



**MODERN SLAVERY STATEMENT 2022**  
**MMA Offshore Limited**



**MMA**  
**OFFSHORE**



# Modern Slavery Statement 2022

MMA is committed to ensuring that no forms of slavery or forced labour occur within its operations or supply chains. This statement has been prepared in accordance with the requirements of the Commonwealth *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**).

## 1. REPORTING ENTITIES COVERED UNDER THIS MODERN SLAVERY STATEMENT

This Modern Slavery statement (**Statement**) is made in accordance with the Modern Slavery Act and applies to MMA Offshore Limited (parent company) and its subsidiaries. This Modern Slavery statement also covers subsidiary company, MMA Offshore Vessel Operations Pty Ltd, which independently meets the reporting threshold under the Modern Slavery Act.

## 2. ABOUT MMA

MMA Offshore Limited (**MMA** or **Company**) is publicly listed company on the Australian Securities Exchange (**ASX**) specialising in providing high-specification vessels and a comprehensive suite of marine and subsea services to the offshore energy sector and wider maritime industries.

Established in 1989 and listed on the ASX on 1999, MMA expanded its presence into South East Asia in 2006 and into the Middle East in 2015. MMA's head office is in Perth, Western Australia. MMA's corporate structure includes subsidiaries incorporated in Australia, Singapore, Malaysia, Indonesia, Papua New Guinea, USA and the UK. MMA also has a branch office registered in New Zealand.

MMA Offshore Vessel Operations Pty Ltd is the operational subsidiary company in Australia for the MMA Group and is the main employer of the MMA Group Australian employees.

Today, MMA is one of the largest providers of marine services to the offshore energy industry in the Asia-Pacific region. MMA employs around 1,100 people globally and owns and operates a fleet of 30 modern offshore vessels, provides a comprehensive suite of subsea inspection, maintenance and repair (**IMR**) services, and has operational facilities in Singapore and Aberdeen.

MMA's management of modern slavery falls under its overall approach to business as set out in our Purpose and Principles statements and is further outlined in its Code of Conduct - which underpins all of its operations and places a strong focus on working legally, ethically and safely.

MMA has developed a strong supply chain and a network of suppliers and subcontractors to support its operations. These suppliers include marine spare parts Original Equipment Manufacturers (**OEM's**), providers of logistics, port and agency services and providers of marine fuel, provisions, Personal Protective Equipment (**PPE**), uniforms and consumables etc.

We have established multi-year relationships with majority of our suppliers. Approximately 40% of our procurement is from Australian-based companies, whilst 35% is from Singapore and 25% from other areas (primarily South East Asia).

MMA's operations are also carried out in accordance with the *Maritime Labour Convention 2006* (**MLC**) which provides minimum standards and regulations relating to the employment, working and living conditions of seafarers. The MLC establishes comprehensive rights and protections of work for all MMA seafarers.

### 3. MMA GROUP CORPORATE GOVERNANCE

MMA's Purpose and Principles, as well as its policies, processes and procedures are integral to the way it operates its business.

MMA's commitment to human rights is supported by policies and processes that mitigate risks of slavery and human trafficking. MMA has implemented a range of policies and procedures to support a diverse and inclusive workplace, free from any modern slavery practices. These include, but are not limited to:

- Board Charter;
- Code of Conduct;
- Anti-Bribery and Anti-Corruption Policy;
- People Policy;
- Community Policy;
- Diversity and Inclusion Policy;
- Health, Safety & Security Policy;
- Recruitment and Selection Procedure;
- Contractor Management Procedure; and
- Whistleblower Policy.

Additionally, MMA monitors and reviews the effectiveness of these policies/procedures and how well these have been implemented across the business through both internal and external audit regimes.

MMA's Human Resources policies include a zero tolerance of any threat of physical or sexual violence, harassment or intimidation against employees, their family or their close associates. MMA's policies/processes are clearly defined and communicated to all of its employees.

All MMA employees are:

- Treated fairly and equally;
- Paid at least the national minimum wage;
- Not permitted to work in excess of the number of hours permitted by law;
- Provided a safe workplace and all required PPE; and
- May refuse or cease work whenever legally permitted.

### 4. RISKS IDENTIFIED IN OUR OPERATIONS AND ACTION TAKEN

#### 4.1. Crewing

As stated above, MMA owns and operates a fleet of over 30 specialised offshore support vessels. To crew these vessels, MMA maintains a pool of around 800 qualified seafarers – comprising both Australian and international seafarers, all operating under both the MLC and Flag State regulations. In addition, MMA occasionally engages local manning agencies to supplement its workforce with local seafarers, divers and other subsea technical specialists. This typically occurs to meet a peak in demand or in countries with specific local manning quotas or rules.

MMA has developed robust recruitment and training procedures which apply to all our personnel (offshore or onshore, permanent or casual) and ensure our staff are all competent, qualified and treated fairly in line with International Labour Organization (**ILO**) and MLC requirements.

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MMA's in-house manning departments (based in Perth and Singapore) ensure all crew members are suitably qualified and trained. A significant number of these crew members are long-term employees. All employees have to be at least 18 years of age prior to commencing employment with MMA.

A significant proportion of MMA's operations take place in Australia. In fact, 37% of MMA's seafarers support Australian operations.

Australian labour laws require all crew members on vessels operating offshore Australia to be Australian or have full working rights in Australia. Many of the Australian crew members are part of one of the Australian maritime trade unions.

MMA employees are all engaged by way of "common law employment contracts" or "enterprise agreements" both of which are underpinned by either the Australian minimum wage or a modern award applicable to the type of industry or work activity being undertaken. The arrangements are underpinned by Australia's National Employment Standards.



Generally, the Australian maritime trade unions negotiate these enterprise agreements on behalf of their members and these negotiated enterprise agreements are then reviewed by the Fair Work Commission (**FWC**) prior to implementation and the "BOOT" test is undertaken. The BOOT test is the "Better Off Overall Test" where the proposed enterprise agreement is reviewed by the FWC to ensure employees intending to work under the agreement are not going to be remunerated less than the applicable modern award and as such are not disadvantaged.

Internationally, MMA and its agents comply with the regulations of the MLC and Flag State requirements – both of which stipulate the rights and benefits of seafarers. MMA or its agents don't charge any recruitment fee from the seafarers and all their wages are credited directly to the seafarer's nominated bank account. The working conditions, food and welfare arrangements onboard the ships are in line with MLC and Flag State requirements. MMA makes travel arrangements for the seafarers to and from the vessel. The seafarers are covered under the company's insurances during their contract duration.

Due to the above and MMA's stringent internal recruitment, training and personnel management processes, the risk of modern slavery occurring within MMA's internal workforce is deemed to be extremely low.

## 4.2. Maritime Labour Convention

The MLC provides minimum standards and regulations relating to the employment, working and living conditions of seafarers.

All of MMA's offshore operations, including recruitment and personnel management, are conducted in accordance with the MLC, thereby ensuring that all seafarers employed by MMA are treated fairly, ethically, lawfully and free from any modern slavery practices.

As part of MMA's internal monitoring and continuous improvement activities, processes and procedures relating to the recruitment and ongoing management of personnel undergo rigorous internally lead and externally facilitated third-party audits on a regular basis.

## 5. RISKS IDENTIFIED IN OUR SUPPLY CHAIN AND ACTIONS TAKEN

### 5.1. Supply chain



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Where possible, MMA endeavours to source products and services from selected suppliers/contractors local to the area of operation (for example from Australian suppliers for Australian operations or from Singaporean suppliers for South East Asian operations).

An exception to this are key vessel parts or spares which have to be sourced from the OEM, such as for the vessels' Dynamic Positioning system or vessel's engines. However, these OEMs providing specialised high-end vessel equipment are generally reputable international companies - so the risk of modern slavery occurring within these organisations is considered very low.

MMA conducts extensive counterparty due diligence (**New Vendor Due Diligence Process**) on prospective suppliers/contractors. Areas of concern identified in our supply chain include:

- lack of due diligence policies of potential of prospective suppliers/contractors;
- countries identified as having higher risk of modern slavery violations (such as Myanmar, Indonesia, Mozambique or Malaysia) (Geographical risks); and
- products or services that may be associated with higher risk of modern slavery violations (for example manning agents) (Product and services risks).

Where, as part of the New Vendor Due Diligence, a potential area of concern for modern slavery risk is identified, MMA will request that the supplier/contractor complete:

- a Due Diligence questionnaire;
- a Compliance certificate which includes the requirement to abide by both the Modern Slavery Act and the United Nations Global Compact Principles. This will establish a clear baseline requirement for how MMA expects its suppliers/contractors to manage modern slavery risks. The ten United Nations Global Compact Principles specifically include the following principles relating to labour and modern slavery:
  - *Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*
  - *Principle 4: the elimination of all forms of forced and compulsory labour;*
  - *Principle 5: the effective abolition of child labour; and*
  - *Principle 6: the elimination of discrimination in respect of employment and occupation.*

Should modern slavery practices be identified within a potential supplier's/subcontractor's operations or their respective supply chains, the potential supplier/subcontractor will be rejected, and, where required and appropriate, the issue raised with the relevant authorities.

### 5.2. Managing identified areas of concern

MMA has manning agreements in place with several registered marine/dive manning agencies within Australia and South-East Asia. These agreements follow MMA's supply chain and procurement procedures, including supplier risk assessments and due diligence.

MMA uses only reputable employment agencies to source agency workers and always verifies the practices of any new agent it is using before accepting workers from that agent. Manning agencies are all registered businesses for the purpose of the International Labour Organization's Recruitment and Placement of Seafarers Convention.

Manning agents are also audited by MMA every twelve months to ensure on-going compliance with MLC and other marine and employment regulatory requirements.

### 5.3. PROCUREMENT TERMS AND CONDITIONS

Where possible, contractors/suppliers are requested to contract under the MMA Group standard procurement terms and conditions which addresses modern slavery and requires:

- all contractors/suppliers comply with modern slavery legislation;

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- conduct due diligence on its subcontractors to investigate the risk of modern slavery in its supply chain; and
- mandates the inclusion of similar provisions in its contracts with its subcontractors

Where third party contract terms and conditions are used, MMA will also endeavour to include similar provisions into its contracts.

### 6. ASSESSMENT OF EFFECTIVENESS

MMA seeks continual improvement through the identification and implementation of improvement opportunities and by ensuring that any non-compliances are addressed. MMA's processes and procedures include a range of audits and inspections which seek to ensure that all statutory and internal compliance requirements are met. These include (but are not limited to) MLC compliance audits, quality audits, supplier audits and staff opinion surveys (the most recent of which was carried out in 2020).

The implementation of all actions arising from these audits (including actions to address any identified non-compliances) are tracked through MMA's central system for the management of continuous improvement activities (InControl).

Actions arising from the New Vendor Due Diligence (detailed above) may include further due diligence and/or supplier audits to examine any potential modern slavery practices or risks.

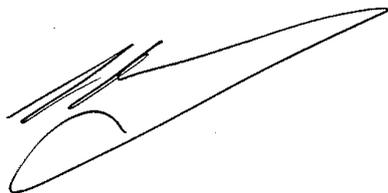
In addition, MMA's employees and suppliers have access to the Group's Whistleblower Policy – including its third party reporting hotline (administered by PwC) and a dedicated, confidential whistleblower email address. MMA's Whistleblower Policy provides an avenue for MMA employees, its suppliers/subcontractors and their employees, to both confidentially and anonymously report or raise any concerns of suspected unethical or corrupt behaviour - which could include modern slavery concerns or practices.

Through the above, MMA is able to ensure that any potential modern slavery practice or risk is identified, assessed and actioned appropriately.

### 7. CONSULTATION WITH OWNED ENTITIES

MMA's key policies, procedures and processes apply to all companies within the MMA Group. As such, this statement applies to all of MMA Offshore Limited's subsidiaries and has been approved by their respective Boards of Directors.

This statement has been approved by the Board of MMA Offshore Limited (the parent company of the MMA Group) and is signed by its Managing Director, Mr David Ross.



**David Ross**

**Managing Director**