

MISC Modern Slavery Statement 2025

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 2024 up to 31 December 2024 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's Commitment to Human Rights

MISC has developed policies and statements designed to uphold human rights and prevent modern slavery in a robust, transparent, and progressive manner. This ensures that human rights are respected, safeguarded, and enhanced in accordance with international standards and best practices. We affirm 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.

MISC is committed to upholding integrity in all its business dealings and relationships. The organisation adheres to a Code of Conduct and Business Ethics (“CoBE”) that outlines the standards and behaviours that MISC values. The code emphasises the significance of respecting human rights and complying with applicable international laws and regulations.

In September 2024, MISC Berhad’s Human Rights Policy was published. This new policy supersedes our previous Human Rights Commitment and Modern Slavery Policy, establishing a more comprehensive framework for safeguarding human rights. This policy outlines our commitment to promoting human rights and preventing modern slavery and human trafficking in all parts of our business operations, both within our organisation and across our supply chains.

The MISC Human Rights Policy was established based on five guiding principles;

1. Respect and acknowledgement of internationally recognised human rights

As a global corporation, MISC is fully committed to respecting human rights as outlined in international guidelines and frameworks. We uphold the principles set forth in the International Bill of Human Rights and the UN Universal Declaration of Human Rights. In addition, we support the fundamental rights outlined in the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work, which include the protection of workers’ rights to freedom, equality, and dignity. In line with our commitment to promoting and protecting human rights, we strictly adhere to the Maritime Labour Convention (“MLC”), ensuring comprehensive, worldwide protection for seafarers.

2. Adoption of a risk-based approach to human rights due diligence

We implement a risk-based approach to identify areas of material importance on human rights, using due diligence tools. This is used to manage both actual and potential negative impacts on human rights that may arise from activities conducted throughout the organisation.

3. Access to effective grievance mechanisms and remedies

MISC is committed to providing remediation of adverse human rights impacts with grievance mechanisms in place that are accessible to all stakeholders.

4. Appropriate governance for human rights policy and its processes groupwide

We ensure that the policy is reviewed and approved at the highest management level and supported with robust governance processes to oversee the implementation of the policy.

5. Commitment to maintaining appropriate disclosure and reporting groupwide.

MISC will ensure proper oversight and reporting on human rights performance, associated risk and mitigation in alignment with international frameworks.

Approach to Human Rights Due Diligence

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

- **Regular Audits and Risk Assessments:** Conduct a systematic periodical review of potential human rights issues through Human Rights Risk Assessment (“HRRA”) across MISC Group to ensure compliance with our human rights standards. This includes evaluating labour practices, policies, and the potential risk of human rights issues and modern slavery;
- **Human Rights Focus Areas:** 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 labour condition indicators inside our due diligence checklist based on the scope of business; and
- **Stakeholder Engagement:** Ensure effective engagement with key stakeholders and organise regular knowledge-sharing and capacity-building sessions focusing on human rights matters. This approach acts as a proactive measure to address potential risks before they develop into human rights violations through engagement while streamlining our human rights practices both within our organisation and across our supply chains.

Human Rights Risk Assessment

MISC has conducted 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.

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

The summary of completed HRRAs is detailed as follows:

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	Labour / working conditions of seafarers
2021	<ul style="list-style-type: none">• AET• MISC Bhd• Eaglestar• ALAM• MISC Maritime Services (MMS)	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 Security and Group Health & Safety, Security and Environment (HSSE)	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

In 2024 we reviewed the closure status from the previous exercises to assess the effectiveness of mitigation strategies. We are currently reviewing and updating our existing procedures, reflecting our commitment to continuously improving our human rights risk management and due diligence practices.

Responsible Supply Chain Management

MISC has set up a robust mechanism to ensure third-party compliance with the MISC Human Rights Policy, where respect for internationally recognised human rights, commitment to integrity in conducting businesses and contribution to sustainable development goals are achieved. A comprehensive framework and enhancement of the practices involving third parties has been implemented by MISC to ensure compliance with all relevant requirements and standards.

- The MISC CoBE for Third Parties includes specific requirements to comply with MISC's Human Rights 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 standard of integrity expected by MISC and comply with all relevant human rights and modern slavery requirements through the signing of the Declaration and Integrity Pledge ("DIP").
- Third Parties Compliance Due Diligence assessment is conducted before the formalisation of a business relationship 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.
- MISC has implemented an ESG Self-Assessment for the supply chain through an integrated platform. The assessment which incorporates human rights elements, measures the maturity level of ESG compliance for critical vendors. The exercise has been implemented for three consecutive years since 2022 and covers 204 of MISC's critical Tier-1 vendors.
- In accordance with MISC's zero-tolerance approach to slavery, forced labour and human trafficking, we ensure our agreements, which are used for the purchase and supply of goods and services, will allow us to terminate and cease dealings with any third party in the event of any violations.
- Since 2019, MISC has also conducted CoBE training for third parties which includes vendors and business partners as part of enhancing our Sustainable Supply Chain Strategy. In 2024, MISC conducted the training on this topic via an e-learning module to all targeted third parties including vendors and suppliers. We also invited third party that are identified as ESG critical suppliers to complete our e-learning module.
- MISC also introduced the Sustainability Excellence Awards during the annual HSSE Partners Summit 2024 which was presented to MISC business partners with proven outstanding HSSE and Sustainability performance including labour and human rights compliances.
- MISC is currently reviewing and enhancing our internal guidelines for human rights in our supply chain and reporting matrix to improve transparency.

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 concerns related to our business and operations which include human rights-related grievances.

All cases reported through these platforms will be addressed accordingly and relevant 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 nine cases of human rights-related violations reported through its whistleblowing channels for 2024.

Awareness and Training

Capacity development initiatives for stakeholders, including employees and business partners, are vital to ensure a comprehensive understanding of the risks associated with human rights including modern slavery within our operations and supply chains. In 2024, our training and awareness initiatives were designed to educate and engage stakeholders in understanding the topic, identifying risk indicators, as well as preventing and addressing critical issues in human rights

E-learning Module on Human Rights Management

Human Rights Management is one of the e-learning modules rolled out as part of the MISC Group Compliance Learning initiative. The platform provides participants with a good understanding of the implementation of human rights within our operations and supply chain respectively. The e-learning module is subject to regular reviews and updates based on current laws and regulations, enhanced human rights practices and new risks or emerging trends on the matter. All employees including newcomers must complete this e-learning module with a 100% passing mark.

Awareness Programmes on Human Rights

Throughout 2024, MISC conducted six awareness sessions which covered essential topics on human rights. This includes the definition of human rights, relevant international frameworks and laws regarding human rights, MISC's policy and commitment to respecting human rights across its operations, and ensuring employees understand the company's Grievance Mechanism as part of access to remedy and how they can report concerns. Human rights awareness was also embedded into existing internal events, making it an ongoing conversation within MISC.

MISC has also utilised digital approaches to raise awareness about human rights and created an interactive and inclusive environment for employees to learn, engage, and act. Among other things, materials on human rights awareness and Human Rights Day commemorations were shared on our intranet microsites, emails, and external platforms.

Capacity Building for Third Parties and Partners

MISC acknowledges the importance of providing human rights training to its partners and suppliers to ensure their commitment to ethical practices and compliance with international standards. Through various initiatives, MISC aims to foster transparency and accountability, thereby mitigating the risks of human rights violations within our supply chain together with addressing critical issues, including modern slavery, child labour, and forced labour. Three awareness sessions on Human Rights were held for our partners, joint venture companies, subcontractors, and vendors.

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. We engage with external experts, partners, and industry bodies to share best practices, exchange knowledge, and collaborate on initiatives aimed at enhancing our human rights practices by participating in industry forums, conferences, and multi-stakeholder collaborations. Through these efforts, we aim to prevent human rights abuses within our operations and supply chains and ensure that we meet our responsibility to respect and protect human rights.

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



Zahid Osman

President & Group CEO

21 February 2025