



MODERN SLAVERY STATEMENT 2020
MMA Offshore Limited



MMA
OFFSHORE



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Modern Slavery Statement 2020

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* (**Modern Slavery Act**).

1. ABOUT MMA

MMA Offshore Limited (**MMA or Company**) is an Australian company specialising in providing marine services and expertise to the offshore energy industry.

Established in 1989 and listed on the Australian Securities Exchange (**ASX**) in 1999, MMA expanded its presence into South East Asia in 2006 and into the Middle East in 2015. MMA's head office is in Fremantle, Western Australia. MMA's corporate structure includes subsidiaries incorporated in Australia, Singapore, Malaysia, Indonesia, Mozambique, Papua New Guinea, USA and the UK. MMA also has a branch office registered in Dubai, UAE.

Today, MMA is one of the largest providers of marine services to the offshore energy industry in the Asia-Pacific region. MMA employs around 1,000 people globally and owns and operates a fleet of 30 modern offshore vessels and two onshore facilities – one in Singapore and the other in Batam, Indonesia.

Through the acquisition of the operating businesses of Neptune Marine Services in 2019, MMA has expanded its service offering in the subsea market and now also provides a comprehensive suite of subsea inspection, maintenance and repair (**IMR**) services.

MMA's management of modern slavery falls under its overall approach to business as set out in its Vision, Mission and Values Statement 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 a 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.

In this statement, MMA reports on how it assesses and addresses the risks of modern slavery occurring within its supply chains (whether in Australia or internationally), including details on MMA's processes related to the recruitment, employment and training of our staff and its management of subcontractors.

2. RISKS IDENTIFIED

2.1. 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 900 qualified seafarers – comprising both Australian and international seafarers, all operating under both MLC and Flag State regulations.

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In addition, MMA occasionally engages local manning agencies to supplement its workforce with local seafarers or divers. 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.

MMA's in-house manning departments (based in Fremantle 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.

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.



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 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.

2.2. Supply chain

From a procurement and supply chain perspective, wherever possible, MMA endeavours to source products and services from selected suppliers local to the area of operation (for example from Australian suppliers for Australian operations or from Singaporean suppliers for South East Asian operations). Notable exceptions 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.

However, the risk of modern slavery has been identified when sourcing goods or services from local companies operating in higher risk countries (such as Myanmar, Indonesia or Mozambique for example) and this forms a key part of MMA's supplier assessment.



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MMA operates an extensive Subcontractor Selection and Management Process (**Subcontractor Management Process**), which includes appropriate counterparty due diligence and aims to establish clear accountabilities in the selection, engagement and management of contractors/suppliers.

This Subcontractor Management Process requires that all contractors/suppliers are evaluated prior to conducting work on an MMA site/vessel/asset. The outcome of this evaluation determines the level of risk the contractor and/or a specific scope of work poses to MMA and this, in turn, determines the level of supervision and control applied to that contractor/supplier by MMA.

3. MITIGATIONS AND ACTIONS TAKEN

3.1. 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.

3.2. Internal policies/processes

MMA's Vision, Mission and Values 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 HR 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.



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3.3. Subcontractor management

In addition to the Subcontractor Management Process detailed above and to ensure specifically that all subcontractors abide by MMA's prevention of modern slavery requirements, the following steps are in the process of being implemented and will be fully integrated and operational by 31 December 2020:

- a) Prior to being selected, potential subcontractors/suppliers will be required to complete a Modern Slavery Questionnaire which will help MMA assess the modern slavery risk they may pose.
- b) Subcontractors will be required to adhere to and sign MMA's Certificate of Compliance, 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 and subcontractors 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.*
- c) Where, as part of the subcontractor/supplier evaluation process, a potential modern slavery risk is identified, MMA will carry out an audit of the subcontractor in order to satisfy itself that the subcontractor is compliant with the required standards and principles detailed above.

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

MMA's standard contract terms and conditions for its suppliers/subcontractors contain provisions which require subcontractors/suppliers to comply with legislation and principles combating modern slavery. Where third party contract terms and conditions are used, MMA will also endeavour to include similar provisions into its contracts.

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.

4. 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 2019).

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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 Subcontractor Management Process (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.

5. 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