

# Modern Slavery Statement FY21

1 January 2021 - 31 December 2021





# 01

## Introduction

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### ABOUT THIS STATEMENT

This statement is a joint statement made under section 14 of the *Modern Slavery Act Cth (2018)* ("**Modern Slavery Act**") and is made in respect of Civeo Pty Ltd (ACN 003 657 510) and its wholly owned subsidiary, Action Industrial Catering Pty Ltd (ACN 071 228 807) (collectively referred to as "**Civeo Australia**", "**we**", "**us**" and "**our**" in this statement).

The purpose of this statement is to detail the structure, operations and supply chain of Civeo Australia as well as risks identified and actions taken by Civeo Australia, during the 2021 reporting period (1 January – 31 December 2021) ("**Reporting Period**"). Civeo Pty Ltd consulted with Action Industrial Catering Pty Ltd in the development of this statement, as well as with key stakeholders across Civeo Australia's business and Civeo Australia's Leadership Team ("**Executive Committee**").

The Board of Directors of both Civeo Pty Ltd and Action Industrial Catering Pty Ltd have approved this joint statement.

### WHAT IS CIVEO AUSTRALIA'S APPROACH TO MODERN SLAVERY?

Civeo Australia follows a zero-tolerance approach to modern slavery through our operations and supply chain, which aligns with our mission, shared purpose, and values. This statement serves to describe the actions we have taken in the Reporting Period to identify and seek to reduce the risks of modern slavery practices in our supply chain.

During the Reporting Period, alongside continued monitoring of modern slavery risks identified during the 2020 reporting period, Civeo Australia identified additional risk areas and put in place several control measures to assess and address such risks. These measures included implementation of a Human Rights Policy, team engagement and training, collaboration with suppliers and addressing impacts of COVID-19. Civeo Australia has continued to monitor and review its practices used to assess the effectiveness of its actions and measures for assessing and addressing modern slavery risks and has set goals to investigate additional ways of evaluating effectiveness during the 2022 reporting period.

## OUR MISSION AND SHARED PURPOSE

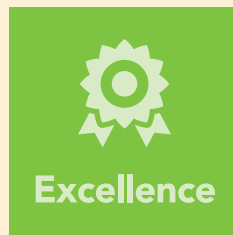
**To create remarkable experiences for the people and communities we serve. It's what we do.**

Civeo Australia is dedicated to creating and setting higher standards in our industry. We focus on food safety, housekeeping, maintenance, and wellbeing programs at our villages to ensure a comfortable, safe, healthy environment for every guest. Our villages are the next best thing to home – safe, comfortable and efficient living environments where guests can rest and recharge.

Our aim is to provide comfortable and safe living environments while minimizing our environmental footprint and supporting the communities in which we live and work. Just as important as what we do is the manner in which we operate. As a leader in workforce accommodations, we hold ourselves to a high standard when it comes to safety, the environment and our active involvement in the community. It's just what we do.

## OUR VALUES

Civeo Australia's core values: Safety, Care, Integrity, Excellence, and Collaboration are the principles that form the foundation on which we perform work and ultimately influence and shape our amazing culture. Unsurprisingly, they are the practices we use every day in everything we do.



- We **care** about our people, guests, customers, environment and communities
- We **collaborate** with each other, our communities, customers and partners
- We strive for service **excellence**, delivered with passion and pride
- We act with **integrity** and our clients and communities can trust us to deliver our promises
- We put the **safety** of our employees and guests above all other concerns

We believe that investing in our people is an investment in our collective success. Our commitment to training and career development enables employees to grow and advance in their careers while supporting our position as one of the most trusted brands in our industry.

Civeo Australia is an equal opportunity employer that values the contribution of all our people.





# Our structure, operations and supply chain

Throughout Australia, Civeo Australia provides a number of services including remote accommodation and catering, site management and facilities management to our clients, who are predominantly in the energy and resources sector. These services are delivered either at Civeo Australia owned accommodation villages or at third party owned villages, which are located throughout Queensland, Western Australia, South Australia and New South Wales.

Civeo Pty Ltd is ultimately owned by Civeo Corporation, a Canadian company listed on the New York Stock Exchange ("**Civeo Parent**"). Civeo Pty Ltd has one wholly owned operating subsidiary, Action Industrial Catering Pty Ltd, which is considered a reporting entity under the Modern Slavery Act. As at 31 December 2021, Civeo Pty Ltd employed 466 employees and Action Industrial Catering Pty Ltd employed 485 employees.



## OUR SUPPLY CHAIN

Civeo Australia operates a supply chain team which is based across our corporate offices in Sydney, Brisbane, and Perth. The supply chain team is responsible for the management of Civeo Australia's supplier relationships and sourcing activities which include the provisioning of goods and services, strategic procurement functions, contracting, products assessment and compliance to relevant codes and standards.

Civeo Australia's primary supply chain consists of over 250 Tier 1 suppliers and over 150 Tier 2 suppliers, who provide the goods and services essential to our operations. Civeo Australia's supply chain team focuses on ethical sourcing, seeking to partner with companies that demonstrate high standards with respect to human rights, safety, and risk management. Our policies, processes and practices reflect Civeo Australia's commitment to ethical sourcing and identification of risks of modern slavery within our supply chain.

- » FRUIT AND VEGETABLES
- » MEAT AND POULTRY
- » SMALL GOODS
- » BEVERAGES
- » RETAIL
- » CLEANING AND CHEMICALS GOODS
- » HOSPITALITY GOODS AND EQUIPMENT
- » FACILITIES MAINTENANCE GOODS AND SERVICES
- » LABOUR HIRE
- » CORPORATE SERVICES

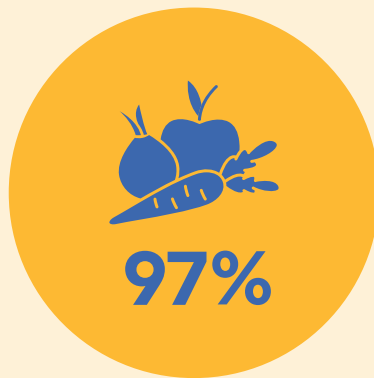


## SOURCING STRATEGY

Civeo Australia's sourcing strategy is based on a category management approach, which focuses on a buy local, buy Australian procurement culture. We have a strong and proud history of partnering with Australian based producers, growers, and manufacturers, local small to medium enterprises and First Nations suppliers. Within this strategy, it is important to recognise that some of our suppliers may have larger, more complex international supply chains due to certain goods not being locally manufactured.

When new goods from international sources are introduced into our supply chain, Civeo Australia takes a risk mitigation approach to these, based on a number of variables which ultimately determine the level of risk that Civeo Australia will be exposed to in relation to modern slavery, ethical sourcing and human rights violations.





**100% of chicken** purchased by our QLD operations is sourced from QLD, RSPCA approved, and distributed to our locations by a local butcher in Mackay.

**97% of Civeo's fruit and vegetables** supplied to our Western Australia operations are sourced within Western Australia.

**100%** of Civeo's environmentally sustainable portion of hospitality consumables and disposables are sourced from two **Australian owned and operated manufacturers**.



  
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# 03

## Modern slavery risk identification in the Reporting Period

### RISKS IDENTIFIED WITHIN OUR SUPPLY CHAIN

#### Continued key risk areas

During the 2020 reporting period, Civeo Australia identified a number of supply categories which had a heightened risk of modern slavery activities:

- industries within Australia that rely on migrant labour, such as the harvesting of fruit and vegetables, meat production facilities and textile industries;
- the Australian seafood industry;
- industries which rely heavily on imported goods, such as the manufacturing of plastics, papers, cleaning equipment, chemicals and garments and textiles; and
- commodities harvested overseas, such as coffee beans, tea leaves and cocoa beans.

Throughout the Reporting Period, Civeo Australia continued to monitor these areas with a high level of scrutiny, to ensure we continue to partner with suppliers that have strong ethical sourcing and modern slavery approaches within the overall supply chain governance.

As part of our risk monitoring in these key risk areas, during the Reporting Period we took the following actions:

- switched our chemical supply channel in Western Australia to a wholly owned and operated Australian based manufacturing company. This action provided greater oversight into the manufacturing process and provided Civeo Australia with a better understanding of how the labour force was managed, where the raw materials were sourced from and the governance framework the supplier had in place;
- negotiated downstream agreements with Australian manufacturers of packaging goods, this reduced the country of origin risks typically associated with hospitality consumables and disposables; and
- increased our partnership with our hot beverage supplier, to encompass hot beverage peripherals such as sugar, cocoa and tea. Our supplier in the hot beverage category is a world leader in sustainable, ethical and transparent sourcing practices, coupled with industry leading modern slavery and human right practises throughout their global supply chain.

## NEW RISK AREAS

Along with closely monitoring the risks identified in the 2020 reporting period, Civeo Australia identified a number of new risk areas for modern slavery in the Reporting Period, as follows:



- Medical and Safety / Personal Protective Equipment (PPE) sector due to the number of new suppliers in this sector;
- disrupted supply due to COVID-19 supply chain disruption issues and the inability to source certain goods from time to time, which meant that domestic distributors had to change specifications and manufacturing partnerships from time to time; and
- increased reliance on labour hire due to border closures.



**Case Study** | During the Reporting Period Civeo Australia conducted a tender for the supply of Fruit and Vegetables to our Western Australia operations. As part of our compulsory tender compliance response, responders were required to ensure sourcing of Fruit and Vegetables was conducted from producers which demonstrated high standards of anti-modern slavery practices and were based in Western Australia. Civeo Australia successfully partnered with a supplier that demonstrated a strong on-boarding process which included exceptional modern slavery and human rights due diligence and was able to provide Civeo Australia with 97% of our fruit and vegetable volume from Western Australia.



## IMPACTS OF COVID-19 ON OUR SUPPLY CHAIN

COVID-19 presented significant challenges for domestic and global supply chains in the Reporting Period. The spread of COVID-19 resulted in widespread shortages across many industries, ever changing production and manufacturing environments for several commodities and products, and significantly increased demand for supply from regions that remained operational during the pandemic. In these challenging conditions, Civeo Australia recognised that there was a greater risk for potential modern slavery and human rights violations, and that a heightened focus needed to be placed on products and services entering our supply chain.



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## Our actions to assess and address risks in the Reporting Period

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### OVERVIEW OF KEY ACTIONS

During the Reporting Period, Civeo Australia built on the action areas identified in the 2020 reporting period by putting in place the following control measures:

1. reviewed its internal policies and procedures in relation to modern slavery;
2. implemented a new Vendor Selection and Engagement Program (**Vendor Program**);
3. developed and implemented training programs for supply chain members focusing on procurement practices which encompassed modern slavery and ethical sourcing;
4. formalised its global Human Rights Policy; and
5. adopted specific measures to address impacts of COVID-19 disruption on supply chain.

It is through these actions that we have been able to proactively identify any potential for our operations or supply chain to cause, contribute or be linked to modern slavery.

## VENDOR PROGRAM

Civeo Australia implemented a new Vendor Program during the Reporting Period. The Vendor Program was designed to help Civeo Australia develop collaborative and mutually beneficial relationships with existing and potential suppliers and to develop stronger transparency within our supply chain, including creation of awareness of modern slavery, ethical and sustainable sourcing practices and shared knowledge and values within our respective businesses. The Vendor Program outlines the commitment Civeo Australia is undertaking to build on the actions we identified in the 2020 reporting period by:



- establishing stronger business to business transparency and data sharing arrangements;
- setting defined success outcomes in relation to our minimum standards and expectations;
- integrating our supply network with Civeo Australia's technology solutions;
- building better communication channels and forums within our supply chain; and
- outlining the framework in which Civeo Australia reviews, inspects and audits our suppliers.

The Vendor Program assists in identifying the risk profile attributed to a specific supplier based on location of the supplier, country of origin (of goods supplied), raw materials specifications, category of goods supplied, and total volume spend. Suppliers who are assessed as a moderate to high risk, must undergo a physical site audit by Civeo before supply can commence to Civeo Australia.



**Case Study** | Through Civeo Australia's due diligence process, and in working with our supplier it was identified that a specific manufacturer of nitrile gloves was being investigated for potential forced labour breaches within their operations. This product was presented to Civeo Australia as a potential substitution, to assist with keeping our supply of gloves available during the pandemic. Civeo Australia's category management team in performing their product due diligence identified that this manufacturer may not comply with our policies and should not be used. Civeo Australia worked with our supplier to obtain the gloves from a different manufacturer.





## ENGAGING WITH OUR TEAMS AND TRAINING

During the Reporting Period, Civeo Australia's internal learning and development and supply chain teams developed formal training programs focused on procurement procedures and practices which incorporated modern slavery and ethical sourcing modules. Training sessions were delivered in small group environments to Civeo Australia team members who actively take part in the purchasing process ranging from heads of department, village management teams, and corporate office staff. The purpose of the training is to impart knowledge and information in relation to all procurement practices and to outline the importance of Civeo Australia's modern slavery procurement policies and practices.

## HUMAN RIGHTS POLICY

In 2021, Civeo Parent formalised its global Human Rights Policy which applies to all entities in the Civeo group including Civeo Australia. The Human Rights Policy outlines Civeo's global commitment to ensuring human rights are respected in the conduct of all of its activities, including in Australia. This Policy is communicated to, and acknowledged by, all Civeo Australia entity employees and regularly reviewed.

The Human Rights Policy supplements Civeo Australia's existing Ethical Sourcing and Modern Slavery Policy and Procedure adopted on the 1st of June 2019 as well as Civeo Parent's global Anti-Bribery Policy and Corporate Code of Business Conduct and Ethics, which are all regularly reviewed.

## MEASURES TO ADDRESS IMPACTS OF COVID-19

Due to the national presence of our supply chain team, we were able to take a decentralised approach to dealing with the effects of the pandemic across each of our operational regions. This allowed us to carefully review any new products which were entering our supply chain, and conduct regular (as often as weekly) business to business reviews with our suppliers across different regions focusing on:

- product availability;
- product quality and country of origin;
- new lines and manufacturers entering the downstream supply chains;
- reporting risks particularly in relational to critical PPE availability, ethical sourcing and modern slavery, and domestic freight shortfalls; and
- impact of labour shortages on our downstream supply chain in relation to modern slavery and poor labour conditions.



As the global market continues to experience supply and production pressures as a result of COVID-19, Civeo Australia will continue to review and adjust existing measures, and implement new strategies to ensure the modern slavery risk is reduced.

## CHANNELS FOR REPORTING AND REMEDYING ANY POTENTIAL MODERN SLAVERY CONCERNS WITHIN OUR SUPPLY CHAIN

Civeo Australia takes all matters involving potential modern slavery and human rights violations, or other breaches in relation to our goods and services agreements, or minimum standards and expectation very seriously. As in the 2020 reporting period, during the Reporting Period Civeo Australia had in place a number of channels for reporting any concerns either internally or externally. These channels are available to all employees, suppliers, and contractors within our business, and are confidential and, if required, anonymous. These channels include:

- directly to Civeo Australia's EGM, Human Resources, EGM, HSQE, or GM, Supply Chain (on a confidential basis);
- anonymously via Civeo Parent's ethics hotline; or



- easily, through Civeo Australia's Safety Management System (MyOSH).

Matters involving our suppliers are handled on an individual basis in accordance with our policies, and procedures, and, if applicable, relevant contractual provisions. Some of the actions Civeo Australia may take following a breach, or potential risk of breach, are as follows:

- notification of the relevant supplier;
- outline of an appropriate course of action for the supplier to undertake to remedy the breach or potential risk;
- monitoring of the supplier, and any further downstream supply chain network that may be affected or identified as part of the breach, or potential risk; and
- potential termination of the supply agreement, suspension of supply of a specific good or withdrawal of purchase orders / return of goods within our supply chain.





# Assessing our effectiveness

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## ASSESSING OUR EFFECTIVENESS DURING THIS REPORTING PERIOD

Civeo Australia has a number of ways it assesses the effectiveness of its actions and measures for assessing and addressing modern slavery risks to ensure that we are striving for continuous improvement within the areas of ethical sourcing and modern slavery. Current practices that have been outlined during the previous 2020 reporting period, and which we continued to implement during the Reporting Period are:

- a bi-annual modern slavery risk assessment conducted across Civeo Australia's entire supply chain;
- the external review of our policies and procedures, conducted annually by third-party auditors as part of Civeo Australia's ISO9001 certification;
- the use of contractual Key Performance Indicators by Civeo Australia to require suppliers to agree to comply with our policies and procedures, such as:
  - Civeo Parent's global Anti-Bribery Policy;
  - Civeo Australia's minimum standards and expectations; and
  - Civeo Australia's Vendor Program
- 360 feedback, and review process conducted with senior stakeholders and suppliers;
- working with industry peers to share best practice and identify knowledge gaps; and
- collaboration with our suppliers, through targeted meeting topics, informal discussions and quarterly contractual reviews that are designed to share knowledge and foster and promote Civeo Australia's awareness of modern slavery, and commitment to minimising the risk of these practices entering our supply chain.

## OUR PLAN FOR CONTINUOUS IMPROVEMENT IN OUR ASSESSMENT METHODS

In addition to continuously monitoring and reviewing the current practices for improvements, Civeo Australia will seek to investigate further ways in which to assess this area during the 2022 reporting period, including:

- stronger technology solutions which will look to focus on developing greater capacity to evaluate suppliers and conduct supplier self-assessments;
- continued review and improvement of our internal programs such as the Vendor Program and ethical sourcing framework;
- dedicated team member responsible for the assessment and evaluation of Civeo Australia's supply chain on compliance matters including modern slavery; and
- development of a long-term plan that outlines Civeo Australia's internal road map to work towards assisting the global supply chain community in eradicating modern slavery.



FIRE WATER  
HYDRANT SYSTEM  
72,000 LITRES

  
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## Future vision and closing statements

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Whilst strong foundations have been developed and implemented in our approach to eliminating modern slavery and human rights violations from our operations and supply chain in the Reporting Period, there is a need to continue building on those foundations. It is only through continuous improvement, collaboration, and education of ourselves and our supplier partnerships that we will ultimately build stronger internal awareness and capability within our people and our suppliers. Civeo Australia will continue to focus on enhancing our internal and external training platforms and will continue to address and review high risk categories within our supply networks. Additionally, Civeo Australia will continue to investigate technology solutions to aid supply chain transparency reporting and align internal strategies and procedures with respect to modern slavery.

In preparing this statement, Civeo Australia understands that bringing modern slavery to the forefront of our conversations and actions is critical to creating awareness and understanding throughout our supply chain. With this in mind, we have collaborated with members of our Executive Committee, Supply Chain, Legal, HSQE, Shared Services and Operational teams to prepare this statement.

This joint statement has been approved by the board of directors of each of Civeo Pty Ltd and Action Industrial Catering Pty on the 28 June 2022, and signed by Peter McCann, as director of Civeo Pty Ltd and Action Industrial Catering Pty Ltd.



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**Peter McCann**

Director of Civeo Pty Ltd

Director of Action Industrial Catering Pty Ltd

28 June 2022



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