation that our suppliers conduct their operations in a responsible manner, respecting the rights of the individuals they employ. This includes following appropriate hiring practices, adhering to applicable labour laws and ensuring that all employees are treated with dignity, respect and fairness. We expect our suppliers to support and respect human rights and avoid complicity in human rights abuses. The Integrity Guide cross references our GBL-STD-0082 Standard for Human Rights and there is an express contractual undertaking in all our contracts for suppliers to comply with it. We report on our GBL-STD-0082 Standard for Human Rights in our Sustainability Reports.

We also monitor the impact of our operations in the communities where we work. To reinforce our commitment in this area, we support the United Nations Universal Declaration of Human Rights within our own GBL-STD-0082 Standard for Human Rights and we encourage our employees to speak up if they see behaviour that violates human rights through implementation of our Speaking Up Standard (A163). We engage openly and honestly in the communities where we operate respecting universal human rights and the rights of aboriginal and indigenous people. We communicate our commitment to social responsibility through candid, timely and public disclosure of our Health, Safety, Environment and Social Responsibility Statements, which form part of Supplier Policies.



Ray Riddoch

Managing Director, UK and Sr. VP Europe and Africa

For and on behalf of CNOOC UK Limited, and as approved by board resolution of CNOOC UK Limited, CNOOC Petroleum Europe Limited, CNOOC Petroleum Farragon U.K. Limited and CNOOC Etrick U.K. Limited.

Date: 15 May 2019