

Modern Slavery Statement 2021

Introduction

This statement is made in accordance with the spirit of Section 54 of the UK Modern Slavery Act 2015. It is intended to communicate the procedures and steps which MHB has taken relating to the management of the risk of modern slavery up to 18 February 2021.

About MHB

MHB is a leading and trusted marine and heavy engineering solutions provider for a wide range of offshore & onshore facilities and vessels. The main solutions of MHB include deep-water, fixed platforms, conversion, marine repair, process modules and other services. In addition to our marine and other services, MHB provide industrial training and competency development programmes in a safe and controlled environment. MHB is also a proud constituent of the FTSE4Good Bursa Malaysia Index, a testament to our sustainability performance and strong Environment, Social and Governance (“ESG”) practices. We are committed to creating value for our stakeholders and contributing to the sustainability of our industry in the way we do business.

MHB Human Rights Commitment and Modern Slavery Policy

In Q1 2021, the MHB Board has approved a ‘Human Rights Commitment’ where *“MHB is committed to respecting internationally recognized human rights in areas of its operations, complying with its Code of Business Ethics, and all relevant legal requirements.”*

MHB has also adopted a Modern Slavery Policy in conjunction with this statement, which reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our activities.

MHB’s Values and Code of Conduct and Business Ethics

MHB is committed to acting with integrity in all its business dealings. MHB adheres to a Code of Conduct and Business Ethics which outlines the standards and behaviors that

MHB upholds and which emphasises due respect for human rights and compliance with applicable global laws and rules.

As a subsidiary of a global corporation, MHB respects the International Bill of Human Rights and supports the UN Universal Declaration of Human Rights as well as the principles concerning fundamental rights set out in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

Access to Remedy

MHB also has a comprehensive whistleblowing policy in place and encourages all its employees, workers, customers and business partners to report any concerns related to its direct activities or its supply chain. This includes any circumstances that give rise to an enhanced risk of slavery or human trafficking.

MHB is also in the process of establishing and implementing a mechanism to further enhance access to remedy in relation to Human Rights Grievances. A Grievance Mechanism Procedure is being developed to ensure that a grievance channel and a process is established for employees, contract personnel and any party involved in providing services to MHB to address related grievances.

Human Rights Working Committee ("HRWC")

MHB has established a cross-functional Human Rights Working Committee to consider the way MHB implements its human rights commitments across its business and determine any adjustments or enhancement opportunities to improve our human rights performance.

The HRWC is tasked, amongst others, to develop policies and procedures which include the adoption of a Modern Slavery Policy, to conduct risk assessments and due diligence and propose improvement actions to mitigate risks identified.

Due Diligence Process

As part of our initiative to identify and mitigate risk, the HRWC are to:

1. Conduct a Social Risk Assessment and Human Rights Due Diligence across MHB;
2. Determine steps taken and / or intended to be taken with regards to ensuring modern slavery and human trafficking is not taking place in MHB's business or supply chains;
and

3. Ensure effective communication, awareness and training on Human Rights matters.

Social Risk Assessment

The first Social Risk Assessment (SRA) was performed during the final quarter of financial year 2019 in MHB's yard in Pasir Gudang. The SRA encompasses a review of human rights and modern slavery elements on labour/working conditions, supply chain, security and livelihood of impacted communities. Based on the outcome of the SRA, action plans were identified to mitigate any human rights breaches. SRAs for other sites within MHB's Group will be conducted throughout the year to meet the commitments of MHB's Human Rights and Modern Slavery Policy.

Supplier Adherence to Our Values

In compliance with the MHB Human Rights Commitment and the Modern Slavery Policy, we seek to work with contractors who share our values of integrity, committed to fighting bribery and corruption and contribute to sustainable development. MHB also requires our contractors to respect internationally-recognized human rights, complying with MHB Code of Conduct and Business Ethics (CoBE) and all relevant legal requirements.

Our Third Parties are also required to declare their commitment to abide the higher standard of integrity expected by MHB through the signing of the Vendor Declaration and Third Party Integrity Commitment.

Prior to award of contract, Third Parties Compliance Due Diligence assessment is conducted to ensure that all pre-qualified suppliers and contractors do not pose any significant Associated Compliance Risk, which includes human rights related risks, that could jeopardise the reputation of MHB prior to entering into a formal business relationship with MHB. During the operational contract period, critical supplier's environment, social and governance performance is monitored via an annual Vendor Performance Assessment (VPA). A review of the VPA form is under way to ensure that the checklist covers sustainability elements including human rights responsibilities.

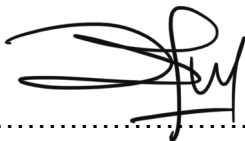
In accordance with our zero-tolerance approach to slavery, forced labour and human trafficking we will seek to ensure that all future agreements, will allow us to terminate and cease dealing with any supplier in the event of any violations.

In November 2020, an awareness session was conducted for third parties as part of MHB's initiative on enhancement to our Supply Chain Management in ensuring that our business partners understand and shall comply to similar standards as per MHB CoBE. The awareness session for third parties is planned to be continued in year 2021.

Awareness and Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our business and supply chains, we have introduced training for all employees with enhanced training for relevant managers. The first training for employees was conducted in Q4/2019. Training on formal Grievance Mechanism was also conducted in Q2/2020 for HRWC members and appointed focal personnel for them to better understand the implementation within MHB. Continued training shall be implemented via e-Learning for all employees, with mandatory participation and minimum passing requirements.

This statement has been approved by the MHB's Board of Directors ("Board") and is signed on behalf of the Board by:



PANDAI OTHMAN

Managing Director & Chief Executive Officer
MHB

Date: 18 February 2021