



**INPEX**

INPEX Australia

# ***Modern Slavery Statement 2021***

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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 George’s Terrace, Perth, Western Australia, 6000. IOAPL makes this consolidated 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”)<sup>1</sup>.

<sup>1</sup>The Statement is the second Modern Slavery Statement made under the *Modern Slavery Act (Australia) 2018 (Cth)* and for the reporting period 1 January 2021 to 31 December 2021. 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 INPEX CORPORATION’s Modern Slavery Statement published annually pursuant to the *UK Modern Slavery Act 2015*.



## ***President Director's message***

I am pleased to share INPEX Australia's second Modern Slavery Statement.

As a socially responsible company, we are deeply committed to sustainably meeting the world's growing demand for clean and affordable energy.

This means we always strive to develop, produce and deliver energy in alignment with the Sustainable Development Goals, with social and economic benefits flowing to the communities in which we operate.

We recognise human rights are an essential ingredient in protecting the dignity of individuals.

Effectively addressing modern slavery risks across global supply chains is complex, however we are committed to continuously improving our approach to preventing human rights violations throughout our operations and supply chain.

Despite the continued uncertainties brought about by COVID-19 for our business, suppliers and communities alike, in 2021 we focused on further consolidating our understanding of modern slavery risks across our company's global footprint. Importantly, this enhanced understanding is supporting our approach to modern slavery risk management activities in 2022 and beyond.

In working together across our global operations and extended supply chain ecosystem, we can make a tangible difference in delivering sustainable energy development.

A handwritten signature in black ink, appearing to read 'Hitoshi Okawa', written in a cursive style.

***Hitoshi Okawa***  
*President Director, Australia*  
*June 2022*

# About INPEX

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

Our company is involved in energy projects across multiple continents, including Ichthys LNG in Australia as Operator.

As a socially responsible energy company, INPEX is focused on developing, producing and delivering energy in a sustainable way – and our business activities are guided by our commitment to comprehensive environment, social and governance frameworks.

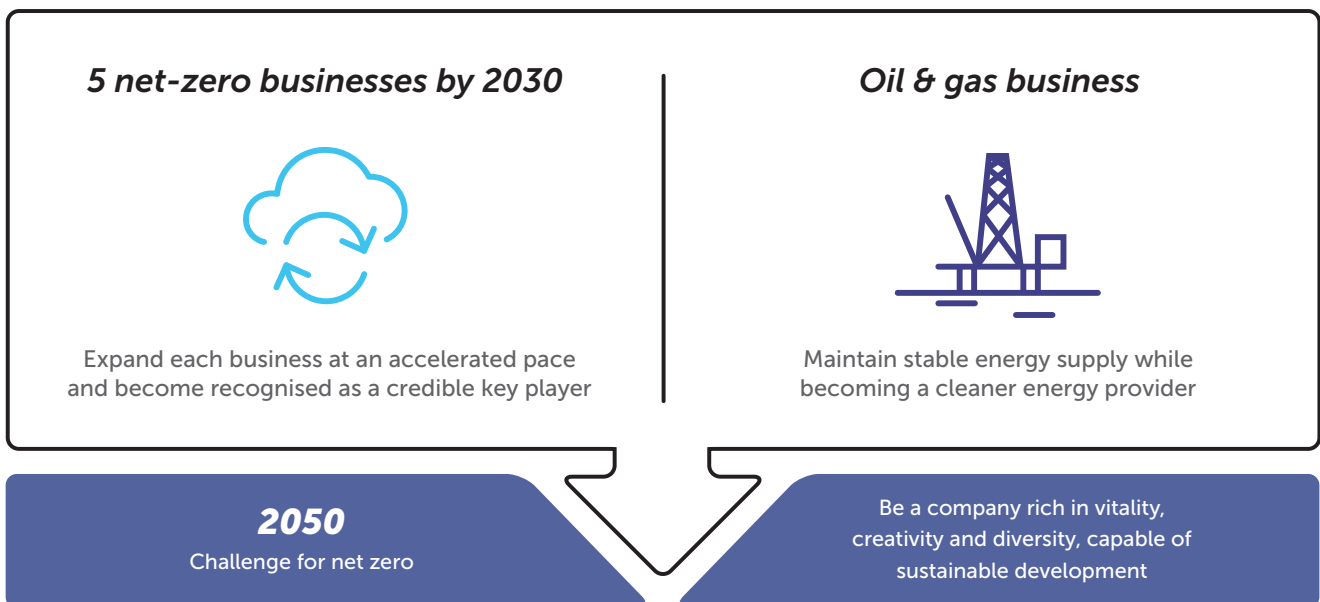
We are deeply committed to sustainably meeting the world's growing demand for clean and affordable energy.

We plan to invest in five net-zero businesses globally by 2030 towards the realisation of a net-zero carbon society by 2050.

By making our energy business cleaner, we aim to provide a stable supply of diverse and clean energy sources, with a focus on hydrogen/ammonia, carbon capture and storage, renewable energy, carbon recycling and forest conservation.

## INPEX Vision@2022

[INPEX Vision@2022](#) outlines INPEX CORPORATION's long-term strategy and medium-term business plan, mapping out our approach to delivering sustainable energy solutions, as we actively target achieving net-zero carbon emissions by 2050. Vision@2022 builds on our [Business Development Strategy – Toward a Net Zero Carbon Society by 2050](#). Australia has been identified as one of our five core business areas along with Europe, Abu Dhabi, South East Asia and Japan.



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



## **INPEX VALUES**

Safety  
Integrity  
DIVERSITY  
Ingenuity  
Collaboration

### **INPEX values**

Our INPEX values form the foundation of our diverse culture, guiding our actions and our relationships with one another, our customers, and the communities in which we work. They form the basis for how we work together, on every INPEX site, around the world.

### **INPEX in Australia**

Our company has been an active member of the Australian business community since 1986.

Through the INPEX-operated Ichthys LNG energy development, we are proudly contributing to positive outcomes in Australia – via jobs, training and social and economic benefits.

Our corporate offices in Perth and Darwin support our field-based production teams off the Kimberley Coast of Western Australia and onshore near Darwin, Northern Territory.

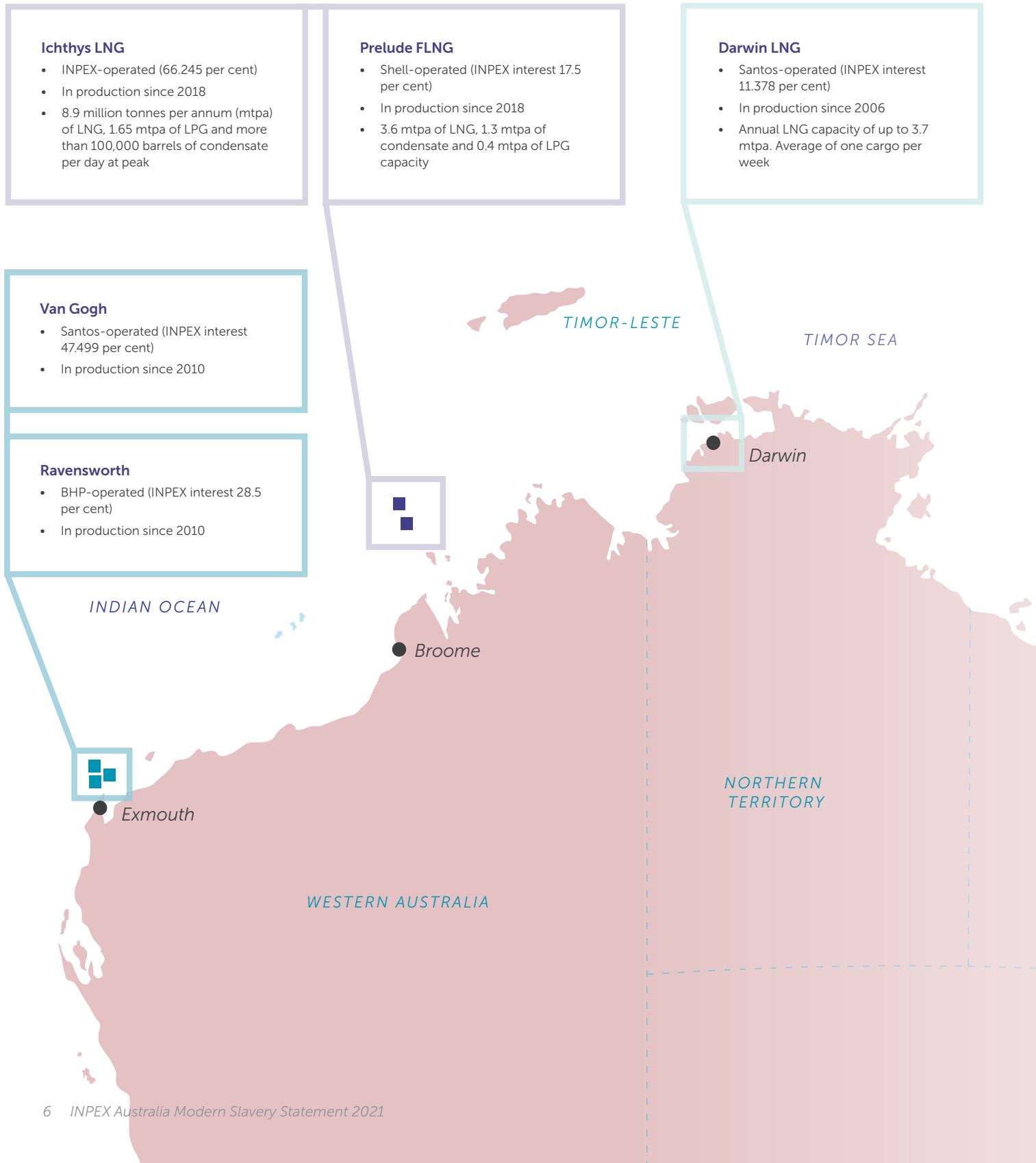
Ichthys LNG has enabled us to build a strong foundation here in Australia – a business of highly skilled and capable people from which to expand into our future energy capabilities.

The recently formed INPEX New Energy Business Australia (NEBA) has been established to pursue low carbon energy opportunities in Australia and support INPEX's commitment to a net-zero carbon future.

In addition to Ichthys LNG, our Australian energy portfolio includes participating interests in Prelude FLNG, Darwin LNG, Van Gogh and Ravensworth.

More information about INPEX's Australian projects is available at: [www.inpex.com.au/projects](http://www.inpex.com.au/projects)

# INPEX activities in Australia



## **INPEX companies in Australia**

INPEX CORPORATION has seven Australian-based entities and five branches of Japanese companies in Australia. These companies are governed in accordance with the corporations laws of Australia and Japan and are 100 per cent owned and controlled by INPEX.

In 2021, INPEX held a 66.245 per cent share in Ichthys LNG Pty Ltd, which is an incorporated joint venture company. Please refer to Table 1 for an overview of our INPEX Australian Entities.

INPEX Operations Australia Pty Ltd (IOAPL) is the operator of all INPEX Australian assets and is the service provider to all non-operated assets and corporate functions in Australia. IOAPL is also the entity overseeing INPEX's contracting and procurement in Australia, other than labour contracts with INPEX employees.

INPEX Australia Pty Ltd (IAPL) is the entity responsible for employing personnel for our Australian-based businesses, excluding secondees and non-Australian nationals employed by INPEX CORPORATION.

Our other INPEX Australian Entities do not manage operations and/or supply chains nor engage personnel. Accordingly, for the purpose of this Statement, we have focused on the business activities of IOAPL and IAPL in assessing and addressing modern slavery risks.

**Table 1. INPEX Australian Entities**

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INPEX Australia Pty Ltd (IAPL) (100% owned by INPEX CORPORATION) registered in Australia. Employer company. ABN: 79 134 715 254. Registered Office: Level 22, 100 St Georges Terrace, Perth WA 6000, Australia.

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INPEX Operations Australia Pty Ltd (IOAPL) which is the Australian registered operating company. ABN: 48 150 217 262. Registered Office: Level 22, 100 St Georges Terrace, Perth WA 6000, Australia.

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INPEX Holdings Australia Pty Ltd (IHAPL), holding company registered in Australia (wholly owns the operator company IOAPL and IIPL). ARBN: 61 150 217 315. Registered Office: Level 22, 100 St Georges Terrace, Perth WA 6000, Australia.

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INPEX Ichthys Pty Ltd (IIPL) holds upstream assets in the Ichthys LNG energy development. ABN: 46 150 217 253. Registered Office: Level 22, 100 St Georges Terrace, Perth WA 6000, Australia.

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Ichthys LNG PL (ILNG PL) is an incorporated joint venture company, which processes the feed gas. ABN: 42 150 217 299 Registered Office: Level 22, 100 St Georges Terrace, Perth WA 6000, Australia.

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INPEX Oil and Gas Australia Pty Ltd (IOGA) is 100% owned by INPEX CORPORATION registered in Australia. Participating interest in Prelude Gas Field and others in Australia. ABN: 37 155 960 151. Registered Office: Level 22, 100 St Georges Terrace, Perth WA 6000, Australia.

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INPEX Alpha Ltd (100% owned by INPEX CORPORATION) registered in Japan with an Australian branch. Holds non-operated interest in the Van Gogh/Coniston, Ravensworth, Griffin oil fields. ARBN: 34 003 730 756. Registered Office: Level 22, 100 St Georges Terrace, Perth WA 6000, Australia.

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# Our approach to human rights

**INPEX is committed to contributing to the United Nations Sustainable Development Goals through its business activities and we work within international frameworks to strengthen the social and economic benefits of our operations.**

Our respect of human rights is underpinned by the [INPEX Group Human Rights Policy](#).

This policy is adhering to the *UN Guiding Principles on Business and Human Rights* and affirms our commitment to respecting human rights and mitigating 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 our Sustainability Principles, Business Principles and the Business Code of Conduct. Our Code of Conduct outlines the following expectations for all employees concerning human rights:

- We recognise human rights are important rights that derive from the dignity of individuals, and we respect the human rights of individuals in relevant countries.
- We respect international human rights codes, and we pay attention not to be involved in any act that may infringe human rights.
- We do not discriminate based on factors such as race, skin colour, gender, sexual orientation, gender identity, age, creed, religion, birth, nationality, disabilities, or educational background.
- We do not force employees to work against their will, and we do not cause children to work.





Compliance, including respecting human rights, is among six material issues we have identified as being important to our organisation and our stakeholders. Strengthening our global human rights management structure is one of our key priorities and we report our progress on a yearly basis through our annual INPEX Sustainability Report.

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

For Ichthys LNG, activities are undertaken related to labour, community and Indigenous People complying with the International Finance Corporation's Environmental and Social Performance Standards. Compliance with these performance standards is monitored through regular reporting and audits. This includes compliance with Performance Standard 2 – Labour and Working Conditions, which covers child labour, forced labour, working conditions and grievance mechanisms.

INPEX's approach to modern slavery sits within our broader approach to human rights.







## ***Our operations***

INPEX's operations in Australia are predominantly focused on the exploration, development and production of energy resources.

We ensure compliance with Australia's laws in relation to respecting the rights and freedoms of individuals, and our internal policies and standards reflect this approach.

Approximately 1,200 people are directly employed by IAPL, with written employment contracts underpinned by clear and accessible human resource 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.

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

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

# Our supply chain

Understanding INPEX's supply chain is a key step in enabling us to effectively identify and mitigate potential modern slavery risks across our business activities.

In 2021 we engaged with more than 1,200 direct suppliers with a total spend over A\$ 1.6 billion. Of this, we sourced goods and services from a total of 34 countries, with Australia, Japan, Singapore, Italy, Great Britain, the United States and India accounting for over 97 per cent of our total global spend.

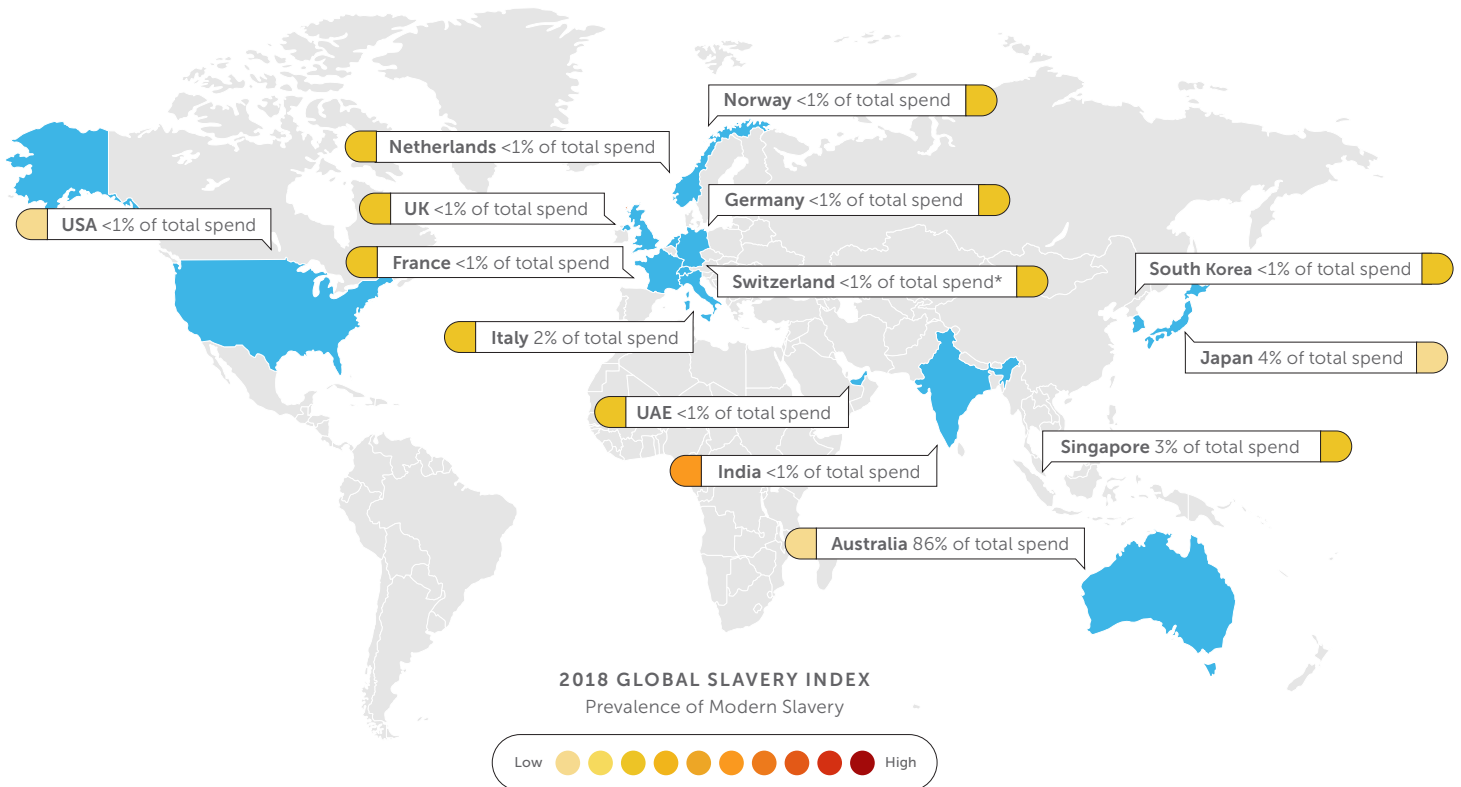
Analysis in 2021 indicated our supply chain is predominantly made up of the following major high-spend categories of goods and services:

- bulk chemicals and consumables
- contract and temporary labour
- corporate and professional services
- engineering and capital project construction services
- exploration, drilling and well completions
- industrial services
- logistics
- parts and equipment
- technology and services

The map below illustrates INPEX's spend profile by region relative to modern slavery prevalence. It outlines percentage of annual spend by country from which INPEX sourced goods and services in 2021, and the prevalence of modern slavery occurring in those countries as per the 2018 Global Slavery Index. The majority of our 2021 spend was in Australia (86 per cent), as well as other low risk countries.

This analysis will assist INPEX in developing and implementing our risk assessment framework and related assurance activities in accordance with geographical risks of modern slavery prevalence.

## Spend by geographical location in 2021





# Modern slavery risks

In 2021, our focus was on consolidating our understanding of our supply chain and operations, regarding potential modern slavery risk.

## Assessing modern slavery risks

### Supplier modern slavery risk management

An important way we manage potential risk of modern slavery arising in our global INPEX supply chain is through contracting and vendor due diligence processes, which we are continuously seeking to improve.

We conduct a range of supplier due diligence assessments at various stages of our sourcing and procurement processes.

### Modern Slavery Self-Assessment Questionnaire

All of INPEX's tenderers are required to complete a Modern Slavery Self-Assessment Questionnaire (SAQ), which consists of a common set of questions developed collaboratively in 2019 with industry peers to promote supplier response efficiency. The SAQ forms part of INPEX's Invitation to Tender (ITT) process. The SAQ asks each tenderer to advise on internal modern slavery risk controls and self-report their modern slavery process elements and gaps to INPEX.

To ensure tenderers' understanding of the SAQ requirements, the SAQ is issued alongside the following documents:

- Understanding Modern Slavery fact sheet
- Modern Slavery SAQ Frequently Asked Questions

If any concerns or deficiencies are identified, we undertake clarifications with the tenderer. If the desired outcomes are not satisfactory and subject to the concerns, discussions are held with tenderer on an improvement plan or where high-risk concerns are identified, recommendations are made not to proceed with the tenderer.

### Anti-bribery and anti-corruption screening

As part of our tender process, INPEX Australia's suppliers are required to complete an anti-bribery and anti-corruption (ABC) questionnaire. Answers to the questionnaire are reviewed by INPEX to identify existing or potential risks. The review 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. This risk-based assessment process is part of our overall approach to ABC due diligence.

In 2021, our ABC risk assessments found that INPEX Australia had not engaged with suppliers that had an indication of risks associated with human rights and modern slavery.

## **Addressing modern slavery risks**

In 2021 our internal modern slavery working group continued to progress INPEX's approach to addressing modern slavery. This cross-functional working group is made up of subject matter experts from supply chain, legal, risk, audit, human resources, industrial relations and corporate affairs. The working group reports to senior management on key updates and decisions.

### **General Conditions of Contract**

To ensure INPEX's commitment to respecting human rights is cascaded to our suppliers, the General Conditions of Contract (including Purchase Orders) 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](#).

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). These agreements are reviewed as required by our industrial relations team and audits are routinely conducted on the Human Resources and Industrial Relations Management Plan.

As part of the tender evaluation process, potential suppliers are assessed regarding 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 industrial regulation benchmarks.

### **Monitoring and compliance**

Compliance with HRIRMPs is monitored through regular meetings with our major contractors. This monitoring includes reviewing of major contractors' labour practices in line with approved HRIRMPs.

For Major Services contracts, suppliers are expected to comply with international standards and ensure that their Human Resources and Industrial Relations practices are acceptable. They are also expected to work with, and support INPEX to monitor Human Resources and Industrial Relations practices at international work locations.

### **Whistle-blower system and grievance mechanism**

We are continuously developing our local and global INPEX governance structures to ensure adherence to corporate ethics and compliance with laws and regulations. We recognise the importance of providing avenues to confidentially report improper business conduct, and actively encourage the use of these avenues. We are committed to ensuring whistle-blowers are protected from reprisal and victimisation.

The Sudan Hotline is an independent, confidential and anonymous grievance mechanism reporting service available 24 hours a day, seven days a week. This service is available to all INPEX personnel, as well as supplier personnel to raise concerns or report unethical conduct. We are committed to continuing to ensure this independent service is well communicated and transparent.



Under the INPEX Global Hotline, employees can confidentially and anonymously raise issues in relation to the following areas:

- bribery and corruption
- violation of antitrust laws (competition laws)
- accounting fraud
- discrimination
- human rights violations
- harassment

The INPEX Global Hotline is administered by an external service provider.

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

## **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 Cultural 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.

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

Localised Aboriginal Cultural Awareness training is provided to all INPEX personnel to build knowledge of Aboriginal and/or Torres Strait Islander histories in the region and cultural awareness in the workplace and local communities.

These training programs support in strengthening INPEX's socially responsible culture and in building our personnel's cultural competency.

Awareness of our human rights commitments are raised across our INPEX workforce through various communication methods including presentations at key meetings, intranet stories and posters.



## **Industry collaboration**

INPEX views cross-industry collaboration as crucial in addressing modern slavery risks, given the significant challenges and complexities.

In 2021, we continued our participation in the Human Rights Resources and Energy Collaborative (HRREc) working group, alongside other energy and resources companies. The working group meets regularly to communicate best practices to avoid common risks and challenges regarding modern slavery and to discuss collaborative ideas to prevent its impact across our respective businesses.

INPEX is also an active member of IPIECA, the global energy industry association for environment and social issues and participates in its Human Rights Working Group which promotes industry collaboration and development of tools.

## ***Assessing the effectiveness of actions***

We are committed to continuously improving our approach to effectively assess and address modern slavery risks in our operations and supply chain. In 2022 we plan on conducting the following modern slavery risk management activities:

### **Modern slavery gap analysis**

Conduct a gap analysis to identify key areas for improvement in assessing and addressing modern slavery risks in our operations and supply chains.

### **Modern slavery vision, roadmap and action plan**

Using the outcomes of the gap analysis, develop a cross-functional INPEX Modern Slavery vision, roadmap and associated action plan for the next three years (2023 – 2026).

### **Risk and assurance management framework**

Strengthen our approach to managing modern slavery risks by developing a comprehensive supplier modern slavery risk assessment and assurance framework. The risk assessment framework is presently being developed. The assurance framework will be developed in alignment with the risk assessment framework and outcomes and will be implemented progressively.

### **Human rights/modern slavery training and awareness**

Conduct focused training for the internal INPEX modern slavery working group and targeted personnel.

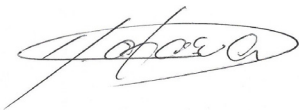
### **INPEX Supplier Code of Conduct**

INPEX CORPORATION will publish its Supplier Code of Conduct in mid-2022. The Code outlines requirements for suppliers to conduct their business in a socially responsible manner, including INPEX's expectations around human rights and labour rights. This Code will become part of our INPEX General Conditions and will apply to all new contracts.

## ***Joint statement consultation and approval***

Consultation in relation to this Statement has occurred with INPEX CORPORATION, senior management of the INPEX Australian Entities and the Ichthys Joint Venture.

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.

A handwritten signature in black ink, appearing to read 'Hitoshi Okawa', written in a cursive style.

**Hitoshi Okawa**  
*President Director, Australia*





**INPEX**

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](mailto:enquiries@INPEX.com.au)  
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