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Section 54 – Slavery and Human Trafficking Statement

Introduction

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.

CNOOC business and supply chains

In the UK, CNOOC is an active participant of the upstream sector of the oil and gas industry, focussing on exploration and production of hydrocarbons. CNOOC's primary contracting entity for its operations in the United Kingdom Continental Shelf is CNOOC Petroleum Europe Limited (“CPEL”). As holder of both operated and non-operated interests, we recognise that the requirements of the Act are especially relevant to the supply chain of CPEL. CPEL's Supply Chain Management function sits within the Business Services division and covers Contracts, Procurement, Logistics and Material Management and spans the entire lifecycle of upstream hydrocarbon activities.

CNOOC policies

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 of which are 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.

CNOOC due diligence processes

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.

CNOOC risk assessment and management

In order to build on the steps taken in previous years to perform risk assessments and due diligence in relation to our existing suppliers in territories and areas which might represent a higher risk to our business, the companies we engage with as part of our wider supply chain have been contacted, and a considered selection of our key suppliers have been asked to present on the topic of modern slavery to demonstrate how this is eradicated from their supply chain. These presentations have been provided as part of business performance reviews and copies retained for reference. We intend for this process to take place annually so that we can monitor whether our suppliers meet our expectations and continue to comply with our policies.

To manage these risks on an ongoing basis, our supply chain standard contract templates include a clause to ensure that there is a firm contractual obligation on our counterparties to comply with the Act and appropriate remedies for non-compliance. 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 assess whether bidders can comply with our work policies and standards before proceeding to the commercial evaluation stage of the tendering process. The Contract Award Process, and the accompanying Contract Management System workflow 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.

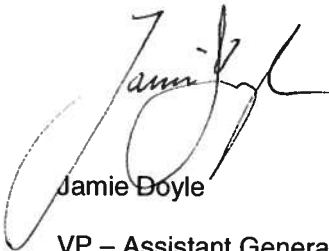
CNOOC commitment to ensuring that slavery and human trafficking is not taking place in our business or supply chains

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.

CNOOC staff training

Since 2015, we have introduced numerous measures to address the new regime and ~~we~~ our supply chain and legal colleagues continue to consult with external legal advisors in this area to ensure continued compliance with the Act. In 2019, a tailored Modern Slavery Act Refresher training was provided by an external law firm for all staff and contractors involved in contract procurement, aimed at reinforcing the need for due diligence in this area as part of the contracting process. In the coming 12 months, we plan to introduce further industry-specific training to maintain the vigilance and alertness of our staff and internal contractors with respect to identifying and managing risks in this area.



Jamie Doyle

VP – Assistant General Counsel & Commercial, Europe & Africa

For and on behalf of CNOOC UK Limited

Date of signature: 4 June 2020

This statement has been approved on 4 June 2020 by board resolutions of CNOOC UK Limited, CNOOC Petroleum Europe Limited, CNOOC Petroleum Farragon U.K. Limited and CNOOC Ettrick U.K. Limited, CNOOC Petroleum Mauritania Limited in compliance with the Modern Slavery Act 2015 for financial year ending 31 December 2019.

* 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