



MISC MODERN SLAVERY STATEMENT 2020/2021

Introduction

This statement is made in accordance with Section 54 of the UK Modern Slavery Act 2015 by MISC Berhad known as “MISC”. It is intended to communicate the procedures and steps which MISC has taken relating to the management of the risk of modern slavery up to 29th May 2020.

About MISC

MISC was incorporated in 1968 and is a world leading provider of international energy related maritime solutions and services. The principal businesses of the Group comprise energy shipping and its related activities, owning and operating offshore floating solutions, marine repair and conversion, engineering and construction works, integrated marine services, port management and maritime services as well as maritime education and training.

Operating a modern and diversified fleet, backed by a workforce of over 8,800 employees from all over the world, we are committed to creating value for our stakeholders and contributing to the sustainability of our industry.

MISC Human Rights Commitment and Modern Slavery Policy

In May 2019, the MISC Board has approved a ‘Human Rights Commitment’ where *“MISC is committed to respecting internationally recognised human rights in areas of its operations, complying with its Code of Conduct and Business Ethics (CoBE), and all relevant legal requirements.”*

MISC has also adopted a Modern Slavery Policy in conjunction with this statement, which reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

MISC’s Values and Code of Conduct and Business Ethics

MISC is committed to acting with integrity in all its business dealings. The MISC Group adheres to a Code of Conduct and Business Ethics which outlines the standards and behaviours that the MISC Group upholds and which emphasises due respect for human rights and compliance with applicable global laws and rules.

As a global corporation, MISC respects the International Bill of Human Rights and supports the UN Universal Declaration of Human Rights as well as the principles concerning fundamental rights set out in the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work.

Access to Remedy

MISC also has a comprehensive whistleblowing policy in place and encourages all its workers, customers and business partners to report any concerns related to its direct activities or its supply chain. This includes any circumstances that give rise to an enhanced risk of slavery or human trafficking.

MISC is also in the process of establishing and implementing a mechanism to further enhance access to remedy in relation to Human Rights Grievances. A Grievance Mechanism Procedure is being developed to ensure that a grievance channel and a process is established for employees, contract personnel and any party involved in providing services to MISC to address related grievances.

Human Rights Working Group (HR WG)

MISC has established a cross-functional Human Rights Working Group to consider the way MISC implements its human rights commitments across the business and determine any adjustments or enhancement opportunities to improve our human rights performance.

The HR WG is to tasked, amongst others, to develop policies and procedures which included the adoption of a Modern Slavery Policy, to conduct risk assessments and due diligence and propose improvement actions to mitigate risks identified.

Due Diligence Process

As part of our initiative to identify and mitigate risk, the HR WG are to:

1. Conduct a Social Risk Assessment and Human Rights Due Diligence across the MISC Group;
2. Determine steps taken and / or intended to be taken with regards to ensuring modern slavery and human trafficking is not taking place in MISC's business or supply chains; and
3. Ensure effective communication, awareness and training on Human Rights matters.

Social Risk Assessment

The first Social Risk Assessment (SRA) was conducted in October 2019 whereby the sites chosen within MISC Group were identified through a prioritisation workshop held in July 2019. The SRA encompasses a review of human rights and modern slavery elements on labour/ working conditions, supply chain, security and livelihood of impacted communities. Based on the outcome of the SRA, action plans were identified to mitigate the risk. SRAs for other sites within the Group will be continued throughout the year to meet the commitments of MISC Human Rights and Modern Slavery Policy.

Supplier Adherence to Our Values

In compliance with the MISC Human Rights Commitment and the Modern Slavery Policy, we seek to work with contractors who share our values of integrity, committed to fighting bribery and corruption and contribute to sustainable development. MISC also requires our contractors to respect internationally-recognised human rights, complying with MISC Code of Conduct and Business Ethics (CoBE) for Third Party Service Providers and all relevant legal requirements. Our Third Parties are also required to declare their commitment to abide the higher standard of integrity expected by MISC through the signing of the Vendor Declaration and Integrity Pledge (VDIP).

Prior to award of contract, Third Parties Compliance Due Diligence assessment is conducted to ensure that all pre-qualified suppliers and contractors do not pose any significant Associated Compliance Risk, which includes human rights related risks, that could jeopardise the reputation of MISC prior to entering into a formal business relationship

with MISC. During the operational contract period, critical supplier's environment, social and governance performance is monitored via an annual Vendor Performance Assessment (VPA). A review of the VPA form is under way to ensure that the checklist covers sustainability elements including human rights responsibilities.

In accordance with our zero-tolerance approach to slavery, forced labour and human trafficking we will seek to ensure that all future agreements, which are used for the purchase and supply of goods and services, will allow us to terminate and cease dealing with any supplier in the event of any violations.

In November 2019, an awareness session was conducted for third parties as part of MISC's initiative on enhancement to our Supply Chain Management in ensuring that our business partners understand and shall comply to similar standards as per MISC CoBE. The awareness session for third parties is planned to be continued in year 2020.

Awareness and Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our business and supply chains, we introduced training for all employees with enhanced training for relevant managers. The first training for employees was conducted in February 2019 with participation from the HR WG members and representatives from each business function. This is followed by an awareness session to all employees on MISC's Human Rights Commitment and Modern Slavery Policy held in December 2019. A training on formal Grievance Mechanism is planned to be conducted in 2020 to better equip HR WG's understanding on its implementation within MISC Group. Continued training shall be implemented via e-Learning for all employees, with mandatory participation and minimum passing requirements.

This statement has been approved by the MISC's Board of Directors ("Board") and is signed on behalf of the Board by:



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Yee Yang Chien
President and Group Chief Executive Officer / Director
MISC Berhad

Date: 29 May 2020