

Statement on Modern Slavery and Human Trafficking (2018)

PURPOSE

This is the third annual Modern Slavery (MS) Statement to be published by the Swire Pacific Offshore (“SPO”)¹ group, for the financial year ending 31 December 2018; see [here](#) for our 2017 statement.

The Swire Pacific Offshore group takes its obligations under the United Kingdom Modern Slavery Act (2015) very seriously and is committed to ensure that there is no modern slavery in our supply chains or in any part of our business. Accordingly, SPO has put in place a number of compliance processes to prevent, detect and eradicate any incidences of modern slavery, including:

- Conducting modern slavery risk assessments within all of its businesses globally;
- Using this segmented risk assessment data to better identify priorities and develop actions for the detection and prevention of forced labour across the Group;
- Audits of third-party suppliers and contractors;
- Providing best practice training for our management teams most likely to encounter potential issues with regard to modern slavery;
- Implementation of a Whistleblowing channel;
- The audit of Modern Slavery policy compliance policies in our internal audit risk cycle.

The Australian Government has introduced a Modern Slavery Act (MSA) which came into force on 01 January 2019. This Act, similar to the UK MSA, brings a Modern Slavery reporting requirement to certain businesses and other entities in Australia. They must now make annual public reports (Modern Slavery Statements) on their actions to address the assessed modern slavery risks in their operations and supply chains. SPO will be publishing one statement covering both these Acts for the entire SPO group of companies (including Swire Pacific Offshore Pty. Ltd. in Australia) soon after the end of each financial year (ending on 31 December).

Sustainability and values

SPO’s Modern Slavery compliance policy is wholly aligned with SPO’s wider commitment to running all of its businesses in an ethical and sustainable manner. SPO is committed to comply with all applicable national labour laws and the International Labour Organization (ILO) conventions.

The SPO Supply Chain Sustainability Code of Conduct, which is part of the [Swire Pacific Offshore Corporate Code of Conduct](#), contains guidance relating to our employment practices, as well as clear prohibitions against the use of bonded, child, coerced, forced, indentured or involuntary labour in any form. We similarly require our suppliers to comply with these policies.

The SPO group will not tolerate the practice of modern slavery in any form and is committed to continue to work with all of its stakeholders and relevant regulators to combat this issue, wherever it may become aware of it.

There have been no incidences of Modern Slavery being reported within, or uncovered during our risk-based audits of, the SPO group of companies, or in its supply chains, globally within the calendar year 2018.

Our actions in the last financial year

We have reviewed our processes and augmented them whenever required. In 2018 we undertook the following actions to further mitigate forced labour risks:

Governance

We have a MSA Compliance framework and have developed a Risk-based Assessment process for our material global suppliers. Based on this, we have prioritised assessments for the detection and prevention of forced labour in our supply chain.

Appropriate contractual clauses related to slavery and human trafficking are now included in all our new supplier agreements and we are working through our existing contracts to also strengthen them.

We were audited internally during 2018 against our Modern Slavery initiatives. The audit report contained one medium risk audit recommendation: to improve the overall risk assessment process. This has been completed and SPO believes that with this more

¹ References to “Swire Pacific Offshore” or “SPO” in this Policy are to Swire Pacific Offshore Holdings Ltd, Swire Pacific Offshore Operations (Pte) Ltd, Swire Pacific Ship Management Ltd (Singapore), Swire Blue Ocean A/S, Swire Seabed AS and/or, as the context may require, any of their respective subsidiaries or group companies.

effective risk assessment process and our annual work plan for 2019, we will provide a greater level of both accountability and assurance of our Modern Day Slavery compliance.

Training

We provided essential training to 91.5% of our relevant personnel assessed as most likely to encounter potential issues with regard to modern slavery. We also worked to raise the awareness of Modern Slavery of both our sea-going and onshore based employees.

Assessments

We carried out a number of self-assessments for higher risk suppliers. These assessments gave us an insight into the state of supplier maturity against MS areas and allowed us to propose improvements to strengthen their governance systems. No non-conformities were recorded.

Looking ahead

Broadly, we will focus on the following areas over the next financial year:

Governance

We will continue reviewing and strengthening our policies and procedures to ensure they appropriately address modern slavery risks within our operations and our supply chain.

Training

We will continue to run training programmes for both existing shore and sea staff, and for new joiners as part of their induction training, that are relevant and appropriate to their roles and responsibilities.

Assessments

We will better segment the risk assessments of our suppliers and seek to work with our various Business Units to help allocate more resources for more targeted and value-added site visits as a key component of our on-going programme.

Overall, we will continue to ensure that ethical trading stays at the forefront of how we conduct our business and that human rights and labour standards considerations, including those relating to forced labour, remain fully embedded within our practices.

This statement has been approved by:



Peter Langslow
Managing Director

on behalf of the Swire Pacific Offshore Holdings Ltd. Board of Directors