



# **Modern Slavery and Human Trafficking Transparency Statement**

for the year ended 31 December 2020

**Compliance Statement**

This statement sets out the procedures that Hunting PLC (“Hunting” or “the Group”) has implemented during 2020 to evaluate the risk of slavery and human trafficking occurring within the Hunting group and within its known external supply chain. This statement also outlines the procedures to address slavery and trafficking which the Group intend to develop in future years.

In compliance to Section 54 of the Modern Slavery Act 2015 this statement, approved by the Hunting PLC Board of Directors on 1 March 2021, was signed on behalf of the Board by Jim Johnson, Hunting PLC’s Chief Executive.

Further information on Hunting’s ethical employment and trading policies can be found at <http://www.huntingplc.com>.

This statement also provides compliance to the Modern Slavery Act for the following UK subsidiaries of the Hunting group:

Enpro Subsea Limited  
Enpro Subsea Operations Limited  
Enpro Subsea Group Limited  
Hunting Energy Holdings Ltd  
Hunting Energy Services Ltd  
Hunting Energy Services (International) Ltd  
Hunting Energy Services (UK) Ltd  
Hunting Energy Services (Well Intervention) Ltd  
Hunting Welltonic Ltd  
Hunting Energy Services Overseas Holdings Ltd  
Hunting Oil Holdings Ltd  
HG Management Services Ltd  
Hunting Knightsbridge Holdings Ltd  
Huntfield Trust Ltd  
Huntaven Properties Ltd  
Stagline Ltd



**Jim Johnson, Chief Executive**  
**31 March 2021**

## Group Structure and Businesses

Hunting is an international energy services group, providing high-end products and services to the global oil and gas industry. The majority of our revenues are derived from partners operating within the upstream segment of the energy industry.

Hunting's global businesses employ approximately 1,923 members of staff in 11 countries. In 2020, Hunting reported revenues of c.\$626 million.

Hunting's global businesses are organised into five operating segments:

*Hunting Titan:* Hunting Titan manufactures and distributes perforating products and accessories. The segment's products include the H-1, E-SUB and H-2 Perforating Systems and the EQUAfrac™ shaped charge technology. The business has manufacturing facilities in the US, supported by a distribution centre network across North America.

*US:* The US businesses supply premium connections, OCTG, drilling tools, subsea equipment, intervention tools, electronics and complex deep-hole drilling and precision machining services for the US and overseas markets. The segment also includes the Group's small oil and gas production business.

*Canada:* Hunting's Canadian business manufactures premium connections and accessories for oil and gas operators in Canada, often focussed on heavy oil plays which require specialist tubing technologies. Canada also manufactures perforating guns.

*Europe, Middle East and Africa:* The segment derives its revenue primarily from the supply of OCTG and well intervention equipment to operators in the North Sea. Revenue from the Middle East and Africa is from the sale of in-field well intervention services across the region which also acts as a sales hub for other products manufactured globally by the Group.

*Asia Pacific:* Revenue from the Asia Pacific segment is primarily from the manufacture of premium connections and OCTG supply. Asia Pacific also manufactures perforating guns.

## 2020 Market Conditions and COVID-19

The COVID-19 pandemic has had a materially adverse impact on the demand for oil and gas and as a result, the Group has reported lower revenue and trading losses in the year. Further, the Group has had to restructure its operations which has included the closure of facilities and reductions in force programmes to align to prevailing market conditions.

The Group has, however, endeavoured to continuously engage with all major parts of its supply chain during the year, to ensure we continue to deliver for our customers. Due diligence procedures, as noted below, have continued throughout the year, with many meetings with suppliers being held virtually.

The Board has considered the impact of COVID-19 on our supply chain and no material issues have been identified or circumstances that have changed our modern slavery procedures and monitoring.

The global oil and gas industry is slowly returning to growth and in line with this trend, more normal supplier meetings and engagement will be restored.

## Supply Chains

The oil and gas sector is a global industry and as a supplier to this industry Hunting's customer and supplier chain network involves relationships with many operators within the market.

Certain of the Group's product lines are manufactured and supplied directly to exploration and production companies, which are termed "end-users" as these customers are ultimately responsible for the exploration, development, production and maintenance of oil and gas reserves. In 2020 approximately c.20% of revenue came from this section of our customer base. Other major customers of the Group are international oil and gas service groups, where it is common that the end-user of our products is not known to us. In 2020 approximately 75% of revenue came from this section of our customer base.

Major suppliers to the Group include global steel mills and raw material suppliers.

## Policies

Hunting has published a number of policies which describe the Group's approach to commercial business and the way it interacts with all of its stakeholders, whether that is employees, customers or suppliers.

In 2011 the Group published its Code of Conduct which can also be found at <http://www.huntingplc.com/environment-and-society/code-of-conduct.aspx>. The Code covers a broad range of ethical policies which our employees and business partners are encouraged to adhere to.

In 2017 Hunting published its Ethical Employment and Trading Policy which commits the Group to a zero tolerance stance on slavery and trafficking within the organisation and encourages our business partners to share in these values. This policy can be found at the same website location as the Code of Conduct.

Hunting also has bribery and corruption and sanctions compliance policies in place. Training on these policies is also part of our induction programme for employees, where relevant.

## Whistleblowing Service

Since 2011, Hunting has operated a confidential reporting service whereby employees can report matters of concern including health, safety, employee welfare, ethics or any other business practice.

Reports to this service are reviewed by the Group Company Secretary and Senior Independent Director, who direct appropriate actions in response to these reports.

## Training

In 2018 the Company rolled out a new Code of Conduct training course to all employees. Included in the content of the course was information on the Modern Slavery Act and provided working examples for employees to note which raised the awareness of the issue.

**Risk Assessment**

Throughout 2020 each business unit within the Group continued to submit a risk assessment of its major customers and suppliers. The assessment required each business partner to be evaluated on a “country risk” basis, where those countries deemed to be higher risk locations for slavery and trafficking were highlighted. Analysis of “supply chain transparency risk” was also applied to enable each business to understand where our business partners sit in the industry supply chain whether that be as an “end-user” or “materials originator”. Approximately 1,000 customers and suppliers to the Group were evaluated by this process.

Each business partner highlighted in this process has been sent copies of our Ethical Employment and Trading Policy and Code of Conduct to encourage all our major business partners to adopt these ethical initiatives.

In parallel to this exercise the Group has also completed due diligence on its global employment practices to confirm its recruitment and ongoing employment procedures. The conclusion of this internal exercise was that slavery and trafficking was a low risk to the Hunting group, given the main locations of the Group’s operations being in North America, Europe and Singapore.

Hunting also has due diligence capabilities in the form of risk analysis software provided by Dow Jones. The software has the ability to provide information on Hunting’s customers and suppliers and provides media coverage on these third parties. Modern Slavery and general Ethics compliance of these third parties is monitored and assessed prior to entering a new business arrangement.

**Future Initiatives**

The Group’s risk assessment is refreshed on a six-monthly basis to ensure our policies are communicated to existing and new business partners.

Further, Hunting’s Internal Audit function has enhanced certain of its procedures to ensure business partner identification and evaluation is appropriate.

**On behalf of the Board of Hunting PLC:**

Jim Johnson  
Chief Executive

31 March 2021