

# MISC Modern Slavery Statement 2024

## Introduction

This statement is made in accordance with Section 54 of the UK Modern Slavery Act 2015 by MISC Berhad (“MISC”). It is intended to communicate the procedures and steps which MISC has taken relating to the management of the risk of modern slavery from 1 January 2023 up to 31 December 2023 and further initiatives to be taken on human rights.

## About MISC

MISC is a global leader in delivering energy-related maritime solutions and services with more than five decades of experience in the maritime and energy industry. Our principal businesses 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. Visit our website at <https://www.miscgroup.com/our-solutions> for more information on MISC’s maritime solutions and services.

We take pride in our asset and service reliability, commitment to upholding the highest standards of health, safety, security and environment (“HSSE”) and sustainability, fostering a culture of excellence amongst our employees, operating responsibly and caring for the environment as well as making a positive difference to the communities in which we operate.

## MISC Human Rights Commitment and Modern Slavery Policy

In 2019, MISC published a ‘Human Rights Commitment’ which stated that *“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 MISC’s commitment to acting ethically and with integrity in all its business dealings and relationships, as well as implementing and enforcing effective systems and controls to ensure modern slavery and human trafficking is not taking place anywhere in its business, operations and supply chains.

## MISC's Values and Code of Conduct and Business Ethics

MISC is committed to acting with integrity in all its business dealings and relationships and adheres to a Code of Conduct and Business Ethics ("CoBE") which outlines the standards and behaviours that MISC upholds and 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 which include adherence to the Maritime Labour Convention ("MLC") on ensuring comprehensive worldwide protection of the rights of seafarers.

This affirms our obligations and commitments to:

1. Provide inclusivity, equal employment and remuneration opportunities for all employees regardless of race, nationality, religion and gender;
2. Promote a safe and healthy working environment that is free from sexual harassment and any forms of discrimination;
3. Uphold the right to freedom of association and recognition of the right to collective bargaining in accordance with applicable legislation;
4. Promote community well-being; and
5. Eliminate all forms of forced labour and human trafficking within all our operations.

## Access to Remedy

MISC has set up Group-wide whistleblowing channels which provide a safe and secure avenue for all internal and external stakeholders including members of the public to disclose any improper conduct or concern related to our business and operations which include human rights related grievances.

All cases reported through these platforms will be addressed accordingly and relevant disciplinary actions will be taken on cases with concluded wrongdoings including human rights violations. MISC discloses the number of complaints received through its Whistleblowing channels in its annual sustainability report. MISC has documented zero cases of human rights violations reported through its whistleblowing channels for two consecutive years (2022-2023).

## Human Rights Due Diligence Process

In order to identify and mitigate the risk of human rights violations, the following initiatives have been implemented by MISC:

1. Conduct a systematic periodical review of potential human rights issues through Human Rights Risk Assessment (“HRRA”) which was previously known as Social Risk Assessment (“SRA”) across MISC Group;
2. Determine steps taken and/ or intended to be taken in ensuring modern slavery and human trafficking are not taking place in MISC’s business or supply chains by including custom human rights and labor condition indicators inside our due diligence checklist based on the scope of business; and
3. Ensure effective communication, awareness and training on human rights matters by enhancing engagement with key stakeholders and organising regular knowledge sharing sessions.

## Human Rights Risk Assessment

MISC has conducted Human Rights Risk Assessment (“HRRA”), which was previously known as Social Risks Assessment (“SRA”), since 2019 based on human rights prioritisation exercises. The HRRA encompasses a review of human rights and modern slavery elements on labour/ working conditions, supply chain, security and livelihood of impacted communities.

We have completed the first cycle of HRRA in 2022 which covered our main subsidiaries and business unit, focusing on all the human rights and modern slavery elements, in line with MISC’s Sustainability Strategy (Governance Pillar).

In 2023, we carried out the second round of HRRA for two of our subsidiaries, Malaysia Marine and Heavy Engineering Holdings Berhad (“MHB”) and MISC Marine Services Sdn Bhd (labour/working conditions of seafarers). These assessments encompassed the same scope as the previous assessments stated in the table. Furthermore, we reviewed the mitigation’s closure status from the previous exercises as a baseline for the assessments conducted this year.

Year	Business Unit / Subsidiaries	Scopes
2019	Malaysia Marine and Heavy Engineering (MMHE)	Labour/working conditions, supply chain, security and livelihood of impacted communities
2020	Eaglestar Marine Holdings	Labour / working conditions of seafarers
2021	<ul style="list-style-type: none"> <li>• AET</li> <li>• MISC Bhd</li> <li>• Eaglestar</li> <li>• ALAM</li> <li>• MISC Maritime Services (MMS)</li> </ul>	Labour / working conditions for shore staff
2021	Offshore Business Division	Labour / working conditions on Floating, Storage, Offloading (FSO) and community
2022	Akademi Laut Malaysia (ALAM)	Livelihood of impacted communities
2022	Group Health & Safety, Security and Environment	Security
2023	Malaysia Marine and Heavy Engineering Holdings Berhad (MHB)	Labour / working conditions, supply chain, security and livelihood of impacted communities
2023	MISC Marine Services	Labour / working conditions of seafarers

Based on the outcome of the HRRRA, action plans were drawn to mitigate the identified risks. Moving forward, we will be embarking on supply chain human rights assessments and will continue with the second round of HRRRA on our business unit and subsidiaries as part of the assessment on the implementations of the Group's human rights commitments within our operations.



## Responsible Supply Chain Management

In compliance with MISC Human Rights Commitment and the Modern Slavery Policy, MISC seeks to work with third parties who share the same values of integrity, are committed to fighting bribery and corruption and contribute to sustainable development. MISC also requires its third parties to respect internationally recognised human rights, complying with MISC CoBE for Third Parties and all relevant legal requirements.

- The MISC CoBE for Third Parties includes specific requirements to comply with MISC's Modern Slavery Policy which is available at <https://www.miscgroup.com/about-us/compliance-and-business-ethics>. MISC's third parties are also required to declare their commitment to abide by the higher standard of integrity expected by MISC and compliance with the Modern Slavery Policy through the signing of the Declaration and Integrity Pledge ("DIP").
- Third Parties Compliance Due Diligence assessment is conducted to ensure that all pre-qualified third parties 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.
- As part of MISC's Sustainability Strategy under the Governance Pillar through Responsible Supply Chain Management, an Environment, Social, and Governance ("ESG") assurance programme is to be implemented where self-assessment checklists for critical third parties covering human rights have been developed.
- In accordance with MISC's zero-tolerance approach to slavery, forced labour and human trafficking MISC seeks to ensure that its agreements, which are used for the purchase and supply of goods and services, will allow it to terminate and cease dealing with any third party in the event of any violations.
- CoBE training sessions for third parties have been conducted annually since 2019 as part of MISC's initiative on enhancement to its Responsible Supply Chain Management in ensuring that its third parties understand and shall comply with similar standards per MISC CoBE which includes the Modern Slavery Policy requirements.

## Awareness and Training

Training for stakeholders including employees and business partners was introduced to ensure a high level of understanding of the risks of modern slavery and human trafficking in MISC's business and supply chains. Furthermore, enhanced training was also carried out for relevant managers. Training for employees has been conducted since 2019 and we have enhanced our training platforms through the implementation of e-Learning modules for our employees and key stakeholders.

An e-Learning module on Human Rights Management which aims to provide participants with a good understanding of human rights implementations within our operations and supply chain respectively has been launched on our platform. The module provides an overview of the UN Guiding Principles on Business and Human Rights and MISC Group's Human Rights Commitments. As of December 2023, over 2,600 employees have completed the e-Learning module which requires a passing mark of 100% upon completion.

MISC also conducted continuous awareness and sharing sessions incorporating human rights elements during internal events and engagements. Throughout 2023, we have conducted two online awareness sessions specifically on human rights elements and the Grievance Mechanism, incorporated into internal sessions which were attended by group-wide employees globally.

In addition, to continue providing awareness and training to our employees and suppliers, we plan to further strengthen and broaden our existing capacity-building programme. This expansion will include our business partners and other relevant stakeholders, incorporating crucial aspects of human rights and modern slavery within the supplier ESG programme.

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



**Capt Rajalingam Subramaniam**

**President & Group CEO**

6 March 2024