

## PETROFAC LIMITED MODERN SLAVERY ACT PUBLIC STATEMENT 2020

### Introduction

Petrofac operates in challenging environments where human rights issues can become a source of risk, both for our business and for some of the people who work on our sites.

We are committed to upholding and advancing human rights throughout our business operations and extended supply chain, ensuring that everyone who works with and for us are treated with respect, fairness and dignity.

This Statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps we have taken in 2020 to address these issues across the company and our supply chains.

### About Petrofac

We design, build, manage and maintain infrastructure for the energy industries. Our diverse client portfolio includes many of the world's leading integrated, independent and national oil and gas companies, and renewable energy companies.

#### Our divisions:

- **Engineering & Construction (E&C)** division delivers onshore and offshore engineering, procurement, construction, installation and commissioning services. Lump-sum turnkey is the predominant commercial model used, but we also offer our clients the flexibility of other models. The division has a 39-year track record in designing and building major energy infrastructure projects. Revenue US\$3,090m.
- **Engineering & Production Services (EPS)** brings together our services' capability across brownfield projects and operations, greenfield projects through concept, feasibility and front-end engineering and full project delivery, as well as a range of operations, maintenance and engineering services for onshore and offshore projects. Revenue US\$933m.
- **Integrated Energy Services (IES)** provides an integrated service for clients under flexible commercial models that are aligned with their requirements. Revenue US\$110m.

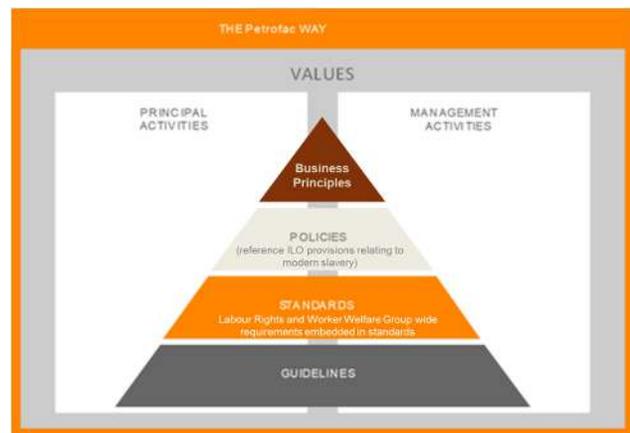
With 9,150 staff (as at 31 December 2020), comprising around 80 nationalities, we have seven operational centres in Sharjah, Abu Dhabi, Chennai, Mumbai, Aberdeen, Woking and Kuala Lumpur, supported by over 20 offices and training facilities worldwide. Further information about Petrofac can be found in our Annual Report and Accounts and at petrofac.com.

### Supply chains and subcontractor relationships

Petrofac has large, complex and diverse supply chains. We buy a broad range of both low-value and high-value goods and services from suppliers globally.

At the close of 2020, our main E&C and EPS projects' purchase orders covered some US\$1.3 billion worth of goods and we supported almost 41,000 jobs. Around 95% of these were through our subcontractors, the remainder being a mix of expatriate and local Petrofac employees and contractors. These workers cover a wide range of services – such as civil works, mechanical, electrical and instrumentation construction works, site facility management and catering services.

### Policy framework and management approach



Respecting human rights is fundamental to our values which are at the heart of everything we do and guide our decisions and behaviours. We take a risk-based approach to understanding and addressing potential modern slavery issues, supported by training to raise awareness, effective due diligence, and compliance assurance.

We strive to protect and respect human rights throughout our business operations and extended supply chain. Our commitments are set out in our Code of Conduct, and we work in accordance with our Social Performance Framework, the UN Guiding Principles on Business and Human Rights, and the Fundamental Conventions of the International Labour Organization (ILO). We are also proud of our long-term commitment to the United Nations Global Compact and disclose annually our progress against its Ten Principles.

We are committed to increasing our engagement with industry and other stakeholders to share good practice. And we work in partnership with our clients and supply chain to drive innovation and continuous improvement on our projects.

## Respecting human rights across our supply chain

The nature of our global operations and the type of geographies we work in at times present human rights risks. Our main exposure to these issues is in the extensive supply chains of our large EPC projects, particularly the labour practices of some of our subcontractors and the recruitment agents and brokers they use.

We assess our operations for human rights issues, addressing any incidents of modern slavery related to forced and bonded labour, worker welfare infringements and other labour rights abuses. In 2020, there were no incidents of modern slavery or human rights violations reported through our auditing or internal incident reporting mechanisms.

## Embedding human rights in our Code of Conduct



In 2020, our priority was to raise awareness among our employees and supply chain of our updated Code of Conduct, which set out our expectations on human rights protections. This was particularly important given the COVID-19 pandemic which acted as a 'stress-test' for our social contract with many of the vulnerable stakeholder groups within our value chain.

The Code is linked to the full range of Petrofac policies, standards and processes and was upgraded to be used as a tool to guide and inform the way that decisions are made across the business.

It rests on three guiding principles:

1. **Own** – emphasising that our ethical integrity is the responsibility of every Petrofac employee and business partner
2. **Discuss** – encouraging open and frank discussion of any issues or uncertainties with, for example, colleagues, management, Human Resources, the Compliance Team, or Internal Audit
3. **Record** – insisting that the business keeps accurate and complete records of all its dealings, to demonstrate why and how decisions are made.

## Building capacity to ensure compliance

We continued to innovate and improve, completing enhancements to the labour rights screening process within our vendor management system. This process is now fully automated, with 100% of all vendors and suppliers screened against human rights criteria when pre-qualified, and required to read and commit to Petrofac's Labour Rights and Worker Welfare Standards.

We also continued the process of screening those third parties already registered on the system and yet to be selected for prequalification, and completed 1167, equating to 40%, in 2020. As a result of the screening, a small number of vendors were red-flagged for enhanced due diligence. Where issues are found, we work with third parties to improve their understanding of our Standards, and support their efforts to comply fully.

## Collaborating across the industry

We also continued to share good practice through our engagement with industry and other stakeholders, such as the Building Responsibly Group of engineering and construction companies.

However, our activities in this area were limited in 2020, as resources were diverted to address the immediate impacts of the COVID-19 pandemic. At a number of our sites, where demobilized subcontractor personnel found themselves unable to travel, our efforts were focused on providing accommodation, food and welfare, and helping the affected companies to get their people home safely.

## Addressing security and human rights risks

To enable respectful relationships between our security providers, our workforce, and the local communities we work in, we operate in accordance with the Voluntary Principles on Security and Human Rights. Adherence to these Principles is a prerequisite in our selection of security providers. We provide awareness training to staff and third parties to help improve the way we work, and we review performance to assure compliance with the Principles and Petrofac's Security Management Framework.

To broaden our oversight of labour rights and worker welfare performance, we are also integrating social performance into the Group HSE compliance assurance programme.

## Safeguarding worker welfare during the pandemic



A Group-wide COVID-19 response and recovery programme, including guidance and a toolkit, was initiated to provide direction and support to our global workforce.

As lockdowns eased, a Return to Workplace Guide and toolkit were developed which outlined Petrofac precautions and protocols, as well as individual responsibilities. The approach was adapted locally to reflect in-country circumstances and regulations.

Throughout this programme, worker health and welfare was prioritised, together with continuous engagement and communications. Measures implemented in all locations included temperature checks, deep cleaning, sanitation stations, PPE, signage, isolation rooms, and contact tracing procedures. cancer, and flu awareness.

We extended our LifeWorks Employee Assistance Programme globally, giving all of our people and their family members easy 24/7 access to independent advice and counselling on a wide range of issues, whether from inside or outside work, that could adversely impact their health wellbeing or work performance.

## Making it easier for our workforce to 'Speak Up'



It is vital that everyone working with or for us is able to raise any concerns which they might have without fearing retaliation, and have the option to do so anonymously.

Another significant development for 2020 was the improvements we made to our Speak Up tool, which is how employees, contractors, suppliers and customers and any other third parties can report any breach or suspected breach of our Code of Conduct, policies, standards, procedures or local laws.

To make it easier to report any such concerns, the hosting of this service was transferred to another independent third party (Navex) which operates a more user-friendly platform and allows for more interaction with reporters. It is available in six languages: Arabic, English, French, Hindi, Russian, and Thai.

To launch the new Speak Up service, our newly appointed Investigations Director first presented it to the executive leadership team, who gave it their full support. It was then rolled out across the Group through an all-employee message from the Group Chief Executive, and training of key stakeholders, including members of the compliance and human resources teams.

### Assessment of effectiveness and KPIs

In 2020 we made the following progress against our performance targets:

- Supplier Labour Rights Due Diligence – 40% (1167) of new and existing suppliers were positively screened, (2019: 44%, 639).
- Incidents – No incidents of modern slavery reported through our internal incident reporting mechanisms.

### Our commitments for 2021 and beyond

Going forward, an additional training programme is planned for 2021, targeting mid-level managers to promote more of a Speak Up culture. This will be reinforced by a separate training programme for all other employees.

We will also continue to align relevant parts of the human rights programme to UN Sustainable Development Goal 8: Decent Work & Economic Growth, specifically targets; 8.7 ending modern slavery and 8.8 protecting labour rights.

Due to social distancing and travel restrictions, few face-to-face labour rights audits were undertaken in 2020. As restrictions ease in 2021, a priority will be to broaden coverage of labour rights and worker welfare audits and complete the integration of social performance into the Group HSE compliance assurance programme, including auditor training.

We aim to continue to drive up ethical standards in our supply chain, focusing on engagement of our subcontractors and promoting the adoption of the Labour Rights compliance targets on our projects. We recognise

that we all have a part to play in combatting modern slavery in all its forms, and we look forward to reporting on our progress on this again next year.

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This statement has been approved by the Board of Petrofac Limited Signed

**Sami Iskander**

Chief Executive Officer June 2021

Petrofac Limited Modern Slavery Act  
Public Statement 2020

1. All reference in this statement to 'Petrofac', 'We' and 'Our' relate to the Petrofac Group and subsidiaries, associates and joint arrangements.
2. Revenue figures relate to financial year Jan - Dec 2020.