

MODERN SLAVERY STATEMENT FINANCIAL YEAR 2024

This is the fifth annual Modern Slavery Statement published by MODEC, Inc. and its subsidiary entities (together referred to as 'MODEC'), including MODEC Management Services Pte Ltd having operations in Australia. It is made pursuant to, and in accordance with, the *Modern Slavery Act 2018* (Cth).

ABOUT MODERN SLAVERY

Modern Slavery is an umbrella term, describing a range of serious human rights violations including forced labour, debt bondage, human trafficking, servitude and other exploitative practices ('Modern Slavery'). By its nature Modern Slavery affects vulnerable people and is concealed by its perpetrators. Its causes are complex. Modern Slavery is a global issue that is prevalent within industries that are labour intensive, low skilled and subject to global under-regulation. It perpetuates inequality and frustrates individual and social progress.

ABOUT MODEC

MODEC is an international company spanning five continents, and for more than 50 years has been providing engineering, procurement, construction and installation ('EPCI') and operations services across a range of floating offshore oil and gas production solutions. Owning and operating its own fleet of offshore production facilities, MODEC is one of the largest independent operators of floating production storage and offloading ('FPSO') assets in the world.

MODEC Structure

MODEC, Inc. is a Japanese public company with a consolidated workforce of more than 6000 employees, listed on the Tokyo Stock Exchange under the symbol 6269. To better understand our organization structure and subsidiary entities, please refer to our website (<https://www.modec.com/about/office/>).

MODEC, Inc.'s Board of Directors ('Board') is responsible for the performance of the MODEC Group of companies guiding its operations and strategy. This includes approving MODEC's Mission, Vision and Core Values ('MVV') and monitoring its culture and compliance to ensure it upholds its Code of Business Conduct and Ethics ('CODE'). The Board is supported by a Group Compliance Committee and a Management Board ('MB'), and MB is assisted by a Sustainability Committee. The Board, MB and MODEC's management are committed to maintaining and reinforcing a culture of strong corporate governance, which promote its business objectives including adherence to its MVV and CODE.

MODEC Operations

MODEC's operations focus on EPCI and sales of floating offshore oil and gas production facilities, primarily FPSOs, floating storage and offloading systems ('FSO') and tension leg platforms ('TLP') to energy company clients. MODEC also leases and charters floating production facilities and provides associated operations and maintenance services, plus after-sale services encompassing provision of parts and engineering support services. Aside from our headquarters in Japan, MODEC has operations in Australia, New Zealand, Singapore, Malaysia, India, Vietnam, the US, Brazil, Mexico, Portugal, Guyana, and West Africa, amongst others.

MODEC Supply Chain

As a large international construction and offshore services company to the offshore oil and gas industry, MODEC's direct supply chain generally comprises:

- construction and fabrication services
- engineering and technical services
- marine and specialist topsides process equipment
- marine logistics and transportation services
- maintenance spares and services
- electrical and electronic equipment and
- labour, consultant and corporate services.

MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAIN

MODEC's CODE describes our values and provides a framework through which these are to be upheld across our operations. MODEC's CODE endorses our absolute commitment to upholding human rights; our respect of all internationally recognised human rights principles as established in the United Nations Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, and the United Nations Global Compact, to which MODEC is a signatory. Together with MODEC's Sustainability Foundation, our CODE prohibits violations of human rights, including opposing all forms of forced labour, child labour, human trafficking and all other forms of Modern Slavery, within our own company and across our operations and also within our supply chain. All MODEC employees and contractors are subject to mandatory and comprehensive induction training regarding our CODE, reinforced on an annual basis.

For more than 50 years MODEC has safely and sustainably conducted its business as it has grown to become one of the world's leading providers of offshore oil and gas production services. In doing so, MODEC is committed to conducting our business in:

- accordance with the highest standards of ethics, integrity and corporate governance practices underscored by MODEC's values, which include respect for human rights, openness, honesty, and safety in all we do
- an economically, socially and environmentally sustainable manner that is transparent and ethical
- compliance with all applicable laws and regulations, including all applicable labour, employment, immigration and whistleblower laws
- support of diversity, equity and inclusion and
- the spirit that all human beings are born free and are equal in dignity and rights and believes that MODEC employees should act towards one another in a spirit of fellowship. As part of this commitment, MODEC does not employ underage workers or forced labour (involuntary labour or any kind including prison labour, debt bondage, or forced labour by the government) and will not knowingly partner with a supplier, third party or business partner that illegally or improperly employs underage workers or forced labour.

MODEC routinely undertakes internal audits to assure the effectiveness of, and compliance with, our policies. Further, MODEC encourages its work force to report any potential concerns via our Ethics Hotline whereby members of the MODEC community can anonymously report suspected deviations from our policies including any human rights violations. The system is independently operated and available 24 hours a day, 365 days a year.

MODEC considers its potential to cause or contribute to incidents of Modern Slavery within our own operations to be low.

However, MODEC's international supply chain is highly complex and, in some instances, includes several levels of suppliers and subcontractors. Consequently, MODEC recognises that its supply chain necessarily extends to sectors and countries vulnerable to Modern Slavery including out-sourced services such as construction and fabrication, labour hire, cleaning and catering. Since 2019, MODEC has engaged external specialist expertise to help us assess Modern Slavery risks in the supply chains of a number of current EPCI contracts. Modern Slavery risks within our supply chain are mapped using geographical and supply characteristics including:

- the vulnerability to Modern Slavery of the relevant supply country
- whether the relevant supply (either manufacture of products or provision of services) is labour intensive
- the skill level of the supplier workforce and
- any relevant knowledge of supplier work force treatment.

These factors, amongst others, are used to characterise the risk to people associated with a specific supplier, which is then calibrated against the proximity of the risk to MODEC and our ability to influence supplier behaviour. The risk proximity is determined using the magnitude of MODEC's commercial relationship with the supplier, whether the supply is exclusive to MODEC and the physical proximity of the supplier to MODEC. The risk proximity is an important indicator of MODEC's relational leverage to influence and change a supplier's existing practices to mitigate identified Modern Slavery risks.

ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS IN 2024

Building upon our previous efforts to identify and remediate Modern Slavery risks within our business operations and supply chain, MODEC has continued to implement numerous planned actions to address Modern Slavery risks during the reporting period.

Over the past twelve months MODEC have undertaken the following steps in response to the risk of Modern Slavery:

- established a Human Rights Working Group ('HRWG'), comprising members from across MODEC functions and global footprint which reports to MODEC's Sustainability Committee, with responsibility for planning, promoting and managing activities related to the ongoing development and implementation of a consistent, global human rights due diligence program;
- continued its partnership with an external ethical trade consultant specialising in supply chain human rights policy and practices to support our human rights audit and improvement processes;
- undertook a detailed saliency assessment considering the severity of human rights risks within both our own direct workforce and supply chain, the likelihood of such risks materialising and how difficult it is to remediate the resultant harm. The four most salient human rights risks all pertain to vulnerable workers employed within our supply chain, and are:
 - freedom from forced labour and slavery;
 - the right to housing and adequate standard of living;
 - the right to a safe workplace; and
 - the right to just remuneration.
- continued to undertake supplier human rights risk assessments to coherently map risks across MODEC's key subcontractors and suppliers;

- completed comprehensive human rights assessments at several key Asian based subcontractors, whom MODEC utilise for specialist EPCI project services. One such assessment was the first of its kind at the relevant shipyard worksite, and another was a follow up assessment to determine the progress against corrective actions previously identified. In the case of this latter follow-up audit, positive and meaningful progress has been realised against several corrective actions and the relevant subcontractor is making permanent changes to its practices to eliminate future risks. These assessments involve interviews with both subcontractor management and workers; and provide important insights to actual worker conditions to identify areas of potential deficiency which facilitate meaningful discussions and action development regarding future improvement to promote worker welfare and human rights issues. Through these scheduled audits MODEC is pleased to note that our subcontractors are placing an increased emphasis on worker welfare standards, prioritising worker accommodation, health and safety considerations and reliable and timely payment of wages. Furthermore, trust is being established with subcontractor management personnel via our constructive approach to the audit process which underpins the implementation of sustainable changes to improve worker welfare, meaning our joint MODEC-subcontractor dialogue on Modern Slavery risks remains transparent, open and cooperative.

This work continues MODEC's efforts to assess and remediate the risks of Modern Slavery in its supply chain, and in particular its key shipyard and fabrication yard subcontractors, over previous reporting periods, and provides an important baseline to measure improvements in human rights conditions during the execution of future MODEC projects.

EFFECTIVENESS ASSESSMENT

MODEC has observed that key subcontractors with whom it has worked to audit Modern Slavery risks are increasingly willing to engage in these audits transparently, openly and cooperatively, including to implement corrective actions leading to long term improvement in worker conditions. Such cooperation is viewed as a significant step towards permanent progress to affect permanent changes to workplace culture and practices which safeguard worker welfare.

To drive the next phase of progress in its human rights' due diligence processes, MODEC intend to undertake the following actions for the coming reporting period:

- utilisation of MODEC's salient human rights risks to inform and target MODEC's Modern Slavery response to achieve the most effective worker welfare improvements;
- add specialist, professional resources to our MODEC human rights team;
- review of MODEC's existing vendor vetting practices to incorporate additional human rights focus areas to aid better risk mapping at the initial vendor pre-qualification stage;
- the development of a supplier self-assessment questionnaire for suppliers assessed as being high risk during the above pre-qualification /vendor vetting process;
- the creation of a comprehensive 'MODEC Supplier Code of Conduct' detailing MODEC's minimum human rights and worker welfare expectations of our suppliers and including implementation guidance; and
- commence discussion on designing a grievance mechanism in the worksites of our key subcontractors and suppliers that can be utilized by vulnerable workers in our supply chain.

CONSULTING WITH OWNED OR CONTROLLED ENTITIES

MODEC operates as an integrated Group of companies with overarching policies, processes and systems that are designed to ensure consistency throughout all our operations. Accordingly, consultation across the list of entities owned or controlled by MODEC, Inc., has occurred naturally. Further, all MODEC entities operate under the direction and governance of the Board, who have been consulted and informed of the reporting requirements of the Modern Slavery Act via the Sustainability Committee.

This statement is approved and endorsed by the MODEC Board on 19 June 2025.



Hirohiko Miyata

Representative Director, President & Chief Executive Officer of MODEC Inc.