

Anti-Slavery and Human Trafficking Statement

31 December 2021

Introduction

This statement is for the financial year ending 31 December 2021 and is the fourth statement we have published since 2018. It describes the ongoing efforts of Neptune Energy (Neptune Energy Group Limited and its relevant subsidiaries) to prevent modern slavery in its business and supply chain.

Modern slavery – which includes servitude, forced labour and human trafficking – is a crime and a serious violation of human rights. It is contrary to our company values and our respect for the people who are part of, and contribute to, Neptune Energy. As our company grows, and our insight into modern slavery risk deepens, we are working to adapt and strengthen our existing due diligence. We highlight our improvement actions in each section, and in the section titled ‘Goals: progress on our commitments’.

Structure, business and supply chain

Our business

Neptune Energy is an independent exploration and production (E&P) company operating in eight countries: Australia, Algeria, Egypt, Germany, Indonesia, Norway, the Netherlands and the UK. We operate offshore and onshore facilities and have a production profile that is 74% gas and 26% oil. We have almost 1,300 employees, the majority of whom are based in Europe.

More information on our business can be found in our [2021 Annual Report](#).

Supply chain

Our suppliers include businesses that supply goods and services to our organisation, including our country offices, and the sites we own or operate around the world. This includes sites where we are the operator of a joint venture (JV) (see below).

In total, we procure goods and services from approximately 4,500+ suppliers and contractors. The suppliers we engage include businesses that provide support services to offshore and onshore facilities, such as security, warehousing, logistics, transport, catering, cleaning, waste management and accommodation services; as well as specialist technical services, such as engineering, drilling services, maintenance and construction.

Key steps in the past 12 months include:

- Following an independent review of our overall approach to human rights and modern slavery, we developed a multi-year roadmap to align with the UN Guiding Principles on Business and Human Rights.
- We improved our pre-contract third party due diligence procedures to assess modern slavery and labour rights risks in our supply chain.
- We progressed our multi-year sustainable procurement action plan.
- We developed our Human Rights Policy, our Labour Rights and Modern Slavery Standard and our Anti-Bullying, Harassment and Discrimination Standard.
- We revised our Code of Conduct and Equality, Diversity and Inclusion Policy.
- We raised awareness about our speak up culture and whistleblowing reporting app.
- We raised awareness across the Group about equality, diversity and inclusion, and mental health.
- We commissioned an independent review of our overall approach on human rights and environment, social and governance (ESG).

We also engage with recruitment and resource agencies to supply direct and indirect, and permanent and temporary resources, to meet our organisational needs. Contractors are critical to our business, performing around 80% of hours worked at Neptune Energy in 2021.

Joint ventures

The nature of investment in oil and gas means that Neptune Energy jointly owns some assets as a partner in joint venture with third parties. Where we are the designated operator for the joint venture, we will have a greater influence over the conduct and management of the joint venture operations, including the protection of labour rights and prevention of modern slavery. A total of 43% of our production was from non-operated joint ventures in 2021.

Policies and standards in relation to modern slavery

In our Code of Conduct, we commit to conduct our activities in a manner that respects individual human rights, as set out in the Universal Declaration of Human Rights and the fundamental ILO Conventions. We are working towards alignment with the UN Guiding Principles on Business and Human Rights.

We do not tolerate child, forced or bonded labour in any of our operations or by suppliers working for us. We make every effort, including through carrying out due diligence and audits to monitor the performance of our suppliers, to prevent our activities having a negative impact on human rights. If they do occur, we take steps to remedy the situation. These commitments apply to all Neptune Energy employees, contract staff and business partners, including joint ventures where Neptune Energy is the designated operator. We expect suppliers to hold their own suppliers to the same standards. A breach of the principles set out in our Code of Conduct may result in the termination of a business relationship or an employee dismissal.

In our Labour Rights and Modern Slavery Standard, we set out our expectation that everyone working within our operations, whether directly in our business, or for suppliers, or in joint ventures, has the right to work without being subject to abusive or inhumane practices. We set out human rights requirements that we are committed to embedding in our processes and procedures.

Relevant policies include:

- Code of Conduct
- Labour Rights and Modern Slavery Standard
- Equality, Diversity and Inclusion Policy
- Anti-Bullying, Harassment and Discrimination Standard
- Health and Safety Policy

Neptune's fundamental principles:

1. Act in accordance with laws and regulations.
2. Consolidate a culture of integrity.
3. Speak up.
4. Behave fairly and honestly.
5. Respect others.

Improvement actions

- In 2022, we plan to communicate the commitments set out in our Labour Rights and Modern Slavery Standard to our suppliers, contractors and JV partners.
- We will clarify how suppliers, contractors and JV partners can raise concerns, using the whistleblowing reporting tool, the Vault Platform. This is so that we can encourage them to speak up if they have a concern about unethical conduct.

- We will provide hard copies of our new Code of Conduct to all personnel, translated into the language of local offices.

Governance

Our Board of Directors has responsibility for ensuring that Neptune Energy has a programme in place for mitigating the risk of modern slavery in our business and supply chains. It delegates the principal oversight of this risk management to the Audit and Risk Committee and the ESG Committee. The Head of Global Ethics and Compliance is responsible for developing key standards in our operations to manage the risk of modern slavery. Key functions and roles within our business, including human resources, supply chain, health, safety, environment and quality (HSEQ), internal audit and country management, are responsible for the implementation of our standards in our own operations, as well as managing the contracts we have with our suppliers.

Improvement actions

The priority for our business is keeping our workforce safe and ensuring our behaviours and practices are fully aligned with our values. As we deepen our focus on labour rights and modern slavery, we will improve our processes for managing the risk of modern slavery in our supply chains. A key element of managing the risk of modern slavery in our supply chains is the initial assessment of our suppliers before making a commitment to work with them. In 2022, we plan to introduce new due diligence procedures, which involve the screening of all third parties on a newly implemented due diligence screening platform.

In 2022, we will revise the business ethics clause in our supplier standard forms of contract, so that the clause includes a specific reference to (i) compliance with human rights and modern slavery legislation, and (ii) a supplier having in place policies and procedures to mitigate the risk of human rights abuse and modern slavery in its own business and supply chain. The ongoing performance review processes in place with our major suppliers will provide us with an opportunity to monitor and test the supplier's compliance with this clause and will provide further assurance in the prevention of all forms of modern slavery in the delivery of services to Neptune Energy.

Risk assessment

Our business

In our business, we engage regularly with our employees through town halls, employee forums and online sessions, as well as through formal measures, such as the annual employee survey. A total of 36% of our employees are covered by collective bargaining agreements and we have structured arrangements for consultation and engagement with trade unions and works councils. We are focused on ensuring we provide a workplace free from bullying, harassment, discrimination and unfair conduct. We have rolled out a Group-wide programme to promote equality, diversity and inclusion and held our first global ED&I month in November 2021, with 352 employees participating.

We have also identified a key risk for employees as being mental health and are mitigating this risk through a Group-wide programme to promote mental health support. We are continuing to promote reporting of issues of concern through the whistleblowing reporting tool. When first launched, the tool was only available for use by Neptune Energy staff. During 2021, we rolled out the tool for use by personnel of suppliers and contractors. Forced labour is extremely unlikely in our own workforce, but eradicating opportunities for coercive and controlling behaviour is essential for prevention.

Our business relationships

The area of greatest risk for modern slavery in Neptune Energy is with our business relationships. We rely heavily on contractors, although in most cases, they and their workforces are operating on highly regulated sites and are under strict observation for safety and security. Nonetheless, there are inherent risks, particularly in higher risk locations; where contractors provide support services that require a lower-skilled workforce; or in non-operated JV relationships where we may have more limited oversight. We are also aware of risks when we procure goods and products from suppliers based in higher risk locations or performing higher risk activities.

We consider the risk of modern slavery and unacceptable working conditions in the supply chain as part of our risk assessments, and we have integrated labour and modern slavery risk into our enterprise risk management system. In 2021, we adopted a five-year roadmap to improve our processes for protecting labour rights and preventing modern slavery in our relationships with suppliers, contractors and JV partners, and for continuing to strengthen our ESG performance.

Improvement actions

Neptune has an ongoing performance review processes in place with our major suppliers which provides the opportunity to monitor and test the application of the supplier's commitment to our requirements and policies, providing further assurance in the prevention of all forms of modern slavery in the delivery of the services to Neptune Energy.

Due diligence: steps to address risk

In 2022, we plan to launch our revised due diligence procedures alongside the implementation of the Dow Jones compliance screening platform. Our revised due diligence procedures follow a risk-based approach and include the following steps:

- **Pre-qualification:** Suppliers are added to the Dow Jones platform and are screened against economic sanctions and watch lists, and in respect of adverse media relating, among other things, to forced labour and modern trafficking. A risk assessment is carried out on the platform, taking into account the type of service that they are providing, and the value of the contract. Where the service provided gives rise to an increased risk of forced labour or human trafficking, suppliers are required to complete a questionnaire, in which they are required to disclose any incidents of human rights violations in their business or supply chain. In addition, suppliers categorised as high risk are obliged to confirm that they have a human rights policy in place, carry out human rights due diligence on their suppliers, and include a human rights clause in their contracts with suppliers. To the extent that suppliers are unable to confirm this, suppliers need to confirm what steps they will take to address this in respect of the services provided to Neptune Energy. Neptune Energy monitors the responses provided by suppliers to the questionnaires, and any risks raised in the responses provided are flagged. A supplier cannot be approved on the platform until any risks raised have been mitigated.
- **Contracts:** Neptune Energy's standard forms of contract include a human rights and modern slavery clause, with which suppliers are required to comply.
- **Contract risk management:** Suppliers are given a risk rating that determines the degree of due diligence applied, and performance is managed by the contract manager through supplier engagement and in quarterly performance reviews. This includes agreed mitigation and remediation actions, and our right to conduct an audit.

- Reporting: Personnel of suppliers have access to Neptune Energy’s whistleblowing reporting tool (Vault), which allows for anonymous reporting.

Improvement actions

As noted, we are working on improving the identification of labour rights and modern slavery risk. Our five-year plan includes the following steps:

- Contract risk management: Integrate labour and modern slavery risk in the categorisation of contract risk and corresponding due diligence; strengthen risk-based monitoring using self-assessment questionnaires and social audits, maintain our strong culture of engagement with workers and with suppliers and share learning across the group about prevention and remediation.
- Reporting: Continue to promote a ‘speak-up’ culture so no one hesitates to report concerns.
- Training and awareness-raising: Raise awareness of modern slavery across the workforce and train key functions on modern slavery prevention.
- Supplier support: Communicate our Labour and Modern Slavery Standard.

Training and awareness raising

Every new staff member at Neptune Energy must complete mandatory online training on our values and Code of Conduct, as well as on how to report issues of concern using the whistleblowing reporting tool. There is an ongoing communications campaign to encourage a ‘speak-up’ culture around safety risks as well as ethics.

Improvement actions

- We plan to conduct an awareness raising programme with all workers at Neptune Energy-operated sites so that they can spot the signs of forced labour and know how to report it. Our purpose is to ensure everyone is equipped to help us prevent forced labour.
- In addition, we will provide in-depth training to key functions responsible for oversight and management of labour rights and modern slavery risk. This tailored training will focus not just on recognition and reporting, but also on practical due diligence relating to recruitment and contracts.

Key performance indicators

We currently track indicators that assess our performance in handling whistleblowing reports, and trends in Neptune Energy employee satisfaction.

Improvement actions

- As part of our five-year plan, we will develop key performance indicators to promote the implementation of our labour and modern slavery risk commitments.

Goals: progress on our commitments

Actions	Timeline	Status
Independent assessment of labour and modern slavery risk management	2021	Completed

Develop five-year improvement plan	2021	Completed
Develop consolidated labour rights and modern slavery standard	2021-2022	Completed
Develop programme to increase awareness of equality, diversity and inclusion	2021 (and ongoing)	In development. We held our first global ED&I month in November 2021, with 352 employees participating.
Raise awareness with workforce and train key functions in respect of labour and modern slavery risks	2021 (and ongoing)	In development. We held sessions with around 80 people in our procurement teams in 2021 on ESG in the supply chain.
Enhance the process of identifying and monitoring labour rights and modern slavery risk in our relationships with suppliers, contractors and JV partners	2022-2023	Completed for pre-qualification stage; in development for post contract stage.
Implement supplier ESG monitoring framework	2023	To be developed
Promote speak-up culture	2021 (ongoing)	In progress

Publication

We have submitted this statement to the UK Government Modern Slavery Statement Registry.

This statement is available on our website in two prominent places:

- In the 'footer' of the Neptune Energy website, which is visible at www.neptuneenergy.com
- In the 'Reports and Presentations' section of the Neptune Energy website (Home/Investors/Reports and Presentations)
<https://www.neptuneenergy.com/investors/reports-presentations/year/2021>

Approval



Approved by the Board of Directors 26/05/2022

Signed by Director

Date 31/05/2022